



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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

Prepared by:

Karen Howse, Director of Finance

and Department of Finance

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INTRODUCTORY SECTION

**CITY OF WARRENSVILLE HEIGHTS
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City of Warrensville Heights

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Bradley D. Sellers
Mayor

Karen A. Howse
Finance Director

July 22, 2020

Honorable Members of City Council
and Citizens of Warrensville Heights
Warrensville Heights, Ohio 44128

We are pleased to submit the *Comprehensive Annual Financial Report of the City of Warrensville Heights* for the year end of December 31, 2019. This report enables the City to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis. It is also in compliance with the Ohio Revised Code Section 117.38, which requires the cities that are reporting on a GAAP basis to file unaudited basic financial statements with the Auditor of State. This report is submitted to satisfy that requirement.

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

James G. Zupka, C.P.A., Inc., a CPA firm, has issued an unmodified ("clean") opinion on the City of Warrensville Heights' financial statements for the year end of 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 as a document of reference.

The City and Form of Government

The City of Warrensville Heights, Ohio is located in the southeast portion of Cuyahoga County, eight miles from downtown Cleveland. The City was incorporated as a village in 1927, and became a city in 1960. The City has 13,542 residents (10.4% less than 2000 data) according to the 2010 data from the United States Census Bureau.

The City is in the Cleveland Primary Metropolitan Statistical Area, which is comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, and Medina. The City is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area, which is the 11th most populous in the country.

The City operates under, and is governed by, its Charter which was adopted in 1958 by its voters, and was last amended in 2010. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven member Council. Formerly, the seven Council members were elected-at-large every two years, and served staggered terms so that no more than four members of Council would be elected at any biennial election. At the municipal election in November 2002, the electors of the City voted to amend the City Charter to require the election of members of Council by specified wards for terms of four years. Thus, at the municipal election in November 2003, the voters of the City elected seven members of Council by wards---each to serve for a term of four years.

The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to the City's services: including tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The Council President is elected by a majority of the Council for a one-year term. The Charter establishes certain administrative departments. The Council may establish divisions of those departments and additional departments.

The City's chief executive and administrative officer is the Mayor who is elected by the voters for a four-year term and serves in a part-time capacity. The Mayor also serves as the City's Safety Director. The Mayor presides over all Council meetings, and may veto any legislation passed by Council. A two-third vote of all members of Council is required to override a veto.

The Mayor appoints, subject to the approval of Council, the directors of the City's departments, the Chiefs of Police and Fire, as well as police and fire personnel after competitive civil service examinations. Additionally, the Mayor appoints members to a number of boards and commissions and, in accordance with civil service requirements, may remove all appointed officials and employees - except Council officers and employees.

The City provides basic services to its residents, including police and fire protection, planning, zoning, street maintenance and repair, rubbish collection, and general administrative services. The City's residents receive water services from the City of Cleveland and sewer services from the Northeast Ohio Regional Sewer District and the City of Bedford Heights. The City is a member of the Northeast Ohio Public Energy Council (NOPEC) and participates in a program for natural gas and electricity for further benefits to the residents.

In addition to the basic services, the City makes available to its resident recreational activities through the YMCA of Greater Cleveland. The City constructed the 40,000 square foot facility in 2012 and engaged the services of the YMCA to manage and operate the facility as a branch for a period of twenty years. The annual membership fees are discounted for the residential and business communities.

The Bedford Municipal Court provides judicial services for the City of Warrensville Heights. The jurisdiction of the court, as established by the Ohio Revised Code, handles cases from fourteen different municipalities.

The annual operating budgets serve as the basis for the City's financial planning and control. The City's Charter requires the Mayor, with the assistance of the Finance Director, to submit a draft of the following year's proposed budget not less than forty-five days (November 16) prior to the end of each fiscal year. The Finance Director is responsible for preparing the budget based upon information submitted by each Department director. Council is required to adopt either an annual budget for the ensuing year or a temporary budget covering the first ninety days of the ensuing year by no later than December 31 of the current year. If a temporary budget is adopted, a permanent budget must be adopted by no later than the ninetieth (90) day of the budget year, normally March 31. In recent years, Council has adopted an annual budget prior to December 31 of the preceding year.

The appropriated budget is prepared by fund, department, and category (personal services and all other expenditures). Council must authorize transfers between departments and between categories within departments and transfers or advances of moneys between funds. Operating budgets expire on December 31.

Budget-to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Economic Condition and Outlook

The City is an inner-ring suburb of the City of Cleveland and is primarily a residential community of beautifully maintained neighborhoods, as well as a thriving and robust business community. The City is home to one of the most technologically advanced hospitals in Northeast Ohio, South Pointe Hospital, and an affiliate of Cleveland Clinic that provides quality health care to the City's residents as well as the neighboring communities. The City is diverse and has a growing local economy that maintains a solid tax base through a thriving commercial sector.

The following industries continues to be vital to the City's financial condition and contribute to the stable economic condition of the City: Sherwin-Williams Automotive Finishes Corporation's Research and Development facility and training center; Heinens, Incorporated, a retail food chain, headquarters and warehouse facility; Henkel Corporation manufactures and markets a broad range of high-performance adhesives, sealants and coatings; and Marcus Thomas, a leading advertising firm. All of these have their corporate headquarters in our friendly City. In addition, Harvard Park features Cleveland Marriott East and numerous retail businesses and high-end restaurants. The top ten employers have over 4,200 employees working in the City. (A list of the ten largest employers is featured in the Statistical section.)

The City has consistently enjoyed the benefits of a strong commercial employment base that has provided for a consistent level of withholding tax collection. The City continues to make significant progress in its efforts to strengthen its economic base and community development.

Each day, approximately 13,500 people come to work in the City and are responsible for 81% of the City's revenue through income tax withholding. Property tax revenues for 2019 represented 6.2 % and 12.8 % of the revenue balance makes up fines, permits, services and other miscellaneous revenue sources. On a cash basis, the City income tax revenues continued to hold steady in 2019 and showed a marginal increase from 2018 to 2019 by 4.3%.

Current Year Activities

The mission of the City of Warrensville Heights, its mayor, council, and employees, is to enhance the quality of life for all residents by providing the highest level of service in an efficient and cost effective manner. The City upheld that mission by expanding and improving services and upgrading infrastructure.

Community and Economic Development Department

The Community and Economic Development Department is the lead economic development agency that works with businesses, government, and community partners to attract business investments, develop a connected and supportive business climate, and to grow the City's talented workforce.

2019 Highlights

- Mobile Food Pantry**

In 2019, Mobile Food Pantry distributions impacted approximately 946 households and accounted for 2,113 meals served. Of the meals served, there were 310 children fed between 0-17 years old, 698 adults between the ages 18-59 and 1,105 seniors 60 years old and over.

- **Community Shred Day**

The City held two residential Shred Day events in 2019. It was estimated that 3,000 individuals received recycling information. Between the two shred events the City was able to shred over 40,625 lbs. of documents and other papers in recycling efforts.

- **Exterior Maintenance Program**

The City continues to set aside grant funds to encourage and assist homeowners with improvements to the exterior maintenance/upkeep of their homes for projects including but not limited to concrete and asphalt, painting, windows, and roof repair. The City was able to positively impact 20 residential homes. Those residents collectively spent \$68,378 towards the upkeep and beautification of their homes. In exchange, the City granted out (reimbursed) \$25,503 to residents from the initial grant fund of \$30,000 to assist in facilitating much needed repairs. Concrete/asphalt work (driveways and sidewalks) was completed at 14 of the 20 homes, accounting for \$20,412 of the total amount grant dollars spent by homeowners. Roofing was completed on 1 home, accounting for \$1,400 of grant dollars spent. All other repairs accounted for the remaining \$3,690 of grant dollars spent by homeowners.

- **The Mayor's Volunteer Service Award**

The City launch the Mayor's Volunteer Service Award, which is a civil award bestowed by the Mayor. The Mayor's Volunteer Service Award (MVSA) encourages citizens to live a life of service through presidential gratitude and national recognition. In 2019, the City honored three (3) of its very own residents in recognition of their selfless dedication and generous contribution of time based on cumulative hours over a lifetime. Each recipient received a plaque for their service to the Warrensville Heights community.

- **Warrensville Emergency Alerts System**

Warrensville Alerts is a FREE mass notification system to issue emergency alerts to the public via the Cuyahoga County Office of Emergency Management System powered by CodeRed. The system delivers messages to residents and businesses by telephone, cellular phone, text message, or electronic mail. The City sends notification about emergency events such as Street Closure Alerts, Citywide News, Safety Messages, Building Closures, and other Urgent Messages. This is part of the City's larger vision to develop a state-of-the-art Emergency Management Program.

Since implementing Warrensville Alerts, the City has successfully enrolled 1,645 individuals (primarily City residents and businesses), giving them access to emergency and or critical notifications in real time.

- **Eastwood Wellness and Fitness Park**

The city entered in to a public private partnership with the Cleveland Clinic and Brentwood Foundation to improve a mini park that would re-energize both the hospital and the adjacent neighborhood. The park sits across from the Eastwood Elementary School and adjacent to the Cleveland Clinic South Pointe Hospital, Aldersgate United Methodist Church and Ohio University Heritage College of Osteopathic medicine. The wellness park improve the physical and psychological health while strengthening our communities and neighborhoods. The Eastwood Park improvements creates walking paths, spaces for laxation, and areas for passive and active recreation. The park's accessible loop allows people to walk continuously around the park and enjoy the ornamental gardens. Two lager activity lawns give space for yoga, croquet, or other lawn sports. Site fitness equipment includes chest press, sky stepper, stationary bike benches, game top tables, and site lighting.

Office of Strategic Initiative - 2019 Highlights

2019 COMMUNITY PARTNER GRANT AWARDS PROGRAM

The City of Warrensville Heights is excited to share the 2019 Community Grants Program Impact for our residents. We are looking forward to 2019 Healthy and Safety Service Impacts!

Cleveland Clinic South Pointe Hospital Taussig Cancer Institute Outreach Program – received \$10,000 to support and expand programming and outreach efforts in the City of Warrensville Heights.

Cuyahoga County Public Library- Warrensville Heights Branch – received \$10,000 to assist the Warrensville Heights Branch Library's Early Reader Summer Camps. The Warrensville Branch Library offered two free Kindergarten Boost Camps this past summer. These camps provided opportunity for parents with

Ohio University Heritage College of Osteopathic Medicine Aspiring Doctor's Program – received \$10,000 to assist with programming for Warrensville Heights High School Student participants (grades 10 -12). The Aspiring Doctor's Precollege Program, a four-year high school pipeline program designed to foster an interest in medical/health professions in under-represented minority students from Warrensville Heights High School and John F. Kennedy PACT High School.

Police Department

The Warrensville Heights Police Department is continuing to strive to move this law enforcement agency into the future with new technology involving daily operations and with the addition of three new police officers that have made a great enhancements to the department. We were also able to add several new vehicles to the police fleet.

In 2019 the Warrensville Heights Police Department received 23,068 total calls with 9,904 of them being 911 calls. We issued 2,239 moving citations and 1,535 parking citations. This agency has responded to 1,579 residential/commercial alarms and maintains a response time of 3-5 minutes.

As always, the Warrensville Heights Police Department's goal is to continue to provide professional and courtesy service to the residents and business owners of the "Friendly City", and with the new Police Department & twelve day Jail Facility that's under construction located at the old South University Building on Richmond Road, it will be a positive addition to the community that we proudly serve. Meanwhile, we will continue to strive to increase the overall manpower for the Warrensville Heights Police Department moving into the New Year.

Fire Department

The Fire Department responded to 3,522 calls relating to fires, EMS, and hazardous materials. The Department also conducted 208 fire inspections at commercial buildings, hospitals, daycare centers, foster homes, and the City's School District buildings. The Department also provided mutual aid 48 times during the year.

2019 Highlights

• Man Power New Hires

The Fire Department hired 3(three) new firefighters/ paramedic in 2019. That brought the department total to 27 full time firefighters with 25 of them being paramedics. With the potential of losing 2 firefighters to retirement, the Fire Dept. is looking to hire 2-3 Firefighters in the upcoming year.

- **Station #1**
New windows installed in Apparatus Bay and Day Room
- **Equipment**
In 2019, Life pack 15 Heart monitor was purchased to assist paramedics in advanced cardio life support.

Service Department

The Service department maintains all the city streets, parks, and buildings. As well as, prepare and setup all City wide events.

As a measure to control repair and maintenance cost for most city vehicles, the service department has an in house mechanic. Cars and trucks are set on a maintenance schedule to ensure that the City's fleets are preserved to the maximum life value.

Rubbish and Recycle collections are outsourced to better utilize the time and skills of the Service department employees. As a result said subcontracting, the department has sufficient staffing to perform duties such as snow plowing, grass cutting, leaf collection and branch chipping from the resident's tree lawns, trimming trees and removal of dead trees throughout the City. The department has also put in place a seasonal crew that remediates sidewalk issues and any snow plow damage caused during the winter season.

Building Department

The Building and Housing Department is very proud of the residential and business components of our community. All residents and businesses are encouraged to maintain a clean, healthy, and safe environment. The Building and Housing Department is responsible for the enforcement of Building, Housing, Zoning, and planning ordinances of the City.

Our Building and Housing Department is a State Certified Department recognized by the Board of Building Standards. One of our main purposes is to ensure that residential and commercial structures are constructed to safeguard the health, safety, property, and public welfare of the community. We manage all construction activities within the City through review and approval of all residential and commercial plans for new construction, additions/alterations to existing structures. Inspections will be conducted through permit approval for Building, Electrical, Plumbing, and HVAC work by State Certified Inspectors.

The 2019 Community Impact for the Building and Housing Department:

- 639 Permits Issued
- \$54,756,373 in Permit Application Valuations
- 29 Projects came through Plan Review for new construction, additions/alterations.
- 1,343 Property Maintenance Inspections performed.
- 165 Point of Sale Inspections performed.
- 1,081 Rental Occupancy Inspections performed

The Civic & Senior Center

The Civic & Senior Center is a municipal facility whose primary mission is to provide services and activities for the senior and adult community of the City. The Center currently offers a variety of activities and classes. There are opportunities for seniors to go on group outings i.e. Cleveland Playhouse, Karamu Theater, CAV's game and other events, depending on interest.

The Center also serves as an Emergency Crisis Center. The Crisis Centers serves as a confidential support, referral and crisis evaluation location with the support of Red Cross and other local agencies during a time of crisis within the City of Warrensville Heights.

The Center also offers a variety of room rentals at the Center, and the Chateaux of Emery Woods Clubhouse also. The rooms can be rented by the residents of the City of Warrensville Heights for adult events.

2019 Center's Highlights

- **Mind Challenge**

The Northeast Ohio (NEO) Mind Challenge for the New Majority is a senior friendly trivia competition between approximately 36 local municipalities and Senior Centers in NEO. Cash prizes (and bragging rights) will be awarded to the winning municipality and team members.

- **Health Fair**

The Civic Center host an annual a health fair; attended by vendors and participants. A few of the participating vendors are South Pointe Hospital-Cleveland Clinic, Ahuja Medical Center, and Fairhill Partners. Participants gained a wealth of information as it related to their screenings, learned about services that were available at reduced cost, and how to self-care for themselves through educational workshops.

The Civic Center collaborates with South Pointe through the Healthy Community Initiative and Northeast Ohio Neighborhood Health Services (NEON) by hosting Community Baby Showers events which are held at the Civic & Senior Center. These events focus on women in their third trimester and women and men with a child under 6 months of age. The baby shower provided an Infant Mortality Workshop, along with equipping expected mothers with valuable information to keep their child healthy and safe during their first year of life and beyond. There were also opportunities to win gifts, enjoy refreshments, and talk amongst other new and expectant mothers and fathers.

- **The Center's Funding Sources**

- ❖ Fairhill Partners provided priceless workshops to our seniors: Matter of Balance, Diabetes Maintenance, and Chronic Disease workshops. These workshops promotes exercise, strengthening, endurance and flexibility; managing medications; nutrition; decision-making; evaluating new treatments and communicating with family, friends and doctors. Participants learn and practices a safe no-impact exercise program and receive CD's and books to help them as they continue with their daily activities.
- ❖ Matter of Balance, Chronic Health Pain Management, and Diabetes Management were just a few of the topics presented, and the list continues to grow as providers learn how to better educate the community.
- ❖ Cleveland Clinic continues to excel with monthly lunch and learn seminars. In these seminars participants learn about research done in areas of diet, nutrition, exercise, cognitive activity and social engagement. The seniors learn to use hands on tools to help them incorporate these recommendations into a plan for healthy aging. All this is done along with a light lunch.
- ❖ University Hospital, Ahuja Medical Center is provides educational programs on a bi-monthly basis. The presentations are led by doctors and nurses in areas from reducing stress to managing diabetes. Our time includes good conversation, sharing of valuable information and developing relationships by learning from each other along with delicious refreshments.

- ❖ AARP offers two programs, tax preparation and fraud watch.
 - AARP Foundation Tax-Aide offers free tax preparation assistance Feb. 1 through April 15. Tax preparation is provided free of charge to anyone make an appointment.
 - Fraud Watch Network Presentation is aimed at arming the seniors with tools and resources to spot and avoid identity theft and fraud, which will protect themselves and their families. Both of these programs were free of charge.
- ❖ Ohio Department of Aging provides a monthly Partner Newsletter. The newsletter is titled “STEADY U OHIO” where the focus is “preventing falls one step at a time”. Each newsletter provides monthly tips to the seniors in the community on remaining conscious of how falls can occur.

Major Initiatives

The City has continued its commitment to improving infrastructure, investing in the City’s assets throughout the City, and to also upgrading its vehicle fleet one department as a time. In 2019, the City spent approximately \$2.2 million in capital projects and asset improvements.

Capital Projects and Asset Improvement Highlights

The City purchased for the police department a two 2019 Chevrolet Tahoes, mobile radios, police vehicle cameras. The fire department purchased a 2019 Chevrolet Cruze a used 2016 Ford F-150 truck, and \$22,305 Life Pak. For the Administrative and Building department, three 2019 Chevrolet Cruzes were purchased. The Service department purchased a commercial grade mower and bag catcher.

Under the 2019 Preventative Maintenance Road Program, the City went out for bids for the Reconstruction of Aurora/Driscoll Road. The cost of the project was over \$2 million. The City obtained a \$450,000 interest free loan, awarded \$1,050,000 grant through Ohio Public Works.

New Municipal Complex Center

One of the City’s Master Plan was to construct a new City Administration Building. Although the plan stated “NEW”, the City will fulfill a portion of that plan by entering into building lease to own agreement with the Cleveland Port Authority. The lease is for twenty-five years and once the lease expires; the City will be the owner. The building located on Richmond Road in Warrensville Heights once housed South University. The five year old brick building is approximately forty thousand square feet. The interior structure of the building has been completely deconstructed to meet the needs and specifications of the City’s Administration, Council, Building Department, Police Department and Jail Facility.

What makes the move exceptional and first of its kind in Cuyahoga County, is that the City will share a portion of the new Municipal Complex Center with Warrensville Heights City School District’s Administration and School Board (WHCSD). WHCSD has entered into a sublease agreement with the City. As a tenant, they will utilize over six thousand square feet of office space and will share areas with the City such as the council chambers, executive conference, training room, break room, fitness room just to name a few providing an additional two thousand square feet of space. Expected move in date is late August of 2020. This is an exciting time for the City and School Administration in that services to the community will soon be conducted under one roof as oppose to various locations throughout the City. The commitment to serve is why this arrangement will be a success for years to come.

The lower level of the existing Administration building located on Warrensville Center Road, Warrensville Heights, Ohio will continue to house the City’s excellent Fire Department. The department will have more office space and provide an area to conduct training exercises and education. The upper level will be used for storage.

The Mayor's major initiative and focus will continue to be "Growth through Development and Innovation". Through several strategic programs, partnerships and initiatives, the goal is to move the City toward an ultimate objective of continued economic growth through sustainable development and innovation. The Mayor and the Administration have been working on this mission through a three-pronged approach for several years now. They are as follows:

1. Implementation and Retention of Vital City Programs
2. Continued Technological Advances
3. Housing Initiatives.

The City's vision continues to be the redevelopment of areas that have been demolished for mix-use commercial, residential development and park setting. As you drive around the City it will notice the vision is moving towards reality. It is exciting times for the City of Warrensville Heights and more is sure to come.

Long-Term Financial Planning

The Northfield Road Corridor is still identified as one area most in need of enhancements according to the City's Master Plan. The Plan recommends improvements between Clarkwood Parkway and Emery Road. In an effort to follow the Master Plan, the City proved its commitment by purchasing two buildings on the corridor that remained vacant for many years. The buildings purchased were once the home of a new and used auto dealership that sat on approximately 5.7 acres.

To strengthen the City's reserve balance for years to come, the City plans to adopt a formal minimum fund balance policy for the General Fund in 2020, as well as establish new reserve funds for capital improvement, infrastructure, and for employee retirement payout by 2021. It has always been the City's goal 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, balances bank accounts daily, and works diligently to manage and monitor revenues and expenditures to ensure that adequate fund balances are maintained.

Awards and Acknowledgements

Award---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 Warrensville Heights for its Comprehensive Annual Financial Report for the year end December 31, 2018.

The criteria established to be awarded a '**Certificate of Achievement for Excellence in Financial Reporting**', a government unit must publish a reader friendly and efficiently organized Comprehensive Annual Financial Report which satisfies all program standards. Such a report must also conform to generally accepted accounting principles and must satisfy all applicable legal requirements respective to the reporting entity.

The Award is valid for only one year. We believe that our report for the year end of December 31, 2019 continues to meet the standards of the Award. Therefore, we are submitting it to GFOA at this time.

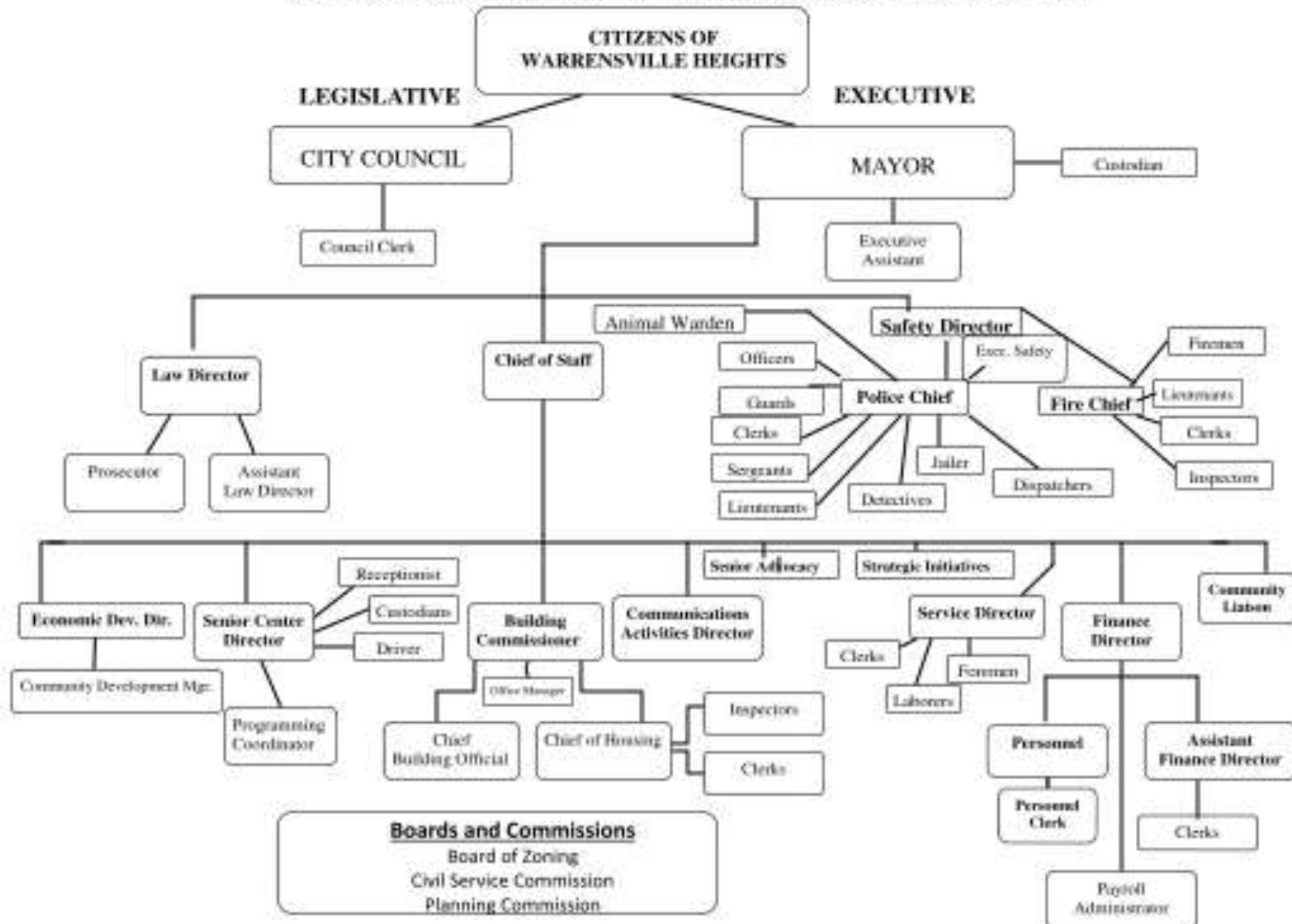
Acknowledgments This Comprehensive Annual Financial Report (CAFR) was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to City Council for its enthusiastic support and its granting of funds for this project. Appreciation is also expressed to all City Hall Department Heads for their cooperation and assistance.

Respectfully submitted,

Bradley D. Sellers
Mayor


Karen A. Howse
Director of Finance

CITY OF WARRENSVILLE HEIGHTS ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Warrensville Heights
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF WARRENSVILLE HEIGHTS

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR BRADLEY D. SELLERS

CITY COUNCIL

Dorise Hagwood, Ward 1

Andrea Mitchell, Ward 2

Elona C. White, Ward 3

Walter Stewart, Ward 4

Matthew Howard, Ward 5

Stanley Anderson, Ward 6

Kimberly Hodge-Edwards, Ward 7

APPOINTED OFFICIALS

Kelli Wilson, Chief of Staff

Teresa Beasley, Director of Law

Karen Howse, Director of Finance

Ted Sims, Director of Service

Wesley Haynes, Chief of Police

Herb Waugh, Chief of Fire

Nicole Johnson, Personnel Director

Jerome DuVal, Economic Development Director

Ben Brown, Interim Building Commissioner

Jennifer Lastery, Director of Civic and Senior Center

GPD Associates, City Engineer

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FINANCIAL SECTION

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

Certified Public Accountants
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Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Warrensville Heights
Warrensville Heights, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Warrensville Heights as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 23 to the basic financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Also, as discussed in Note 3 to the basic financial statements, the City restated beginning net position to account for loan proceeds received in the prior year for the State Infrastructure Bank Loan. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is fluid and cursive, with "James G." on the first line, "Zupka" on the second line, "CPA" on the third line, and "Inc." on the fourth line.

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

July 22, 2020

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**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

The discussion and analysis of the City of Warrensville Heights' (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The liabilities and deferred inflows of the City exceeded assets and deferred outflows at December 31, 2019 by \$7,549,334.
- Total assets increased by \$1,063,699 and deferred outflows of resources increased by \$3,781,525 in 2019. The largest increases were in depreciable capital assets and property taxes receivable. The increase in deferred outflows of resources was related to the pension and OPEB plans.
- Total liabilities decreased by \$4,652,139 and deferred inflows of resources decreased by \$472,153 in 2019. The main fluctuations in liabilities are related to net pension and net OPEB liability.
- Net position in total increased by \$9,969,516 during 2019. The main reason for the increase in net position is due to the decrease in the City's expenses. 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 is the main reason for the decrease in the City's Security of persons and property expense of \$9,407,820.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole City. They provide both an aggregate view of the City's finances in addition to a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term 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 total in one column.

The City as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position presents information, excluding fiduciary funds, on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. This change is important because it serves as a useful indicator of whether the City's financial position is improving or diminishing.

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However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base, change in the tax law, and the condition of capital assets should also be considered.

In the Statement of Net Position and the Statement of Activities, all of the City's activities are reported as governmental activities, which include all of the City's services including police, fire, administration, and all other departments. The City does not operate any business-type activities and has no component units. Both the Statement of Net Position and the Statement of Activities use the accrual basis of accounting similar to the accounting methods used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

- Assets
- Deferred outflows of resources
- Liabilities
- Deferred inflows of resources
- Net position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program revenues and expenses
- General revenues
- Net position beginning of year and year-end

Reporting the City's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 11. Fund financial reports provide detailed information about the City's major funds. The City has established many funds that account for the multitude of services, facilities, and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Warrensville Heights, the major governmental funds are the General Fund, Street Improvements Fund and General Obligation Bond Retirement Fund.

Governmental Funds

The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of resources available at the end of the year.

All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. The City's funds are reported using the accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's operations and the basic services it provides.

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Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds.

Government-wide Financial Analysis – The City as a Whole

As noted earlier, the Statement of Net Position looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2019 compared to 2018.

Table1 – Net Position

	2019	2018 *
ASSETS		
Current and other assets	\$ 17,293,633	\$ 17,870,555
Capital assets, net	<u>27,476,205</u>	<u>25,835,584</u>
Total Assets	<u>44,769,838</u>	<u>43,706,139</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	7,045,915	3,175,761
OPEB	<u>1,413,533</u>	<u>1,502,162</u>
Total Deferred Outflows of Resources	<u>8,459,448</u>	<u>4,677,923</u>
LIABILITIES		
Current and other liabilities	3,267,047	3,415,247
Long-term liabilities:		
Due within one year	2,031,348	1,656,849
Due in more than one year	25,948,117	18,529,403
Net pension liability	<u>5,657,745</u>	<u>15,807,740</u>
Net OPEB liability	<u>19,957,252</u>	<u>22,104,409</u>
Other amounts	<u>56,861,509</u>	<u>61,513,648</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes	1,432,127	1,289,954
Pension	<u>1,049,820</u>	<u>2,221,035</u>
OPEB	<u>1,435,164</u>	<u>878,275</u>
Total Deferred Inflows of Resources	<u>3,917,111</u>	<u>4,389,264</u>
NET POSITION		
Net investment in capital assets	7,587,956	3,702,183
Restricted	<u>3,954,464</u>	<u>4,644,354</u>
Unrestricted	<u>(19,091,754)</u>	<u>(25,865,387)</u>
Total Net Position	<u>\$ (7,549,334)</u>	<u>\$ (17,518,850)</u>

* Restated

**CITY OF WARRENSVILLE HEIGHTS
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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 has 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.

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.

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

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

The largest portion of the City's net position reflects its restricted funds available to pay down the City's debt. At December 31, 2019, total net position had a deficit of \$7,549,334. The deficit net position was due to the recording of the net pension and net OPEB liability. Total assets increased by \$1,063,699 from 2018 to 2019. Of that increase, the most significant changes were in depreciable capital assets which increased by \$1,640,621 due to a road project in 2019. Total liabilities decreased by \$4,652,139 in 2019. This decrease is primarily due to the decrease in the net OPEB liability which was offset by the increase in pension liability. The changes in deferred outflows and inflows in resources is due to the recording of GASB statement Nos. 68 and 75.

The implementation of GASB Statement 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 Statement 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 Warrensville Heights. These calculations are as follows:

	Governmental Activities
Total Net Position at December 31, 2018 (with GASB 68 and 75)	\$ (7,549,334)
GASB 68 Calculations:	
Add:	
Deferred Inflows related to Pension	1,049,820
Deferred Inflows related to OPEB	1,435,164
Net Pension Liability	25,948,117
Net OPEB Liability	5,657,745
Less:	
Deferred Outflows related to Pension	(7,045,915)
Deferred Outflows related to OPEB	(1,413,533)
Total Net Position (without GASB 68 and 75)	<u><u>\$ 18,082,064</u></u>

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Table 2 shows the change in net position for the year ended December 31, 2019 compared to 2018.

Table 2 – Statement of Activities

	2019	2018
REVENUES		
Program Revenues:		
Charges for services	\$ 1,500,358	\$ 1,145,820
Operating grants and contributions	771,260	876,417
Capital grants and contributions	1,212,877	31,966
Total Program Revenues	<u>3,484,495</u>	<u>2,054,203</u>
General Revenues:		
Property taxes	1,336,819	1,384,523
Municipal income taxes	18,916,565	17,797,030
Other Taxes	515,671	510,505
Grants and entitlements	586,140	534,019
Investment income	201,320	129,037
All other revenues	438,648	543,237
Total General Revenues	<u>21,995,163</u>	<u>20,898,351</u>
Total Revenues	<u><u>25,479,658</u></u>	<u><u>22,952,554</u></u>
EXPENSES		
Program Expenses:		
Security of persons and property	1,357,449	10,765,269
General government	4,745,170	4,497,280
Public works	3,986,195	3,853,307
Leisure time activities	1,133,371	1,032,162
Transportation	2,018,172	1,582,197
Community development	1,412,006	1,675,338
Public health and welfare	64,189	58,020
Interest and fiscal charges	793,590	624,390
Total Expenses	<u>15,510,142</u>	<u>24,087,963</u>
Change in Net Position	9,969,516	(1,135,409)
Net Position - Beginning of Year, Restated	<u>(17,518,850)</u>	<u>(16,383,441)</u>
Net Position - End of Year	<u><u>\$ (7,549,334)</u></u>	<u><u>\$ (17,518,850)</u></u>

Governmental Activities

Several revenue sources mainly fund the governmental activities with the City municipal income tax being the largest contributor. Under the accrual basis of accounting, the City's municipal income tax accounted for \$18,916,565 or 74.24 percent of total revenues. The municipal income tax rate is 2.60 percent.

Property taxes of \$1,336,819 accounted for 5.25 percent of total revenues. Other taxes of \$515,671 accounted for 2.02 percent of total revenues. Charges for services of \$1,500,358 accounted for 5.89 percent of total revenue. Operating grants and contributions of \$771,260 accounted for 3.03 percent of total revenue. Grants and entitlements of \$586,140 accounted for 2.30 percent of total revenues. All other revenue sources of \$ 1,852,845 accounted for the remaining 7.27 percent of the City's 2019 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially municipal income taxes.

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The provisions of GASB Statements 68 and 75 required the City to recognize a pension/OPEB adjustment that reduced expenses by \$7,127,132 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.

	<u>2019</u>	<u>2018</u>
EXPENSES		
Program Expenses:		
Security of persons and property	\$ 9,897,900	\$ 9,218,227
General government	4,275,960	4,271,276
Public works	3,458,767	3,588,905
Leisure time activities	998,978	969,025
Transportation	1,915,806	1,531,068
Community development	1,232,084	1,599,982
Public health and welfare	64,189	58,020
Interest and fiscal charges	793,590	624,390
Total Expenses	<u>\$ 22,637,274</u>	<u>\$ 21,860,893</u>

Using, the table above, Security of persons and property, including the Police and Fire departments, accounted for program expenses of \$9,897,900, which is 43.76 percent of total City expenses for 2019. The general government expenses accounted for \$4,275,960, or 18.90 percent of total expenses. The public works expenses, primarily the Service Department, accounted for \$3,458,767, or 15.29 percent of total expenses.

The Police and Fire departments continue to provide the public with informative programs in a professional manner. The departments will continue to look for ways to expand our services and develop new public education programs for the community.

The City's Funds

Information about the City's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$24,544,393 and expenditures of \$26,055,826 (not including other financing sources and uses). The most significant fund is the General Fund with a fund balance at year-end of \$7,452,213. In 2019, the fund balance of the General Fund decreased by \$621,479. This decrease is due to expenditures exceeding revenues.

The City's other major fund is the General Obligation Bond Retirement Fund. The General Obligation Bond Retirement Fund is used to pay the City's outstanding general obligation debt and also accounts for property tax and special assessment revenues which help to make it a major fund. The General Obligation Bond Retirement Fund's fund balance increased by \$151,598 from 2018, with a deficit fund balance of \$1,588,533 at December 31, 2019.

The City's third major fund is the Street Improvement Fund. The Street Improvement Fund is used to accounts for loan proceeds from the Ohio Department of Transportation for rehabilitation of local roads. The Street Improvement Fund's fund balance decreased by \$1,462,755 from 2018, and had deficit fund balance of \$1,125,696 at December 31, 2019.

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General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds.

City Council is provided with a detailed line item budget for all departments and after a discussion at a Finance Committee meeting, which is open to the public, the budget is adopted by City Council at a regularly held City Council meeting at the object level for all other funds. The Finance Director has been authorized to allocate appropriations within the object level within each fund.

The General Fund supports many of our major activities including the police department, fire department, and most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

Both the original revenue and expenditure budget is designed to be very conservative, requiring additional spending requests to be approved by City Council throughout the year. During the course of 2019, the City amended its General Fund budget in response to departmental needs. The original and final budgeted revenue, excluding other financing sources and uses, amounted to \$21,081,021 and \$21,610,479, respectively. Actual revenues, excluding other financing sources and uses, of \$21,649,839 were \$39,360 greater than the final budgeted revenues. This increase is mainly due to a greater amount of municipal income taxes received than budgeted.

The original and final budgeted expenditures, excluding other financing sources and uses, amounted to \$20,824,551 and \$22,710,514, respectively. Actual expenditures of \$20,722,585 were \$1,987,929 less than the final budgeted expenditures. See Notes 4 and 5 of the basic financial statements for additional information.

Capital Assets and Debt Administration

Capital Assets

At the end of 2019, the City had \$27,476,205 invested in land, buildings, land improvements, machinery and equipment, vehicles, furniture and fixtures, and infrastructure. Table 3 shows 2019 balances of capital assets as compared to 2018.

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Table 3 – Capital Assets at December 31 (Net of Depreciation)

	2019	2018
Land	\$ 3,641,410	\$ 3,641,410
Buildings	11,128,427	11,432,209
Land Improvements	133,809	150,361
Machinery and Equipment	283,158	366,764
Furniture and fixtures	29,663	35,040
Vehicles	1,020,184	1,033,935
Infrastructure:		
Roads	8,703,922	6,550,434
Sanitary Sewers	840,974	875,337
Water Lines	772,308	795,482
Storm Sewers	922,350	954,612
Total Capital Assets	<u><u>\$ 27,476,205</u></u>	<u><u>\$ 25,835,584</u></u>

Capital assets increased by \$1,640,621 in 2019. The main reason for the increase was the increase in roads due to the reconstruction of Aurora Driscoll Road.

The City Engineer maintains a comprehensive listing of all the roads, sanitary sewers, waterlines, and storm sewers within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. The City has taken an aggressive approach in pursuing funding to assist in the financing of infrastructure projects. See Notes 2 and 11 of the basic financial statements for additional information on capital assets.

Long-Term Obligations

At December 31, 2019, the City had \$53,594,462 in outstanding long-term obligations, of which debt obligations primarily consisted of \$9,408,266 in certificates of participation and \$8,207,818 in various purpose general obligation bonds. Table 4 summarizes the long-term obligations outstanding.

Table 4 – Outstanding Long-Term Obligations at December 31

	2019	2018 *
General obligation bonds	\$ 8,207,818	\$ 8,942,379
Certificate of Participation	9,408,266	9,777,336
Loans Payable	2,185,408	2,611,557
Compensated Absences	2,072,597	2,261,407
Claims Payable	27,754	26,450
Capital leases	86,757	142,129
Net Pension Liability	25,948,117	18,529,403
Net OPEB Liability	5,657,745	15,807,740
Total outstanding long term liabilities	<u><u>\$ 53,594,462</u></u>	<u><u>\$ 58,098,401</u></u>

*Restated

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

The City's overall legal debt margin was \$17,366,897 with an unvoted legal debt margin of \$5,188,461 on December 31, 2019. For more information about the City's long-term obligations and short-term note activity, see Notes 12, 13, 14, and 17 to the basic financial statements.

Current Financial Related Activities

The mission of the City of Warrensville Heights, its Mayor, City Council, and employees is to continue to enhance the quality of life for the residential and business community by providing an exceptional level of services. Warrensville is known as the "The Friendly City" and for a good reason. It's attributed to the well planned programs and services offered. The City continuously attracts new residents and businesses. As well as, retain longtime citizens and companies. The City has an annual road improvement program to ensure that the roads and streets are safe. Warrensville offers a yearly Exterior Maintenance City Grant Program to encourage and assist homeowners with improvements to their exterior maintenance and upkeep of their homes. The City also runs a monthly Mobile Food Pantry that provide over 3,000 meals to children, adults and seniors. These are just a few of the many excellent services provided by the City.

According to the Mayor "One of the thrusts of our efforts" each and every year is to continue working with developers on new residential construction to accommodate all life situations including affordable housing for seniors and young families, workforce housing and quality rental units". The fundamental objective of the City is to draw individuals to the City of Warrensville Heights in hopes they find it a place to call home and to enhance their quality of life.

Although the economy appeared to be strong the City will always remain prepared should the economy take a downward turn. The City of Warrensville strives to be proactive in the face of challenges by continuing to increase unreserved balances. Having a strong unreserved balances strengthens the City's ability to pay for infrastructure projects, capital improvements, continue to enhance the City's Public Safety and Public Works Division. Additionally, it allows the City the ability to act on emergencies and unforeseen expenditures, should they arise. Hence, the City will continue to assess cost savings measures while addressing the needs of the community. The finances are closely monitored monthly by the Mayor, Administration and City Council ensuing in healthy year-end reserves. Moreover, Warrensville carries a favorable credit rating of an A-2 assigned by Moody's Investors Services. The City takes great pride in committing itself to financial excellence. This is evident in the City receiving once again a Certificate of Achievement for Excellence in Financial Report consecutively since 2003 from the Government Finance Officers Association (GFOA). City of Warrensville Heights will continue to make strong financial strides for many years to come.

Contacting the City of Warrensville Heights' Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director Karen Howse, at the City of Warrensville Heights, 4301 Warrensville Center Road, Warrensville Heights, Ohio 44128, (216) 587-1135, or e-mail to khowse@cityofwarrensville.com.

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 6,155,646
Cash and Cash Equivalents:	
In Segregated Accounts	30,141
Materials and Supplies Inventory	117,599
Accounts Receivable	578,235
Accrued Interest Receivable	18,615
Intergovernmental Receivable	1,704,465
Prepaid Items	181,873
Municipal Income Taxes Receivable	3,598,288
Property Taxes Receivable	1,772,148
Special Assessments Receivable	3,136,623
Nondepreciable Capital Assets	3,641,410
Depreciable Capital Assets	23,834,795
Total Assets	44,769,838
DEFERRED OUTFLOWS OF RESOURCES	
Pension	7,045,915
OPEB	1,413,533
Total Deferred Outflows of Resources	8,459,448
LIABILITIES	
Accounts Payable	288,808
Contracts Payable	231,865
Accrued Wages and Benefits	464,587
Intergovernmental Payable	167,000
Matured Compensated Absences Payable	9,932
Accrued Interest Payable	70,351
Retainage Payable	19,504
Notes Payable	2,015,000
Long-term Liabilities:	
Due within one year	2,031,348
Due in more than one year:	
Net Pension Liability	25,948,117
Net OPEB Liability	5,657,745
Other amounts due in more than one year	19,957,252
Total Liabilities	56,861,509
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	1,432,127
Pension	1,049,820
OPEB	1,435,164
Total Deferred Inflows of Resources	3,917,111
NET POSITION	
Net Investment in Capital Assets	7,587,956
Restricted for:	
Debt Services	1,617,354
Capital Projects	116,306
Street construction, maintenance and repair	774,848
Building Levy	182,758
Police programs	133,457
Fire	110,148
Other Purpose	1,019,593
Unrestricted	(19,091,754)
Total Net Position	\$ (7,549,334)

See accompanying notes to the basic financial statements

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
	Expenses				Governmental Activities	
Primary Government:						
Governmental activities:						
Security of Persons and Property						
Police and Others	\$ 1,801,291	\$ 119,311	\$ -	\$ 5,400	\$ (1,676,580)	
Fire	(443,842)	529,635	-	-	973,477	
Public Health and Welfare	64,189	-	-	-	(64,189)	
Leisure Time Activities	1,133,371	73,467	-	-	(1,059,904)	
Community Development	1,412,006	613,072	5,000	-	(793,934)	
Public Works	3,986,195	91,019	-	-	(3,895,176)	
Transportation	2,018,172	1,754	764,296	1,207,477	(44,645)	
General Government	4,745,170	72,100	1,964	-	(4,671,106)	
Interest and Fiscal Charges	793,590	-	-	-	(793,590)	
Total Governmental activities	\$ 15,510,142	\$ 1,500,358	\$ 771,260	\$ 1,212,877	(12,025,647)	
General Revenues:						
Property Taxes levied for:						
General Purposes					401,580	
Debt Service Purpose					450,152	
Other Purposes					485,087	
Municipal Income Taxes levied for:						
General Purposes					18,916,565	
Other Taxes					515,671	
Grants & Entitlements not restricted to specific programs					586,140	
Investment Income					201,320	
Gain on Sale of Capital Assets					245,189	
All Other Revenues					193,459	
Total General Revenues					21,995,163	
Change in Net Position					9,969,516	
Net Position - Beginning of Year, Restated					(17,518,850)	
Net Position - End of Year					\$ (7,549,334)	

See accompanying notes to the basic financial statements

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General Fund	General Obligation Bond Retirement	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 3,222,461	\$ 65,720	\$ -	\$ 2,867,465	\$ 6,155,646
Cash and Cash Equivalents:					
In Segregated Accounts	30,141	-	-	-	30,141
Materials and Supplies Inventory	117,599	-	-	-	117,599
Accrued Interest Receivable	18,615	-	-	-	18,615
Accounts Receivable	558,415	-	-	19,820	578,235
Interfund Receivable	1,610,047	-	-	-	1,610,047
Intergovernmental Receivable	223,570	17,755	1,050,000	413,140	1,704,465
Prepaid Items	181,873	-	-	-	181,873
Municipal Income Taxes Receivable	3,598,288	-	-	-	3,598,288
Property Taxes Receivable	530,501	531,323	-	710,324	1,772,148
Special Assessments Receivable	-	3,136,623	-	-	3,136,623
Total Assets	<u>\$ 10,091,510</u>	<u>\$ 3,751,421</u>	<u>\$ 1,050,000</u>	<u>\$ 4,010,749</u>	<u>\$ 18,903,680</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 288,808	\$ -	\$ -	\$ -	\$ 288,808
Accrued Wages and Benefits	464,587	-	-	-	464,587
Contracts Payable	-	-	231,865	-	231,865
Intergovernmental Payable	167,000	-	-	-	167,000
Matured Compensated Absences Payable	9,932	-	-	-	9,932
Accrued Interest Payable	-	7,299	-	-	7,299
Retainage Payable	19,504	-	-	-	19,504
Interfund Payable	-	46,954	893,831	669,262	1,610,047
Notes Payable	-	1,600,000	-	415,000	2,015,000
Total Liabilities	<u>949,831</u>	<u>1,654,253</u>	<u>1,125,696</u>	<u>1,084,262</u>	<u>4,814,042</u>
Deferred Inflows of Resources:					
Property Taxes	429,131	428,965	-	574,031	1,432,127
Unavailable Revenue - Delinquent Property Taxes	101,370	102,358	-	136,293	340,021
Unavailable Revenue - Income Taxes	566,679	-	-	-	566,679
Unavailable Revenue - Other	592,286	3,154,378	1,050,000	290,298	5,086,962
Total Deferred Inflows of Resources	<u>1,689,466</u>	<u>3,685,701</u>	<u>1,050,000</u>	<u>1,000,622</u>	<u>7,425,789</u>
Fund Balances:					
Nonspendable	1,909,519	-	-	-	1,909,519
Restricted	-	-	-	1,905,206	1,905,206
Committed	-	-	-	248,314	248,314
Assigned	1,852,800	-	-	-	1,852,800
Unassigned (Deficit)	3,689,894	(1,588,533)	(1,125,696)	(227,655)	748,010
Total Fund Balances (Deficit)	<u>7,452,213</u>	<u>(1,588,533)</u>	<u>(1,125,696)</u>	<u>1,925,865</u>	<u>6,663,849</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,091,510</u>	<u>\$ 3,751,421</u>	<u>\$ 1,050,000</u>	<u>\$ 4,010,749</u>	<u>\$ 18,903,680</u>

See accompanying notes to the basic financial statements.

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Total Governmental Funds Balance	\$ 6,663,849
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*Amounts reported for Governmental Activities in the Statement of Net Position
are different because:*

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds	27,476,205
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenues in the funds:	
---	--

Delinquent property taxes	340,021
Municipal income taxes	566,679
Special assessments	3,136,623
Intergovernmental	1,497,810
Charges for services	<u>452,529</u>
Total	5,993,662

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(63,052)
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The net pension liability and net OPEB liability are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
--	--

Deferred Outflows - Pension	7,045,915
Deferred Inflows - Pension	(1,049,820)
Net Pension Liability	(25,948,117)
Deferred Outflows - OPEB	1,413,533
Deferred Inflows - OPEB	(1,435,164)
Net OPEB Liability	<u>(5,657,745)</u>
Total	(25,631,398)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
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General obligation bonds	(7,925,000)
Loans Payable	(2,185,408)
Certificate of Participation	(9,335,000)
Unamortized bond and note premiums	(356,084)
Claims Payable	(27,754)
Capital leases	(86,757)
Accrued compensated absences	<u>(2,072,597)</u>
Total	(21,988,600)

Net Position of Governmental Activities	<u><u>\$ (7,549,334)</u></u>
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See accompanying notes to the basic financial statements

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General Fund	Obligation Bond Retirement	Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 448,483	\$ 450,152	\$ -	\$ 600,531	\$ 1,499,166
Municipal Income Taxes	18,992,918	-	-	-	18,992,918
Hotel Taxes	-	-	-	308,323	308,323
Franchise Taxes	207,348	-	-	-	207,348
Intergovernmental	511,880	35,510	-	724,160	1,271,550
Interest	201,320	-	-	-	201,320
Licenses and Permits	397,779	-	-	-	397,779
Fines and Forfeitures	119,326	-	-	14,500	133,826
Rentals	228,205	-	-	-	228,205
Charges for Services	686,072	-	-	9,789	695,861
Special Assessments	-	414,638	-	-	414,638
All Other Revenues	179,594	13,485	-	380	193,459
Total Revenues	21,972,925	913,785	-	1,657,683	24,544,393
EXPENDITURES					
Security of Persons and Property:					
Police and Others	5,451,171	-	-	337,948	5,789,119
Fire	4,013,269	-	-	155,000	4,168,269
Public Health and Welfare	64,189	-	-	-	64,189
Leisure Time Activities	745,003	-	-	-	745,003
Community Development	835,704	-	-	402,608	1,238,312
Public Works	3,332,570	-	-	-	3,332,570
Transportation	877,091	-	560,426	462,049	1,899,566
General Government	3,896,967	-	-	4,000	3,900,967
Capital Outlay	232,026	-	2,301,790	-	2,533,816
Debt Service:					
Principal Retirement	153,759	1,075,000	-	327,762	1,556,521
Interest and Fiscal Charges	8,584	690,750	-	90,784	790,118
Bond Issuance Costs	-	37,376	-	-	37,376
Total Expenditures	19,610,333	1,803,126	2,862,216	1,780,151	26,055,826
Excess of Revenues (Under) Expenditures	2,362,592	(889,341)	(2,862,216)	(122,468)	(1,511,433)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	245,189	-	-	-	245,189
Transfers In	-	1,040,939	1,399,461	788,860	3,229,260
Transfers Out	(3,229,260)	-	-	-	(3,229,260)
Total Other Financing Sources (Uses)	(2,984,071)	1,040,939	1,399,461	788,860	245,189
Net Change in Fund Balances	(621,479)	151,598	(1,462,755)	666,392	(1,266,244)
Fund Balances (Deficits) - Beginning of Year	8,073,692	(1,740,131)	337,059	1,259,473	7,930,093
Fund Balances (Deficits) - End of Year	\$ 7,452,213	\$ (1,588,533)	\$ (1,125,696)	\$ 1,925,865	\$ 6,663,849

See accompanying notes to the basic financial statements.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances-Total Governmental Funds

(1,266,244)

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

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

Capital Outlay	\$ 2,533,816
Depreciation	<u>(893,195)</u>
Total	1,640,621

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

Delinquent property taxes	(162,347)
Municipal income taxes	(76,353)
Special assessments	(257,161)
Intergovernmental	1,139,136
Charges for services	<u>46,801</u>
Total	690,076

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

1,556,521

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

Pension	1,726,089
OPEB	26,333

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

Pension	(4,103,434)
OPEB	9,478,144

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.

Claims Payable	(1,304)
Compensated Absences	188,810
Amortization of Premium	28,631
Accrued Interest On Bonds	<u>5,273</u>
Total	221,410

Change in Net Position of Governmental Activities

9,969,516

See accompanying notes to the basic financial statements

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, 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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 413,163	\$ 479,343	\$ 448,483	\$ (30,860)
Income Taxes	18,277,888	18,679,912	18,741,853	61,941
Intergovernmental	685,457	703,026	705,400	2,374
Interest	161,940	166,090	166,651	561
Licenses and Permits	384,625	394,483	395,815	1,332
Fines and Forfeitures	115,953	118,924	119,326	402
Rentals	221,753	227,437	228,205	768
Charges for Services	666,953	684,047	686,357	2,310
All Other Revenues	153,289	157,217	157,749	532
Total Revenues	21,081,021	21,610,479	21,649,839	39,360
Expenditures:				
Current:				
Security of Persons and Property	10,165,169	10,106,100	10,034,736	71,364
Public Health and Welfare	59,000	59,000	64,189	(5,189)
Leisure Time Activities	871,717	855,017	782,595	72,422
Community Development	798,797	892,767	860,956	31,811
Public Works	2,857,922	2,975,890	2,665,685	310,205
Transportation	826,093	867,385	845,957	21,428
General Government	5,245,853	6,954,355	5,468,467	1,485,888
Total Expenditures	20,824,551	22,710,514	20,722,585	1,987,929
Excess of Revenues Over (Under) Expenditures	256,470	(1,100,035)	927,254	2,027,289
Other Financing Sources (Uses)				
Sale of Capital Assets	238,257	244,364	245,189	825
Transfers Out	(1,721,954)	(1,721,954)	(3,229,260)	(1,507,306)
Total Other Financing Sources (Uses)	(1,483,697)	(1,477,590)	(2,984,071)	(1,506,481)
Net Change in Fund Balance	(1,227,227)	(2,577,625)	(2,056,817)	520,808
Fund Balance - Beginning of Year	4,720,879	4,720,879	4,720,879	-
Prior Year Encumbrances	302,815	302,815	302,815	-
Fund Balance - End of Year	\$ 3,796,467	\$ 2,446,069	\$ 2,966,877	\$ 520,808

See accompanying notes to the basic financial statements.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019**

	Agency Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,293,077
Total Assets	<u><u>\$ 1,293,077</u></u>
Liabilities	
Deposits Held and Due to Others	\$ 1,293,077
Total Liabilities	<u><u>\$ 1,293,077</u></u>

See accompanying notes to the basic financial statements

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, 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 Warrensville Heights (the “City”) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted May 6, 1958. Legislative authority is vested in a seven member City Council. City Council members are elected for a four year term. The Mayor is elected for a four year term and serves as the City’s chief executive and administrative officer.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City, this includes the agencies and departments that provide the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, and general administrative services. The City’s departments include a Public Safety Department, a Public Service Department, a Street Maintenance Department, a Parks and Recreation Department, a Planning and Zoning Department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operations of each of these activities and entities are directly controlled by the City 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; or 3) the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City is associated with four jointly governed organizations. These organizations are the First Suburbs Consortium of Northeast Ohio Council of Governments, the Northeast Ohio Public Energy Council (NOPEC), Chagrin/Southeast Council of Government, and Valley Enforcement Regional Council of Government. These organizations are presented in Note 20 to the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting practices of the City conform to generally accepted accounting principles as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City’s accounting policies are described below.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Basis of Presentation**

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities that are governmental and those that are considered business-type; the City, however, has no business-type activities.

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

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. 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. The City's funds are classified as either governmental or fiduciary.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Fund Accounting** (Continued)

Governmental Funds

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

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

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Fund accounts for property tax collections and special assessments revenue which are used to pay the voted general obligation refunding bonds and special assessment bonds principal, interest, and related costs.

Street Improvement Fund

The Street Improvement Fund accounts for grant monies and note proceeds used for the improvement of streets and curbs within the City.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds are for holding deposits from contractors, for collecting Senior Civic Center rental deposits, for payroll clearing and medical self-insurance

C. **Measurement Focus**

Government-Wide Financial Statements

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus** (Continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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.

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 and the statement for the fiduciary funds are prepared using 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 inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from municipal income taxes is recognized in the year 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 non-exchange transactions must also be available before it can be recognized.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 17 and 18.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, special assessments, intergovernmental grants and entitlements, and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 17 and 18)

Expenses/Expenditures

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

E. **Cash and Cash Equivalents**

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents (Continued)

During the year, the City's investments were limited to STAROhio, negotiable certificates of deposits and money market mutual funds.

During fiscal year 2019, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79 "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2019, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the General Fund, the Bureau of Justice Grant, and the Local Law Enforcement Block Grant special revenue funds. Interest income credited to the General Fund during 2019 amounted to \$201,320, which includes \$95,930 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating certificates of deposits, which are reported at cost.

F. 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 at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

G. Inventory

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

H. Capital Assets

The City's only capital assets are general 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 governmental-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using the appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of one thousand dollars. 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.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	50 years
Land improvements	30 years
Machinery and equipment	5 to 15 years
Furniture and fixtures	7 years
Vehicles	3 to 15 years
Infrastructure	75 years

The City's infrastructure consists of roads, sanitary sewers, waterlines, storm sewers, and includes infrastructure acquired prior to December 31, 1980.

I. Interfund Balances

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from short-term interfund loans are classified as "Interfund Receivables/Payables." Interfund loans which do not represent available expendable resources should have an equal offset which would be included in nonspendable fund balance unless the proceeds from their collection are restricted, committed, or assigned. Interfund balance amounts between governmental funds are eliminated in the Statement of Net Position.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

J. Compensated Absences

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

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

K. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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.

L. Payables, Accrued Liabilities, and Long-Term Obligations

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

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

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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

M. **Fund Balance**

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

Nonspendable – The nonspendable fund balance 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, laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City Council’s resolutions). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

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

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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance (Continued)

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.

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

O. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Bond Premiums and Discounts

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Q. 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.

R. 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.

S. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations ordinance is City Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by City Council at the object level. 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 and final budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original and final appropriations were enacted by City Council.

The appropriation ordinance 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 ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by City Council during the year.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, 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**

A. **Changes in Accounting Principles**

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

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 Effective 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 and GASB Statement No. 88.

B. **Restatement of Net Position**

The City had to restate the beginning Net Position to account for the loan proceeds received in the prior year for the State Infrastructure Bank Loan. The restatement had the following effect on Net Position:

	Governmental Activities
Net Position December 31, 2018	<u><u>\$ (17,251,298)</u></u>
Adjustments:	
State Infrastructure Bank Loan	<u><u>(267,552)</u></u>
Restated Net Position December 31, 2018	<u><u>\$ (17,518,850)</u></u>

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 4: ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following funds had deficit fund balances as of December 31, 2019:

Major Funds

General Obligation Bond Retirement Fund	\$ 1,588,533
Street Improvement Fund	1,125,696

Nonmajor Funds

Special Revenue Funds:	
Community Development and Building Grant	10,087
COPS Grant	16,748
2007 Nature Works Grant	19,589
Ohio Department of Transportation State Infrastructure Bank Loan Fund	181,231

The deficits in the nonmajor special revenue funds are caused by the recognition of expenditures on the modified accrual basis of accounting. The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit in the General Obligation Bond Retirement Fund is the result of the issuance of anticipation notes which are used to finance projects until bonds are issued. Once the notes are retired or the bonds are issued, the deficits will be eliminated. The deficit in the Street Improvement fund is due to negative cash.

B. Compliance

The City has a negative cash balance in the Street Improvement Fund in the amount of \$1,294,550, indicating that revenue from other sources were used to pay obligations contrary to Ohio Revised Code Section 5705.10.

Contrary to Ohio Revised Code Section 5705.39 the grass refuse fund, street improvement fund and general obligation bond retirement fund has total appropriations in excess of total estimated resources in the amounts of \$17,899, \$50,001 and \$1,391,208 respectively.

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**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 4: **ACCOUNTABILITY AND COMPLIANCE** (Continued)

B. **Compliance** (Continued)

Contrary to Section 5705.41 (B), Ohio Revised Code, the following funds, functions, departments, and objects had expenditures plus encumbrances in excess of appropriations:

Fund/Function	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
<u>Security of Persons and Property</u>			
Fire Department			
Other Expenses	\$ 303,519	\$ 368,571	\$ (65,052)
<u>Security of Persons and Property</u>			
Police Department			
Personal Services	5,203,055	5,266,486	(63,431)
<u>Public Health & Welfare</u>			
Public Health			
Other Expenses	59,000	64,189	(5,189)
<u>Community Environment</u>			
Building Department			
Personal Services	500,165	522,223	(22,058)
<u>General Government</u>			
City Council			
Personal Services	169,451	200,665	(31,214)
Engineering			
Supplies and Materials	192,231	210,229	(17,998)
Other General Government			
Other Expenses	1,445,997	1,454,912	(8,915)
Transfers Out	1,721,954	3,229,260	(1,507,306)
Street Improvement Fund			
<u>Transportation</u>			
Capital Outlay	2,594,366	3,031,070	(436,704)
Land Acquisition Fund			
<u>Capital Outlay</u>			
Capital Outlay	33,183	203,519	(170,336)

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP);
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP);
3. Encumbrances are treated as expenditures (budgetary) rather than as a part of restricted, committed, and assigned fund balances (GAAP);
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budgetary basis for the General Fund are as follows:

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis	\$ (621,479)
Increase (Decrease) Due to:	
Revenue Accruals	(639,889)
Expenditure Accruals	(290,134)
Net Impact of Encumbrances	<u>(505,315)</u>
Budgetary Basis	<u><u>\$ (2,056,817)</u></u>

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

NOTE 6: FUND BALANCES

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

	General	General Bond Retirement	Street Improvement Fund	Other Governmental Funds	Total
<i>Nonspendable</i>					
Prepaid Items	\$ 181,873	\$ -	\$ -	\$ -	\$ 181,873
Inventories	117,599	-	-	-	117,599
Interfund Balance	1,610,047	-	-	-	1,610,047
<i>Total Nonspendable</i>	<u>1,909,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,909,519</u>
<i>Restricted</i>					
Fire Pension	-	-	-	13,590	13,590
Police Pension	-	-	-	15,704	15,704
Police and Fire Services	-	-	-	90,175	90,175
Other Law Enforcement	-	-	-	54,789	54,789
Master Plan Grant	-	-	-	25,353	25,353
BJA Grant	-	-	-	14,776	14,776
Great Grant	-	-	-	3,668	3,668
Streets and Highways	-	-	-	531,772	531,772
Building Levy	-	-	-	164,032	164,032
Residential Demolition	-	-	-	206,878	206,878
Community	-	-	-	59,863	59,863
SIB Loan	-	-	-	608,631	608,631
Capital Improvements	-	-	-	100,066	100,066
Other Purposes	-	-	-	15,909	15,909
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905,206</u>	<u>1,905,206</u>
<i>Committed</i>					
CRA monitoring fees	-	-	-	146,775	146,775
Economic development	-	-	-	28,150	28,150
Occupancy Program	-	-	-	73,389	73,389
<i>Total Committed</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,314</u>	<u>248,314</u>
<i>Assigned</i>					
Fiscal Year 2020 Appropriations	1,547,485	-	-	-	1,547,485
Purchases on Order:					
Police Programs and services	1,439	-	-	-	1,439
Fire Programs and services	1,261	-	-	-	1,261
Community and Leisure Time Activities	14,170	-	-	-	14,170
Streets and Public Works	11,379	-	-	-	11,379
General Government	277,066	-	-	-	277,066
<i>Total Assigned</i>	<u>1,852,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,852,800</u>
<i>Unassigned (Deficit)</i>	<u>3,689,894</u>	<u>(1,588,533)</u>	<u>(1,125,696)</u>	<u>(227,655)</u>	<u>748,010</u>
<i>Total Fund Balance</i>	<u>\$ 7,452,213</u>	<u>\$ (1,588,533)</u>	<u>\$ (1,125,696)</u>	<u>\$ 1,925,865</u>	<u>\$ 6,663,849</u>

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 7: DEPOSITS AND INVESTMENTS

The City follows State statute and classifies held monies into three categories.

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

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

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

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations.; and
6. The State Treasurer's investment pool (STAROhio).

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 7: DEPOSITS AND INVESTMENTS (Continued)

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

1. Bonds of the State of Ohio;
2. Bond of any municipal corporation, village, county, township or other political subdivision of this state, as to which there is not of principal, interest, or coupon; and,
3. 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. Investments may only be made through specified dealers and institutions.

Cash on Hand

At year-end, the City had \$600 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

Custodial Credit Risk

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.

At December 31, 2019, the carrying amount of the City's deposits was \$1,913,396 (not including \$30,141 in cash in segregated accounts). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2019, \$739,728 of the City's bank balance of \$2,220,539 was covered by Federal Depository Insurance and \$548,004 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 \$932,807 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.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2019.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

Investments

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

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Level Input</u>	<u>Credit Rating (*)</u>	<u>Investment Maturities (in Years)</u>	
				<u><1</u>	<u>1-3</u>
Money Market Mutual Funds	\$ 664,272	N/A	AA+	\$ 664,272	\$ -
Negotiable CD's	2,470,980	1	N/A	1,477,852	993,128
STAR Ohio	2,399,475	N/A	AAAm	2,399,475	-
Total Investments	<u>5,534,727</u>			<u>\$ 4,541,599</u>	<u>\$ 993,128</u>
Carrying Amount of Deposits	1,913,396				
Petty Cash	600				
Total Cash and Investments	<u><u>\$ 7,448,723</u></u>				

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

Star Ohio is measured at net asset value per share while all other investments are measured at fair value. The City has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Negotiable CD's are measured at fair value and is valued using quoted market prices (Level 1 inputs). All other 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 above chart identifies the City's recurring fair value measurements as of December 31, 2019. As previously discussed, Star Ohio is reported at its net asset value.

Interest Rate Risk – The City has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least two percent and be marked to market daily.

Credit Risk – STAROhio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposits were not rated. The credit ratings for the money market mutual fund were AA+ by Standard and Poor's. The City has no investment policy that would further limit its investment choices.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

Investments (Continued)

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. Securities backed by a federal government agency or instrumentality are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. At the year end, the City's investments in negotiable certificates of deposit was fully covered by the FDIC. 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.

NOTE 8: **RECEIVABLES**

A. **Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2019 for real and public utility property taxes represents collections for 2018 taxes. Property tax payments received during 2019 for tangible personal property, except for public utility property, are for prior year unpaid tangible personal property taxes.

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the County Auditor at 35 percent of the appraised market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2015.

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31, if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

NOTE 8: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

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

The full tax rate for all City operations for the year ended December 31, 2019, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 233,913,260
Public Property	9,655,450
Total	<u>\$ 243,568,710</u>

Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2019 and for which there is an enforceable legal claim. In the General Fund, the General Obligation Bond Retirement Fund, the Police Salary and Equipment, the Fire Salary and Equipment, the Street Lighting, the Building Levy, the Fire Pension, and the Police Pension special revenue funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2019 operations and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred inflows of resources.

B. **Municipal Income Taxes**

The City levies a municipal income tax of 2.60 percent on income earned within the City. Residents of the City who work and pay taxes in another community receive a fifty percent credit of their Warrensville Heights City income tax. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Taxes collected by CCA in one month are remitted to the City on the tenth of the following month. Municipal income tax revenue is credited entirely to the General Fund.

C. **Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

Revenue Description	Amount
Local Government	\$ 208,141
Cents Per Gallon and Excise Tax	388,602
Homestead and Rollback	55,398
Permissive Tax	2,324
Grants	1,050,000
Total Intergovernmental Receivable	<u>\$ 1,704,465</u>

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 9: INTERFUND TRANSFERS

The transfers among City funds were made to provide additional resources for current operations and for the payment of debt. The following transfers were made during the year ended December 31, 2019:

Transfer To	Transfer From
Transfer To	General Fund
General Obligation Bond Retirement	\$ 1,040,939
Street Improvement Fund	1,399,461
Non-Major Governmental Funds	788,860
Total	\$ 3,229,260

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; distribute unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money approved by council to the fund from which it was originally provided once a project is completed.

NOTE 10: INTERFUND BALANCES

Interfund balances at December 31, 2019, consist of the following interfund receivable and payables:

Interfund Payable	Interfund Receivable
Major Governmental Funds:	General Fund
General Obligation Bond Retirement Fund	\$ 46,954
Street Improvement Fund	893,831
Nonmajor Governmental Funds:	
Bureau of Justice Grant	148
Community Development Block Grant	27,919
COPS Grant	21,566
2007 Nature Works Grant	19,589
Town Center Project Fund	5,973
State Infrastructure Bank Loan Fund	594,067
Total	\$ 1,610,047

The loans to the other major and other governmental funds from the General Fund were made to cover expenditures until reimbursements are received.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

NOTE 11: CAPITAL ASSETS

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

	Balances 12/31/2018	Additions	Disposals	Balances 12/31/2019
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 3,641,410	\$ -	\$ -	\$ 3,641,410
Total Nondepreciable Assets	<u>3,641,410</u>	<u>-</u>	<u>-</u>	<u>3,641,410</u>
Depreciable Assets:				
Land Improvements	335,654	-	-	335,654
Buildings	14,904,671	-	-	14,904,671
Machinery and Equipment	1,828,273	58,048	-	1,886,321
Furniture and Fixtures	57,791	-	-	57,791
Vehicles	4,391,703	173,978	-	4,565,681
Infrastructure:				
Roads	10,828,058	2,301,790	-	13,129,848
Sanitary Sewers	2,583,416	-	-	2,583,416
Water Lines	2,162,689	-	-	2,162,689
Storm Sewers	2,426,227	-	-	2,426,227
Total Depreciable Assets	<u>39,518,482</u>	<u>2,533,816</u>	<u>-</u>	<u>42,052,298</u>
Less Accumulated Depreciation				
Land Improvements	(185,293)	(16,552)	-	(201,845)
Buildings	(3,472,462)	(303,782)	-	(3,776,244)
Machinery and Equipment	(1,461,509)	(141,654)	-	(1,603,163)
Furniture and Fixtures	(22,751)	(5,377)	-	(28,128)
Vehicles	(3,357,768)	(187,729)	-	(3,545,497)
Infrastructure:				
Roads	(4,277,624)	(148,302)	-	(4,425,926)
Sanitary Sewers	(1,708,079)	(34,363)	-	(1,742,442)
Water Lines	(1,367,207)	(23,174)	-	(1,390,381)
Storm Sewers	(1,471,615)	(32,262)	-	(1,503,877)
Total Accumulated Depreciation	<u>(17,324,308)</u>	<u>(893,195)</u>	<u>-</u>	<u>(18,217,503)</u>
Total Depreciable Assets, Net	<u>22,194,174</u>	<u>1,640,621</u>	<u>-</u>	<u>23,834,795</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,835,584</u>	<u>\$ 1,640,621</u>	<u>\$ -</u>	<u>\$ 27,476,205</u>

Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property:	\$ 139,450
Leisure Time Activities	254,969
Community Development	9,932
Public Works	106,390
General Government	382,454
Total Depreciation Expense	<u>\$ 893,195</u>

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

NOTE 12: LONG-TERM OBLIGATIONS

Original issuance amounts and interest rates of the City's debt issues are as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
General obligation bonds:			
2013 Various purpose			
improvement refunding bonds	2.00%-3.125%	9,055,000	2032
2013 Various purpose			
improvement refunding bonds	2.00%-4.00%	1,725,000	2029
Unamortized Premium	n/a	304,219	2032
2014 Cinema Park			
improvement bonds	1.500% - 4.00%	2,095,000	2030
Unamortized Premium	n/a	142,163	2030
Certificates of participation:			
2013 Certificates of participation	3.125%-4.50%	9,800,000	2037
Unamortized premiums	n/a	145,419	2013-2037
Loan payable:			
Land installment loan	4.50%	450,000	2019
State Infrastructure Bank Loan	3.00%	2,529,893	2025

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**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 12: LONG-TERM OBLIGATIONS (Continued)

	Restated Balances 12/31/2018	Issued	Retired	Balances 12/31/2019	Amounts Due in One Year
General Obligation Bonds:					
Various Purpose Bonds					
Series 2013-1	\$ 5,450,000	\$ -	\$ (485,000)	\$ 4,965,000	\$ 490,000
Various Purpose Bonds					
Series 2013-2	1,110,000	-	(85,000)	1,025,000	90,000
Cinema Park Improvement					
Bond Series 2014	2,075,000	-	(140,000)	1,935,000	150,000
Unamortized Premium	307,379	-	(24,561)	282,818	-
Total General Obligation Bonds	<u>8,942,379</u>	<u>-</u>	<u>(734,561)</u>	<u>8,207,818</u>	<u>730,000</u>
Certificates of Participation:					
2013 Certificates of Participation					
Unamortized Premium	9,700,000	-	(365,000)	9,335,000	380,000
Total Certificates of Participation:	<u>77,336</u>	<u>-</u>	<u>(4,070)</u>	<u>73,266</u>	<u>-</u>
<u>9,777,336</u>	<u>-</u>	<u>(369,070)</u>	<u>9,408,266</u>	<u>380,000</u>	
Loans Payable:					
Land Installment Loan Payable					
State Infrastructure Bank Loan	98,387	-	(98,387)	-	-
Total Loans Payable:	<u>2,513,170</u>	<u>-</u>	<u>(327,762)</u>	<u>2,185,408</u>	<u>337,667</u>
<u>2,611,557</u>	<u>-</u>	<u>(426,149)</u>	<u>2,185,408</u>	<u>337,667</u>	
Other Long-Term Obligations:					
Compensated Absences					
Claims Payable	2,261,407	75,981	(264,791)	2,072,597	513,024
Capital Leases	26,450	11,735	(10,431)	27,754	12,565
Net Pension Liability:	142,129	-	(55,372)	86,757	58,092
OPERS	4,717,243	3,593,363	-	8,310,606	-
OP&F	<u>13,812,160</u>	<u>3,825,351</u>	<u>-</u>	<u>17,637,511</u>	<u>-</u>
Total Net Pension Liability	<u>18,529,403</u>	<u>7,418,714</u>	<u>-</u>	<u>25,948,117</u>	<u>-</u>
Net Pension OPEB:					
OPERS	3,056,883	633,160	-	3,690,043	-
OP&F	<u>12,750,857</u>	<u>-</u>	<u>(10,783,155)</u>	<u>1,967,702</u>	<u>-</u>
Total Net OPEB Liability	<u>15,807,740</u>	<u>633,160</u>	<u>(10,783,155)</u>	<u>5,657,745</u>	<u>-</u>
Total Other Long-Term Obligations:	<u>36,767,129</u>	<u>8,139,590</u>	<u>(11,113,749)</u>	<u>33,792,970</u>	<u>583,681</u>
Total Governmental Activities	<u>\$ 58,098,401</u>	<u>\$ 8,139,590</u>	<u>\$ (12,643,529)</u>	<u>\$ 53,594,462</u>	<u>\$ 2,031,348</u>

The voted general obligation, special assessment refunding bonds for various purpose improvements and the street improvement general obligation bonds, and the certificate of participation will be paid with property tax revenue and special assessment revenue from the General Obligation Bond Retirement Fund.

Compensated absences, employer pension contributions, claims payable, and capital leases (see Notes 14 and 16 for additional detail on capital leases and claims payable) will be paid from the General Fund. There is no repayment schedule for the net pension liability. See Notes 17 and 18 for further information regarding net pension liability and net OPEB liability.

As of December 31, 2019, the City's overall legal debt margin was \$17,366,897 and the unvoted legal debt margin was \$5,188,461.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 12: LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2019 are as follows:

Year	General Obligation Bonds		Governmental Activities		State Infrastructure Bank Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 730,000	\$ 252,125	\$ 380,000	\$ 358,062	\$ 337,667	\$ 63,048
2021	735,000	234,799	395,000	342,863	347,873	52,842
2022	760,000	215,900	-	327,062	358,388	42,328
2023	720,000	192,506	-	314,250	369,221	42,328
2024	645,000	168,862	1,270,000	300,969	380,380	31,496
2025-2029	3,215,000	515,093	1,890,000	1,286,931	391,879	29,174
2030-2034	1,120,000	63,456	2,755,000	816,775	-	-
2035-2036	-	-	2,645,000	184,950	-	-
Total	<u>\$ 7,925,000</u>	<u>\$ 1,642,741</u>	<u>\$ 9,335,000</u>	<u>\$ 3,931,862</u>	<u>\$ 2,185,408</u>	<u>\$ 261,216</u>

NOTE 13: NOTES PAYABLE

	Balances 12/31/2018	Issued	Retired	Balances 12/31/2019
2018 Bond Anticipation Notes				
Anticipation Note Series 2017	639,000	-	(639,000)	-
2018 Emery Woods General Obligation Notes				
Series 2018-1	660,000	-	(660,000)	-
2018 Certificates of Participation				
Series 2018-1	1,100,000	-	(1,100,000)	-
2019 Bond Anticipation Notes				
Emery Wood Improvements	-	415,000	-	415,000
2019 Emery Woods General Obligation Notes				
Series 2019-1	-	600,000	-	600,000
2019 Certificates of Participation				
Series 2019-1	-	1,000,000	-	1,000,000
Total Governmental Activities	<u>\$ 2,399,000</u>	<u>\$ 2,015,000</u>	<u>\$ (2,399,000)</u>	<u>\$ 2,015,000</u>

The City issued \$415,00 Emery Woods Improvements bond anticipation notes on December 11, 2019 at 2.14 percent and maturing on December 10, 2020.

The City issued \$600,000 in General Obligation Emery Woods Improvement bond anticipation notes on August 7, 2019 at 2.35 percent and maturing August 6, 2020.

The City issued \$1,000,000 in certificates of participation (COPs) on December 11, 2019 to retire \$1,100,000 in COPs issued in December 2018. These COPs were issued to provide funds for constructing, furnishing and equipping the City's Community Center.

All the notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the funds which received the proceeds. The notes will be paid off from the debt service funds.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 14: **LEASES**

Capital Leases

In previous years, the City has entered into several lease agreements for various vehicles, machinery and equipment. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their minimum lease payments as of inception date.

	<u>Governmental Activities</u>
Capital Leases, being depreciated	
Machinery & Equipment	\$ 106,960
Vehicles	<u>502,567</u>
Total Capital Leases, being depreciated	609,527
Less: Accumulated Depreciation	<u>(53,308)</u>
Capital Leases, Net	<u><u>\$ 556,219</u></u>

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 is as follows:

<u>Year</u>	<u>Payment</u>
2020	\$ 61,173
2021	<u>29,143</u>
	90,316
Less Interest	<u>(3,559)</u>
Future Minimum Lease	<u><u>\$ 86,757</u></u>

Capital lease payments have been presented as part of the General Fund's program expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and principal payments reduce liabilities rather than being an expense on the statement of activities.

NOTE 15: **CONTINGENCIES**

A. **Litigation**

The City is party to legal proceedings. The City management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

B. **Grants**

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2019.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 16: RISK MANAGEMENT

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During 2019, the City contracted with U.S. Specialty Insurance Company for various types of insurance as follows:

Company	Coverage	Amount
U.S. Specialty Insurance Co.	General Liability (per occurrence/aggregate)	\$1,000,000/\$3,000,000
	Damage to Premises Rented to You	1,000,000
	Premises Medical Payments (per person)	10,000
	Employee Benefits Liability (per occurrence/aggregate)	1,000,000/3,000,000
	Ohio Stop Gap Liability	1,000,000
	Employment Practice Liability	1,000,000/1,000,000
	Automobile Liability and Physical Damage Coverage:	
	Combined Bodily Injury and Property Damage	1,000,000
	Medical Payments	5,000
	Law Enforcement Liability (per occurrence/aggregate)	1,000,000/3,000,000
	Public Officials Liability (per occurrence/aggregate)	1,000,000/1,000,000
	Sexual Abuse Liability	1,000,000/1,000,000
	Crime:	
	Forgery and Alterations	250,000
	Computer Fraud	250,000
	Theft, Disappearance, and Destruction	25,000
	Employee Dishonesty	500,000
	Flood	500,000
	Earthquake	500,000
	Property (Building and Contents) Coverage	27,655,943
	Inland Marine Coverage	2,588,698
	Umbrella Liability	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

B. Workers' Compensation

The City participates in the State Workers' Compensation Retrospective Rating and Payment Plan. This Plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at December 31, 2019, represents an estimate of the liability for unpaid claims costs provided by Bureau of Workers' Compensation. The claims liability for the Workers' Compensation retrospective rating and payment system at December 31, 2019, was \$27,754. All of the claims are paid from the General Fund.

The claims liability reported at December 31, 2019 for workers' compensation is based on the requirements of Governmental 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 claim adjustment expenses and does not include other allocated or unallocated adjustment expenses.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 16: **RISK MANAGEMENT** (Continued)

Changes in claims activity for the last three years are as follows:

	Beginning of Year	Claims	Payments	End of Year
2017	15,977	4,395	1,120	19,252
2018	19,252	49,460	42,262	26,450
2019	26,450	11,735	10,431	27,754

NOTE 17: **DEFINED BENEFIT PENSION PLAN**

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

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension. GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers.

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

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

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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.

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**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0
	<hr/>
Total Employer	14.0 %
	<hr/>
Employee	10.0 %
	<hr/>

* 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 \$613,079 for fiscal year ending December 31, 2019. Of this amount, \$39,159 is reported as an intergovernmental payable.

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

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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

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 %

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 17: DEFINED BENEFIT PENSION PLAN (Continued)

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,113,010 for 2019. Of this amount, \$84,957 is reported as an intergovernmental payable.

C. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 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 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	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.030069%	0.1097825%	0.1152646%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.030344%	0.1012100%	0.1148660%	
Change in Proportionate Share	<u>0.000275%</u>	<u>-0.008573%</u>	<u>-0.000399%</u>	
Proportionate Share of the Net Pension Liability	\$ 8,310,606	\$ 8,261,410	\$ 9,376,101	\$ 25,948,117
Pension Expense	\$ 1,947,490	\$ 970,976	\$ 1,184,968	\$ 4,103,434

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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	\$ 1,127,982	\$1,017,799	\$1,155,129	\$3,300,910
Differences between expected and actual experience	384	339,427	385,226	725,037
Changes of assumptions	723,455	219,021	248,573	1,191,049
Changes in proportion and differences between City contributions and proportionate share of contributions	49,127	17,197	36,506	102,830
City contributions subsequent to the measurement date	613,079	519,710	593,300	1,726,089
Total Deferred Outflows of Resources	<u>\$ 2,514,027</u>	<u>\$2,113,154</u>	<u>\$2,418,734</u>	<u>\$ 7,045,915</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 109,124	\$ 7,713	\$ 8,755	\$ 125,592
Changes in proportion and differences between City contributions and proportionate share of contributions	-	579,705	344,523	924,228
Total Deferred Inflows of Resources	<u>\$ 109,124</u>	<u>\$ 587,418</u>	<u>\$ 353,278</u>	<u>\$ 1,049,820</u>

\$1,726,089 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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	\$784,246	\$360,376	\$491,986	\$1,636,608
2021	378,342	137,816	239,394	\$755,552
2022	104,642	180,579	273,753	\$558,974
2023	524,594	325,693	453,367	\$1,303,654
2024	-	1,562	13,656	15,218
Total	<u>\$1,791,824</u>	<u>\$1,006,026</u>	<u>\$1,472,156</u>	<u>\$4,270,006</u>

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

D. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (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 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

D. **Actuarial Assumptions – OPERS** (Continued)

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	<u>18.00</u>	5.50
Total	<u><u>100.00 %</u></u>	5.95 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

D. **Actuarial Assumptions – OPERS** (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 12,277,182	\$ 8,310,606	\$ 5,014,346

E. **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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

E. **Actuarial Assumptions – OP&F** (Continued)

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

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

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 17: **DEFINED BENEFIT PENSION PLAN** (Continued)

E. **Actuarial Assumptions – OP&F** (Continued)

Asset Class	Target Allocation	10 year Expected Real Rate of Return **	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	0.00 %	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	<u>8.00</u>	7.00	7.00
Total	<u><u>120.00 %</u></u>		

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.

**CITY OF WARRENSVILLE HEIGHTS
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(CONTINUED)

NOTE 17: DEFINED BENEFIT PENSION PLAN (Continued)

E. Actuarial Assumptions – OP&F (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 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	\$ 23,183,293	\$ 17,637,511	\$ 13,003,210

NOTE 18: DEFINED BENEFIT OPEB PLANS

A. Net OPEB Liability

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

The net OPEB liability represents the City's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position.

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

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

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

A. **Net OPEB Liability** (Continued)

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

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

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. During 2019, Health care is not being funded.

**CITY OF WARRENSVILLE HEIGHTS
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(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

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

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

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

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

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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.

On January 1, 2019, OP&F changed its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$26,333 for 2019. Of this amount, \$2,177 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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	0.028150%	0.225047%	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.028303%	0.216076%	
Change in Proportionate Share	<u>0.000153%</u>	<u>-0.008971%</u>	
Proportionate Share of the Net OPEB			
Liability	\$ 3,690,043	\$ 1,967,702	\$ 5,657,745
OPEB Expense	<u>\$ 348,271</u>	<u>\$ (9,826,415)</u>	<u>\$ (9,478,144)</u>

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 OPEB plan investments	\$ 169,167	\$ 66,608	\$ 235,775
Differences between expected and actual experience	1,249	-	1,249
Changes of assumptions	118,971	1,019,962	1,138,933
Changes in proportion and differences between City contributions and proportionate share of contributions	11,243	-	11,243
City contributions subsequent to the measurement date	-	26,333	26,333
Total Deferred Outflows of Resources	<u>\$ 300,630</u>	<u>\$ 1,112,903</u>	<u>\$ 1,413,533</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 10,012	\$ 52,719	\$ 62,731
Changes of assumptions	-	544,753	544,753
Changes in proportion and differences between City contributions and proportionate share of contributions	-	827,680	827,680
Total Deferred Inflows of Resources	<u>\$ 10,012</u>	<u>\$ 1,425,152</u>	<u>\$ 1,435,164</u>

\$26,333 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 2020.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
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FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

Year Ending December 31:	OPERS	OP&F	Total
2020	\$139,616	(\$51,900)	\$87,716
2021	37,812	(51,900)	(14,088)
2022	27,970	(51,902)	(23,932)
2023	85,220	(31,754)	53,466
2024	-	(63,516)	(63,516)
Thereafter	-	(87,610)	(87,610)
 Total	 \$290,618	 (\$338,582)	 (\$47,964)

E. Actuarial Assumptions - OPERS

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

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
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NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. **Actuarial Assumptions – OPERS** (Continued)

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

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

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

During 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.

**CITY OF WARRENSVILLE HEIGHTS
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NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. **Actuarial Assumptions – OPERS** (Continued)

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	<u>17.00</u>	<u>5.57</u>
Total	<u><u>100.00 %</u></u>	<u><u>5.16 %</u></u>

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). 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	\$4,720,940	\$3,690,043	\$2,870,207

**CITY OF WARRENSVILLE HEIGHTS
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NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

E. Actuarial Assumptions – OPERS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 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	\$3,546,932	\$3,690,043	\$3,854,869

F. 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. 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.

**CITY OF WARRENSVILLE HEIGHTS
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(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

F. **Actuarial Assumptions – OP&F** (Continued)

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

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

**CITY OF WARRENSVILLE HEIGHTS
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(CONTINUED)**

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

F. **Actuarial Assumptions – OP&F** (Continued)

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

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

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

Discount Rate The total OPEB liability was calculated using the discount rate of 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.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
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FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

NOTE 18: **DEFINED BENEFIT OPEB PLANS** (Continued)

F. **Actuarial Assumptions – OP&F** (Continued)

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 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 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	\$2,397,198	\$1,967,702	\$1,607,177

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate because it is based on a medical benefit that is a flat dollar amount.

Changes between Measurement Date and Report Date

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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 19: COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. All City employees earn vacation ranging from two to six weeks based upon length of service.

General administration employees not covered by a collective bargaining agreement earn sick leave of 120 hours annually, without limit on the amount they can accumulate. General administration employees may carry forward a maximum of 336 hours of vacation leave unless the employee's department head certifies to the Mayor that the employee has exceeded the maximum vacation hours allowed as a result of the employee's inability to use vacation leave due to staffing requirements. Upon separation from the City, a maximum of 25 percent of accumulated sick leave up to 240 hours and up to 336 hours of vacation leave shall be paid.

Fire department employees earn 168 hours of sick leave annually and may carry forward an unlimited amount. Upon separation from the City, fire department employees will be paid for 37.5 percent of their accumulated sick balance up to 1,080 hours and up to 120 hours of vacation leave shall be paid. The maximum amount of vacation leave that may be carried forward annually is 120 hours.

Police officers earn 120 hours of sick leave per year and may carry forward an unlimited amount of sick leave annually. However, only 480 hours of vacation time may be carried forward annually. Police officers separating from employment will be paid for any unused vacation balance with a maximum of 480 hours. Police officers with at least ten years of continuous City service will be paid 30 percent of their accumulated sick leave balance upon separation from the City, with a maximum of 400 hours.

Police dispatchers earn 120 hours of sick leave annually and may carry forward an unlimited amount; the maximum amount of vacation leave that may be carried forward is 336 hours. Upon separation from employment, dispatchers may be paid for all accumulated vacation leave up to 336 hours; however they are only paid for accumulated sick leave at 30 percent of total or a maximum of 232 hours if separation is by retirement and with at least ten years of continuous service with the City.

NOTE 20: JOINTLY GOVERNED ORGANIZATIONS

First Suburbs Consortium of Northeast Ohio Council of Governments

The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Government ("Council"). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 18 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern including but not limited to, initiation and support of policies and practices which protect, maintain and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions, and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair, and other members elected in annual elections. The Governing Board oversees and manages the Council.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 20: **JOINTLY GOVERNED ORGANIZATIONS** (Continued)

The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Governing Board.

During 2019, the City contributed \$3,000 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

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 members in over 235 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 ensuring 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 eight-member NOPEC Board of Directors. The Board of Directors oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board of Directors. The City of Warrensville Heights did not contribute to NOPEC during 2019. Financial information can be obtained by contacting NOPEC, 31320 Solon Rd, Suite 20, Solon, Ohio 44139.

Chagrin/Southeast Council of Government

The Chagrin/Southeast Council of Government operates the Chagrin/Southeast HazMat Response Team. The team was formed in 1990 to assist local fire departments in responding to incidents involving industrial chemicals. The Council of Government has established two subsidiary organizations, the West Shore Hazardous Materials Committee which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team. During 2019, the City contributed \$3,500 to the organization. The Chagrin/Southeast Council of Government financial statements may be obtained by contacting the Finance Director of the Village of Glenwillow, 29555 Pettibone Road, Glenwillow, Ohio 44139.

The City is a member of Valley Enforcement Regional Council of Government (“VERCOG”), a jointly governed organization. VERCOG is a regional council of government formed under Chapter 167 of the Ohio Revised Code. VERCOG was formed to continue to foster cooperation among political subdivisions through sharing of facilities for their common benefit. It includes the supervision and control of the Valley Enforcement Group (“VEG”), which has been a mutual aid organization providing the mutual interchange and sharing of police personnel and police equipment.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 20: **JOINTLY GOVERNED ORGANIZATIONS** (Continued)

VERCOG is comprised of communities located within the Chagrin Valley which exercise law enforcement authority under Ohio law and whose law enforcement agency consists of four or more full-time, sworn law enforcement officers. VERCOG is authorized to acquire and own police equipment and other property, to be used by all participating members, and may do any other thing permitted by law to accomplish its general purposes. During 2019, the City paid \$8,000 to VERCOG. Financial information can be obtained by contacting the City of Pepper Pike, 28000 Shaker Boulevard, Pepper Pike, Ohio 44124.

NOTE 21: **OTHER SIGNIFICANT COMMITMENTS**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	<u>Encumbrances</u>
General Fund	\$ 305,315
Nonmajor Governmental Funds	214,553
Total Encumbrances-Governmental Funds	<u>\$ 519,868</u>

NOTE 22: **TAX ABATEMENT DISCLOSURE**

Income tax abatement program

As of December 31, 2019, the City of Warrensville Heights continues to pursue new and efficient economic development strategies that are fiscally responsible, support the creation of new jobs, and grow the City's economic tax base.

The Warrensville Heights Occupancy Program (W.H.O.P.) provides a monetary grant to businesses occupying or looking to occupy, whether buying or leasing, existing vacant industrial and/or commercial property within the City of Warrensville Heights, where such occupancy results in new jobs in the City of Warrensville Heights. The grant is an annual payment from the City's non-tax revenues, which is equal to a percentage of the businesses total annual payroll. Retail and food service businesses are not eligible program participants.

The business must currently employ at least twenty-five (25) full time or full-time equivalent employees with a current payroll, excluding benefits, exceeding \$500,000 and is creating at least ten (10) new jobs that will result in at least \$320,000 in new annual payroll within a three (3) year period beginning at the commencement date of the agreement.

An eligible grant recipient will receive an annual grant payment equal to no more than fifty percent (50%) of the total annual payroll taxes paid to the City of Warrensville Heights for the duration of the W.H.O.P. agreement. The duration of the agreement may not exceed the lease term if the benefiting business is leasing space.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 22: **TAX ABATEMENT DISCLOSURE** (Continued)

Real Estate Tax abatement

The City of Warrensville Heights Community Reinvestment Areas was created in 1977. The program underwent major revisions in 1994. In fact, there are two types of CRAs – those created prior to July 1, 1994 and those after. The City Council passed legislative authority with designated area determined the size, the number of areas as well as the term and extent of the real property exemptions. Designations includes Northeast, Southeast and West boundaries of the City of Warrensville Heights.

The City's Reinvestment Area program is an economic development tool administered by City of Warrensville Heights and county government that provides real property tax exemptions for property owners who renovate existing or construct new buildings. For residential property, a tax exemption on the increase in the assessed valuation resulting from improvements. Residential application must be filed with the Housing Officer no later than six months after construction completion.

- A. Ten (10) years, for the remodeling of dwellings containing not more than two housing units and upon which the cost of remodeling is at least \$2,500;
- B. Twelve (12) years for remodeling of existing residential dwelling containing more than two housing units and upon which the cost of remodeling is at least \$5,000;
- C. Fifteen (15) years for new residential, commercial, and industrial facilities shall be negotiated on a case-by-case basis in advance of construction occurring.

Warrensville Heights Tax Increment Financing (TIF) is another economic development mechanism used by the city to apply payments derived from the increased assessed value of improvements to real property beyond that amount are directed towards a separate fund to finance the construction of infrastructure defined within the TIF legislation.

The City Council designate a Housing Officer to review applications and serve as the program lead. The city created a Tax Incentive Review Council (TIRC) to review performance of all agreements and projects.

City Council's incentive criteria for decision making

The City of Warrensville Heights has offered Community Reinvestment Area abatement and tax incentives programs to businesses based upon substantial investment into the City. All projects requires an application to the Office of Community and Economic Development, Mayoral review, Council approval and is filed with the County.

The City's Health Neighborhood Initiative housing development projects continues to rehabilitate areas of the city needing improvement. In 2019, we have continued to see increases in real estate values, particularly since the triannual appraisal occurred.

The total amount of tax abated for tax year 2018/collection year 2019 is \$89,286.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)**

NOTE 23: SUBSEQUENT EVENT NOTE

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 City's investment portfolio and the investments of the pension and other employee benefit plan in which the City participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplementary Information

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – TRADITIONAL PLAN
LAST SIX FISCAL YEARS (1)

Traditional Plan	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.030344%	0.030069%	0.029823%	0.028017%	0.027299%	0.027299%
City's Proportionate Share of the Net Pension Liability	\$8,310,606	\$4,717,243	\$6,772,296	\$4,852,897	\$3,292,564	\$3,218,196
City's Covered Payroll	\$4,100,364	\$3,973,692	\$3,865,858	\$3,533,442	\$3,375,283	\$3,507,777
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.68%	118.71%	175.18%	137.34%	97.55%	91.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST SIX FISCAL YEARS (1)

Police	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.101210%	0.1097825%	0.1142500%	0.1144450%	0.1145327%	0.1145327%
City's Proportionate Share of the Net Pension Liability	\$8,261,410	\$6,737,849	\$7,236,487	\$7,362,327	\$5,933,271	\$5,578,102
City's Covered Payroll	\$2,552,432	\$2,749,674	\$2,970,400	\$2,690,837	\$2,523,995	\$3,093,713
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	323.67%	245.04%	243.62%	273.61%	235.07%	180.30%
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	0.114866%	0.1152646%	0.1229520%	0.1252940%	0.1232648%	0.1232648%
City's Proportionate Share of the Net Pension Liability	\$9,376,101	\$7,074,311	\$7,787,669	\$8,060,251	\$6,385,631	\$6,003,382
City's Covered Payroll	\$2,347,915	\$2,366,579	\$2,557,613	\$2,296,545	\$2,199,736	\$2,627,736
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	399.34%	298.93%	304.49%	350.97%	290.29%	228.46%
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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS - PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – TRADITIONAL PLAN
LAST SEVEN FISCAL YEARS (1)

	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions	\$613,079	\$574,051	\$516,580	\$463,903	\$424,013	\$405,034	\$456,011
Contributions in Relation to the Contractually Required Contribution	(\$613,079)	(\$574,051)	(\$516,580)	(\$463,903)	(\$424,013)	(\$405,034)	(\$456,011)
Contribution Deficiency / (Excess)	\$0						
City's Covered Payroll	\$4,379,136	\$4,100,364	\$3,973,692	\$3,865,858	\$3,533,442	\$3,375,283	\$3,507,777
Pension Contributions as a Percentage of Covered Payroll	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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS - PENSION
OHIO POLICE AND FIRE PENSION FUND
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Contractually Required Contributions</u>										
Police	\$519,710	\$484,962	\$522,438	\$564,376	\$511,259	\$479,559	\$486,641	\$332,201	\$315,146	\$318,591
Fire	\$593,300	\$551,760	\$556,146	\$601,039	\$539,688	\$516,938	\$531,591	\$399,714	\$403,288	\$358,172
Total Required Contributions	\$1,113,010	\$1,036,722	\$1,078,584	\$1,165,415	\$1,050,947	\$996,497	\$1,018,232	\$731,915	\$718,434	\$676,763
Contributions in Relation to the Contractually Required Contribution	(\$1,113,010)	(\$1,036,722)	(\$1,078,584)	(\$1,165,415)	(\$1,050,947)	(\$996,497)	(\$1,018,232)	(\$731,915)	(\$718,434)	(\$676,763)
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	\$2,735,316	\$2,552,432	\$2,749,674	\$2,970,400	\$2,690,837	\$2,523,995	\$3,093,713	\$2,605,498	\$2,471,733	\$2,498,753
Fire	\$2,524,681	\$2,347,915	\$2,366,579	\$2,557,613	\$2,296,545	\$2,199,736	\$2,627,736	\$2,317,183	\$2,337,901	\$2,076,359
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	23.50%	[1]	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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.028303%	0.028150%	0.027990%
City's Proportionate Share of the Net OPEB Liability	\$ 3,690,043	\$ 3,056,883	\$ 2,827,085
City's Covered Payroll	\$ 4,107,257	\$ 3,847,733	\$ 3,810,666
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.84%	79.45%	74.19%
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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST THREE FISCAL YEARS (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.216076%	0.225047%	0.237200%
City's Proportionate Share of the Net OPEB Liability	\$ 1,967,702	\$ 12,750,857	\$ 11,259,351
City's Covered Payroll	\$ 4,900,347	\$ 5,116,253	\$ 5,528,013
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.15%	249.22%	203.68%
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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS (1)

	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ -	\$ 276	\$ 40,298	\$ 79,192	\$ 71,970
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>(276)</u>	<u>(40,298)</u>	<u>(79,192)</u>	<u>(71,970)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 4,379,135	\$ 4,107,257	\$ 3,847,733	\$ 3,810,666	\$ 3,789,838
Contributions as a Percentage of Covered Payroll		0.00%	0.01%	1.05%	2.08%
					1.90%

(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 WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS - OPEB
OHIO POLICE AND FIRE PENSION FUND
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution	\$ 26,333	\$ 24,502	\$ 25,581	\$ 25,580	\$ 26,425	\$ 23,846	\$ 170,997	\$ 331,969	\$ 325,549	\$ 308,820
Contributions in Relation to the Contractually Required Contribution	(26,333)	(24,502)	(25,581)	(25,580)	(26,425)	(23,846)	(170,997)	(331,969)	(325,549)	(308,820)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	\$ 5,259,997	\$ 4,900,347	\$ 5,116,253	\$ 5,528,013	\$ 4,987,382	\$ 4,723,731	\$ 5,721,449	\$ 4,922,681	\$ 4,809,634	\$ 4,575,112
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	3.62%	6.75%	6.75%

See accompanying notes to the required supplementary information

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO 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 (c) the single discount rate changed from 3.85% to 3.96%.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

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. For 2019; 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% (c) the single discount rate changed from 3.24 percent to 4.66 percent.

Combining and Individual Fund Statements and Schedule

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

Nonmajor 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:

Street Construction, Maintenance, and Repair Fund

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

State Highway Fund

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

Police Levy Fund

The Police Salary and Equipment Fund accounts for property tax revenue levied for the payment of salaries and for the purchase of equipment in the police department.

Fire Levy Fund

The Fire Salary and Equipment Fund accounts for property tax revenue levied for the payment of salaries and for the purchase of equipment in the fire department.

Street Lighting Fund

The Street Lighting Fund accounts for property tax revenue levied to provide street lighting within the City.

Building Levy Fund

The Building Levy Fund accounts for property tax revenue levied for the payment of repairs to City owned buildings.

Fire Pension Fund

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

Police Pension Fund

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

DARE Grant Fund

The DARE Grant Fund accounts for grant monies received which are used to educate the public regarding drug abuse and drug abuse prevention. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

Master Plan Grant Fund

The Master Plan Grant Fund accounts for revenues received from the Cuyahoga County Department of Development to be used for maintaining the City's master plan which is a plan to create and maintain a quality way of life for the City's residents and businesses in both the immediate and longer-term future.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

Bureau of Justice Grant Fund

The Bureau of Justice Grant Fund accounts for monies to be expended for safety equipment in the police department.

Community Development Block Grant Fund

The Community Development Block Grant Fund accounts for revenues received from the federal government and City matching funds and expenditures as prescribed under the Community Development Block Grant Program.

Law Enforcement Trust Fund

The Law Enforcement Trust Fund accounts for confiscated monies from criminals that are restricted, by state statute, for expenditures that would enhance the police department.

Juvenile Diversion Program Fund

The Juvenile Diversion Program Fund accounts for monies received from Cuyahoga County to be used to establish or expand community policing programs.

Fire Department Child Safety Grant Fund

The Fire Department Child Safety Grant Fund accounts for monies to be used for fire safety programs for children. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

EMS Computer Grant Fund

The EMS Computer Grant Fund accounts for monies from the state to be used for the purchase of equipment, computer software, and other costs associated with EMS mobile computing.

EMS Training and Equipment Grant Fund

The EMS Training and Equipment Grant Fund accounts for monies used for the purchase of computers in the fire department. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

Local Law Enforcement Block Grant Fund

The Local Law Enforcement Block Grant Fund accounts for monies used for the purchase of equipment in the police department. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

CDBG Sidewalk Fund

The CDBG Sidewalk Fund accounts for monies received from the Cuyahoga County Community Development department for the inspection and improvement of sidewalks within the City.

COPS Grant Fund

The COPS Grant Fund accounts for monies from the federal government to be used for the purchase of equipment, computer software, and other costs associated with police mobile computing.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

FEMA Grant Fund

The FEMA Grant Fund accounts for monies received from the Federal Emergency Management Agency to be expended on personal protective equipment for use by the fire department.

Cleveland Browns Foundation Fund

The Cleveland Browns Foundation Fund accounts for monies to be used for youth crime prevention programs. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

CRA Monitoring Fee Fund

The CRA Monitoring Fee Fund accounts for monies received from companies that have a Community Reinvestment Agreement with the City. Funds are to be used exclusively for the purpose of complying with Section 3735.671 (D) of the Ohio Revised Code.

The Cleveland Foundation Fund

The Cleveland Foundation Fund accounts for monies received from the Cleveland Foundation to be used for a summer and after school family based prevention program within the City.

Economic Development Stimulus Incentive Grant Fund

The Economic Development Stimulus Incentive Grant Fund accounts for monies received from building permits issued to developers of the Emery Woods Housing Project.

Grass Refuse Fund

The Grass Refuse Fund accounts for monies received from a special assessment to be used for various expenses incurred by the City for upkeep on unkempt lots and/or lawns.

Homeland Security Grant Fund

The Homeland Security Grant Fund accounts for federal grant monies received to provide overtime payments to the service department employees participating in emergency preparedness. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

Civic Center Park Restoration Grant Fund

The Civic Center Park Restoration Grant Fund accounts for local grant monies used for the assessment, consultation, and implementation of sewer and drainage requirements; sidewalk repairs, and reconstruction; provision of recreation facilities; and rehabilitation of community housing and code enforcement. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

G.R.E.A.T. Grant Fund

The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang-prevention education activities and programming for elementary school students.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

Fire Reporting Grant Fund

The Fire Reporting Grant Fund accounts for revenues received from the State of Ohio's Fire Marshall's office to be used towards computers, printers, and accessories to assist in the department's fire reporting requirements, and provide fire protection to the citizens for the community. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

2007 Nature Works Grant Fund

The Nature Works Grant Fund accounts for revenues received from the Ohio Department of Natural Resources and City's matching funds. The fund expends funds in compliance with the NatureWorks Local Grant Program State/Local Project Agreement, which includes: new playground equipment and various other improvements at the Green Road Civic Center and Park. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

2008 G.R.E.A.T. Grant Fund

The G.R.E.A.T. Grant Fund accounts for federal grant monies used to implement gang prevention education activities and programming for elementary school students. The 2008 grant is a subsequent grant to the 2007 G.R.E.A.T. Grant.

Warrensville Heights Occupancy Program Fund

The Warrensville Heights Occupancy Program Fund accounts for fees received to be used for compliance monitoring of companies participating in the program.

Residential Demolition Fund

The Residential Demolition Fund accounts for monies to be used for asbestos remediation and demolition of properties deemed blighted by the City.

Community Recycling Grant Fund

The Community Recycling Grant Fund accounts for funds received from the Cuyahoga County Solid Waste District to be used for community recycling programs.

Continuing Professional Training Program Fund

The Continuing Professional Training Program Fund accounts for funds received from the State of Ohio Continuing Professional Training Program to be used for law enforcement continuing professional training.

Ohio Bureau Workers Compensation Intervention Grant Fund

The Ohio Bureau Workers Compensation Intervention Grant Fund accounts for funds received from the State of Ohio Bureau of Workers Compensation to be used for capital outlay equipment. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

Ohio Department of Aging Grant Fund

The Ohio Department of Aging Grant Fund accounts for funds received from the Department of Aging to be used for the senior community services. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

Ohio Department of Aging Grant 2016-2017 Fund

The Ohio Department of Aging Grant Fund accounts for funds received from the Department of Aging to be used for the senior community services for 2016-2017 period. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

Ohio Department of Transportation State Infrastructure Bank Loan Fund – The Ohio Department of Transportation State Infrastructure Bank Loan Fund is a special revenue fund that accounts for loan proceeds received from the Ohio Department of Transportation for the rehabilitation of local roads.

State Infrastructure Repayment Loan Fund

The State Infrastructure Repayment Loan Fund accounts for the funds received for hotel and motel taxes to be used for the repayment of state infrastructure bank loan.

Nonmajor Capital Projects 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:

Information Technology System Fund

The Information Technology System Fund accounts for resources to be used for purchasing computer hardware, application software, network telephone systems and other technology system upgrades.

Land Acquisition Fund

The Land Acquisition Fund accounts for resources set aside for future economic growth and development.

Emery Woods Project Fund

The Emery Woods Project Fund accounts for note proceeds used to pay for the costs of constructing a new development in the City which will consist of new houses.

Town Center Project Fund The Town Center Project Fund accounts for note proceeds used to pay for the costs of constructing projects within the City's Town Center project.

Generators Fund

The Generator Fund accounts for monies received from a note issuance to be used for the purchase and installation of a generator at City Hall. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

Cinema Park Fund

The Cinema Park Fund accounts for note proceeds used to pay for the costs of the infrastructure improvements at a housing development project. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

City Hall Boiler Replacement Fund

The City Hall Boiler Replacement Fund accounts for monies received from a NOPEC "Powering Our Communities" grant that will be used to replace the City Hall's boiler. This fund did not have any activity or a budget in 2019 and therefore no budgetary schedule has been provided.

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 2,346,426	\$ 521,039	\$ 2,867,465
Accounts Receivable	19,820	-	19,820
Intergovernmental Receivable	413,140	-	413,140
Property Taxes Receivable	710,324	-	710,324
Total Assets	\$ 3,489,710	\$ 521,039	\$ 4,010,749
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Interfund Payable	\$ 663,289	\$ 5,973	\$ 669,262
Notes Payable	-	415,000	415,000
Total Liabilities	663,289	420,973	1,084,262
Deferred Inflows of Resources:			
Property Taxes	574,031	-	574,031
Unavailable Revenue - Delinquent Property Taxes	136,293	-	136,293
Unavailable Revenue - Other	290,298	-	290,298
Total Deferred Inflows of Resources	1,000,622	-	1,000,622
Fund Balances:			
Restricted	1,805,140	100,066	1,905,206
Committed	248,314	-	248,314
Unassigned (Deficit)	(227,655)	-	(227,655)
Total Fund Balances	1,825,799	100,066	1,925,865
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,489,710	\$ 521,039	\$ 4,010,749

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 600,531	\$ -	\$ 600,531
Hotel Taxes	308,323	-	308,323
Intergovernmental	724,160	-	724,160
Fines and Forfeitures	14,500	-	14,500
Charges for Services	9,789	-	9,789
All Other Revenues	380	-	380
Total Revenues	1,657,683	-	1,657,683
EXPENDITURES			
Security of Persons and Property:			
Police and Others	337,948	-	337,948
Fire	155,000	-	155,000
Community Development	218,243	184,365	402,608
Transportation	462,049	-	462,049
General Government	4,000	-	4,000
Debt Service:			
Principal Retirement	327,762	-	327,762
Interest and Fiscal Charges	72,956	17,828	90,784
Total Expenditures	1,577,958	202,193	1,780,151
Excess of Revenues Over (Under) Expenditures	79,725	(202,193)	(122,468)
OTHER FINANCING SOURCES			
Transfer In	351,954	436,906	788,860
Total Other Financing Sources	351,954	436,906	788,860
Net Change in Fund Balances	431,679	234,713	666,392
Fund Balances (Deficits) - Beginning of Year	1,394,120	(134,647)	1,259,473
Fund Balances - End of Year	\$ 1,825,799	\$ 100,066	\$ 1,925,865

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Street Maintenance	State Highway	Police Levy	Fire Levy	Street Lighting	Building Levy
ASSETS						
OUTFLOWS OF RESOURCES						
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 351,665	\$ 32,257	\$ 40,415	\$ 49,760	\$ 25,008	\$ 164,032
Accounts Receivable	-	-	-	-	-	-
Intergovernmental Receivable	361,606	29,320	3,178	3,178	7,852	2,678
Property Taxes Receivable	-	-	118,806	118,806	229,801	83,515
Total Assets	\$ 713,271	\$ 61,577	\$ 162,399	\$ 171,744	\$ 262,661	\$ 250,225
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Interfund Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total Liabilities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Deferred Inflows of Resources:						
Property Taxes	-	-	96,204	96,204	185,468	67,467
Unavailable Revenue - Delinq. Property Taxes	-	-	22,602	22,602	44,333	16,048
Unavailable Revenue - Other	247,977	20,107	3,178	3,178	7,852	2,678
<i>Total Deferred Inflows of Resources</i>	<i>247,977</i>	<i>20,107</i>	<i>121,984</i>	<i>121,984</i>	<i>237,653</i>	<i>86,193</i>
Fund Balances:						
Restricted	465,294	41,470	40,415	49,760	25,008	164,032
Committed	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficit)	465,294	41,470	40,415	49,760	25,008	164,032
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 713,271	\$ 61,577	\$ 162,399	\$ 171,744	\$ 262,661	\$ 250,225

Continued

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
DECEMBER 31, 2019

	Fire Pension	Police Pension	Master Plan Grant	BJA Grant	CDBG Grant
ASSETS					
OUTFLOWS OF RESOURCES					
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 13,590	\$ 15,704	\$ 25,353	\$ 14,924	\$ 17,832
Accounts Receivable	-	-	-	-	-
Intergovernmental Receivable	2,664	2,664	-	-	-
Property Taxes Receivable	79,698	79,698	-	-	-
Total Assets	\$ 95,952	\$ 98,066	\$ 25,353	\$ 14,924	\$ 17,832
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ -	\$ -	\$ -	\$ 148	\$ 27,919
<i>Total Liabilities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>148</i>	<i>27,919</i>
Deferred Inflows of Resources:					
Property Taxes	64,344	64,344	-	-	-
Unavailable Revenue - Delinq. Property Taxes	15,354	15,354	-	-	-
Unavailable Revenue - Other	2,664	2,664	-	-	-
Total Deferred Inflows of Resources	82,362	82,362	-	-	-
Fund Balances:					
Restricted	13,590	15,704	25,353	14,776	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	(10,087)
Total Fund Balances	13,590	15,704	25,353	14,776	(10,087)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 95,952	\$ 98,066	\$ 25,353	\$ 14,924	\$ 17,832

Law Enforcement Trust	Juvenile Diversion	EMS Computer	CDBG Sidewalk	COPS Grant	FEMA Grant	CRA Monitoring
\$ 14,925	\$ 18,615	\$ 3,000	\$ 7,104	\$ 4,818	\$ 30,521	\$ 146,775
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 14,925	\$ 18,615	\$ 3,000	\$ 7,104	\$ 4,818	\$ 30,521	\$ 146,775
<hr/>						
\$ -	\$ -	\$ -	\$ -	\$ 21,566	\$ -	\$ -
-	-	-	-	21,566	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 21,566	\$ -	\$ -
<hr/>						
14,925	18,615	3,000	7,104	-	30,521	-
-	-	-	-	-	-	146,775
-	-	-	-	(16,748)	-	-
14,925	18,615	3,000	7,104	(16,748)	30,521	146,775
\$ 14,925	\$ 18,615	\$ 3,000	\$ 7,104	\$ 4,818	\$ 30,521	\$ 146,775

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
DECEMBER 31, 2019

	Cleveland Foundation	EDSI Grant	Grass Refuse	G.R.E.A.T. Grant	2007 Nature Works	2008 G.R.E.A.T. Grant
ASSETS						
OUTFLOWS OF RESOURCES						
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 4,819	\$ 28,150	\$ 103	\$ 3,668	\$ -	\$ 29,342
Accounts Receivable	-	-	-	-	-	-
Intergovernmental Receivable	-	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-	-
Total Assets	4,819	28,150	103	\$ 3,668	-	29,342
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Interfund Payable	\$ -	\$ -	\$ -	-	\$ 19,589	\$ -
<i>Total Liabilities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>19,589</i>	<i>-</i>
Deferred Inflows of Resources:						
Property Taxes	-	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	-	-	-
<i>Total Deferred Inflows of Resources</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Fund Balances:						
Restricted	4,819	-	103	3,668	-	29,342
Committed	-	28,150	-	-	-	-
Unassigned (Deficit)	-	-	-	-	(19,589)	-
Total Fund Balances (Deficit)	4,819	28,150	103	3,668	(19,589)	29,342
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,819	\$ 28,150	\$ 103	\$ 3,668	\$ -	\$ 29,342

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Street Maintenance	State Highway	Police Levy	Fire Levy	Street Lighting
REVENUES					
Property Taxes	\$ -	\$ -	\$ 100,322	\$ 100,322	\$ 194,286
Hotel Taxes	-	-	-	-	-
Intergovernmental	619,482	50,004	6,356	6,356	15,703
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	-	-	-	-
All Other Revenues	-	-	-	-	-
Total Revenues	619,482	50,004	106,678	106,678	209,989
EXPENDITURES					
Security of Persons and Property:					
Police and Others	-	-	92,000	-	171,312
Fire	-	-	-	92,000	-
Community Environment	-	-	-	-	-
Transportation	415,049	47,000	-	-	-
General Government	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	415,049	47,000	92,000	92,000	171,312
Excess of Revenues Over (Under) Expenditures	204,433	3,004	14,678	14,678	38,677
OTHER FINANCING SOURCES					
Transfer In	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Net Change in Fund Balances	204,433	3,004	14,678	14,678	38,677
Fund Balances (Deficit) - Beginning of Year	260,861	38,466	25,737	35,082	(13,669)
Fund Balances (Deficit) - End of Year	\$ 465,294	\$ 41,470	\$ 40,415	\$ 49,760	\$ 25,008

Building Levy	Fire Pension	Police Pension	Master Plan Grant	BJA Grant	CDBG Grant	Law Enforcement Trust
\$ 70,559	\$ 67,521	\$ 67,521	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
5,355	5,327	5,327	-	1,200	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
75,914	72,848	72,848	-	1,200	-	-
<hr/>						
-	-	63,000	-	4,451	-	-
-	63,000	-	-	-	-	-
-	-	-	-	-	25,233	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	63,000	63,000	-	4,451	25,233	-
75,914	9,848	9,848	-	(3,251)	(25,233)	-
<hr/>						
-	-	-	-	-	30,000	-
-	-	-	-	-	30,000	-
75,914	9,848	9,848	-	(3,251)	4,767	-
88,118	3,742	5,856	25,353	18,027	(14,854)	14,925
\$ 164,032	\$ 13,590	\$ 15,704	\$ 25,353	\$ 14,776	\$ (10,087)	\$ 14,925

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Juvenile Diversion	EMS Computer	CDBG Sidewalk	COPS Grant	FEMA Grant
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Taxes	-	-	-	-	-
Intergovernmental	4,050	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	-	-	-	-
All Other Revenues	380	-	-	-	-
Total Revenues	4,430	-	-	-	-
EXPENDITURES					
Security of Persons and Property:					
Police and Others	7,185	-	-	-	-
Fire	-	-	-	-	-
Community Environment	-	-	-	-	-
Transportation	-	-	-	-	-
General Government	-	-	-	-	-
Debt Service:	-	-	-	-	-
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	7,185	-	-	-	-
Excess of Revenues Over (Under) Expenditures	(2,755)	-	-	-	-
OTHER FINANCING SOURCES					
Transfer In	-	-	7,104	-	30,521
Total Other Financing Sources	-	-	7,104	-	30,521
Net Change in Fund Balances	(2,755)	-	7,104	-	30,521
Fund Balances - Beginning of Year	21,370	3,000	-	(16,748)	-
Fund Balances - End of Year	\$ 18,615	\$ 3,000	\$ 7,104	\$ (16,748)	\$ 30,521

CRA Monitoring	Cleveland Foundation	EDSI Grant	Grass Refuse	G.R.E.A.T. Grant	2007 Nature Works	2008 G.R.E.A.T. Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,500	-	-	-	-	-	-
-	-	-	6,789	-	-	-
-	-	-	-	-	-	-
14,500	-	-	6,789	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	38,323	-	-	-
-	-	-	-	-	-	-
4,000	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,000	-	-	38,323	-	-	-
10,500	-	-	(31,534)	-	-	-
-	4,819	-	18,000	3,668	-	29,342
-	4,819	-	18,000	3,668	-	29,342
10,500	4,819	-	(13,534)	3,668	-	29,342
136,275	-	28,150	13,637	-	(19,589)	-
\$ 146,775	\$ 4,819	\$ 28,150	\$ 103	\$ 3,668	\$ (19,589)	\$ 29,342

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Warrensville Hts. Occupancy Program	Residential Demolition	Community Recycling Grant	CPT Program	ODOT SIB Loan	SIB Loan Repayment	Total Nonmajor Special Revenue Funds
REVENUES							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,531
Hotel Taxes	-	-	-	-	-	308,323	308,323
Intergovernmental	-	-	5,000	-	-	-	724,160
Fines and Forfeitures	-	-	-	-	-	-	14,500
Charges for Services	3,000	-	-	-	-	-	9,789
All Other Revenues	-	-	-	-	-	-	380
Total Revenues	3,000	-	5,000	-	-	308,323	1,657,683
EXPENDITURES							
Security of Persons and Property:							
Police and Others	-	-	-	-	-	-	337,948
Fire	-	-	-	-	-	-	155,000
Community Environment	130,973	18,558	5,156	-	-	-	218,243
Transportation	-	-	-	-	-	-	462,049
General Government	-	-	-	-	-	-	4,000
Debt Service:	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	327,762	327,762
Interest and Fiscal Charges	-	-	-	-	-	72,956	72,956
Total Expenditures	130,973	18,558	5,156	-	-	400,718	1,577,958
Excess of Revenues Over (Under) Expendi	(127,973)	(18,558)	(156)	-	-	(92,395)	79,725
OTHER FINANCING SOURCES							
Transfer In	196,500	32,000	-	-	-	-	351,954
Total Other Financing Sources	196,500	32,000	-	-	-	-	351,954
Net Change in Fund Balances	68,527	13,442	(156)	-	-	(92,395)	431,679
Fund Balances - Beginning of Year	4,862	193,436	1,039	21,249	(181,231)	701,026	1,394,120
Fund Balances - End of Year	\$ 73,389	\$ 206,878	\$ 883	\$ 21,249	\$ (181,231)	\$ 608,631	\$ 1,825,799

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2019

	Information Technology System	Land Acquisition	Emery Woods Project	Town Center Project	Total Nonmajor Capital Projects Funds
ASSETS					
OUTFLOWS OF RESOURCES					
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 305	\$ 463,443	\$ 40,519	\$ 16,772	\$ 521,039
Total Assets	\$ 305	\$ 463,443	\$ 40,519	\$ 16,772	\$ 521,039
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Interfund Payable	-	-	-	5,973	5,973
Notes Payable	-	415,000	-	-	415,000
Total Liabilities	-	415,000	-	5,973	420,973
Fund Balances:					
Restricted	305	48,443	40,519	10,799	100,066
Total Fund Balances	305	48,443	40,519	10,799	100,066
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 305	\$ 463,443	\$ 40,519	\$ 16,772	\$ 521,039

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
NON-MAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Information	Emery	Town	Total
	Technology	Woods	Center	Nonmajor
	System	Land	Project	Capital
EXPENDITURES				
Community Environment	\$ -	\$ 184,365	\$ -	\$ 184,365
Debt Service:				
Interest and Fiscal Charges	-	17,828	-	17,828
Total Expenditures	-	202,193	-	202,193
Excess of Revenues (Under) Expenditures	-	(202,193)	-	(202,193)
OTHER FINANCING SOURCES				
Transfer In	-	436,906	-	436,906
Total Other Financing Sources	-	436,906	-	436,906
Net Change in Fund Balances	-	234,713	-	234,713
Fund Balances (Deficit) - Beginning of Year	305	(186,270)	40,519	10,799
Fund Balances - End of Year	\$ 305	\$ 48,443	\$ 40,519	\$ 10,799

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Agency Funds

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of operations.

Developers' Deposits Fund

The Developers Deposits Fund accounts for deposits from contractors, held by the City, to insure compliance with various City ordinances regarding development within the City.

Senior Civic Center Rental Fund

The Senior Civic Center Rental Fund accounts for monies received as security deposit for rental of the civic and senior center.

Payroll Clearing Fund

The Payroll Clearing Fund accounts for payroll deductions collected for other governmental units or entities.

Self-Insurance Fund

The Self-Insurance Fund accounts for payroll deductions collected for health care self-insurance.

Tax Incentive Fund

This fund is used to account for service payments in lieu of property taxes. The service payments are collected to implement the City's Master Plan for urban renewal, prevention and elimination of blight and deteriorations, land and building acquisitions, demolitions, site preparation and relocation expenses

Unclaimed Funds

This fund is used to account for stale dated checks issued by the City for various purposes. These dollars are held in this fund until a legal claim is made.

Flexible Spending Fund

The Tax Incentive Fund accounts for tax incentive activity related to the economic development of the City.

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Developers' Deposits Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 398,356</u>	<u>\$ 113,272</u>	<u>\$ 112,339</u>	<u>\$ 399,289</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 398,356</u>	<u>\$ 113,272</u>	<u>\$ 112,339</u>	<u>\$ 399,289</u>
Senior Civic Center Rental Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 3,738</u>	<u>\$ 4,278</u>	<u>\$ 7,187</u>	<u>\$ 829</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 3,738</u>	<u>\$ 4,278</u>	<u>\$ 7,187</u>	<u>\$ 829</u>
Payroll Clearing Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 198,123</u>	<u>\$ 842</u>	<u>\$ 1,129</u>	<u>\$ 197,836</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 198,123</u>	<u>\$ 842</u>	<u>\$ 1,129</u>	<u>\$ 197,836</u>
Self-Insurance Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 377,677</u>	<u>\$ -</u>	<u>\$ 135,630</u>	<u>\$ 242,047</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 377,677</u>	<u>\$ -</u>	<u>\$ 135,630</u>	<u>\$ 242,047</u>
Tax Incentive Fund				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 387,306</u>	<u>\$ 473,216</u>	<u>\$ 427,962</u>	<u>\$ 432,560</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 387,306</u>	<u>\$ 473,216</u>	<u>\$ 427,962</u>	<u>\$ 432,560</u>
Unclaimed Funds				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 13,672</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 13,705</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 13,672</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 13,705</u>
Flexible Spending Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 5,161</u>	<u>\$ 1,650</u>	<u>\$ -</u>	<u>\$ 6,811</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 5,161</u>	<u>\$ 1,650</u>	<u>\$ -</u>	<u>\$ 6,811</u>
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 1,384,033</u>	<u>\$ 593,291</u>	<u>\$ 684,247</u>	<u>\$ 1,293,077</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 1,384,033</u>	<u>\$ 593,291</u>	<u>\$ 684,247</u>	<u>\$ 1,293,077</u>

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

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, 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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 413,163	\$ 479,343	\$ 448,483	\$ (30,860)
Income Taxes	18,277,888	18,679,912	18,741,853	61,941
Intergovernmental	685,457	703,026	705,400	2,374
Interest	161,940	166,090	166,651	561
Licenses and Permits	384,625	394,483	395,815	1,332
Fines and Forfeitures	115,953	118,924	119,326	402
Rentals	221,753	227,437	228,205	768
Charges for Services	666,953	684,047	686,357	2,310
All Other Revenues	153,289	157,217	157,749	532
Total Revenues	21,081,021	21,610,479	21,649,839	39,360
Expenditures:				
Current:				
Security of Persons and Property				
Fire Department				
Personal Services	3,841,876	3,844,376	3,833,792	10,584
Capital Outlay	65,200	87,495	31,522	55,973
Other Expenses	311,789	303,519	368,571	(65,052)
Total Fire Department	<u>4,218,865</u>	<u>4,235,390</u>	<u>4,233,885</u>	<u>1,505</u>
Police Department				
Personal Services	5,276,055	5,203,055	5,266,486	(63,431)
Capital Outlay	150,650	150,650	82,956	67,694
Other Expenses	519,599	517,005	451,409	65,596
Total Police Department	<u>5,946,304</u>	<u>5,870,710</u>	<u>5,800,851</u>	<u>69,859</u>
Total Security of Persons and Property	<u>10,165,169</u>	<u>10,106,100</u>	<u>10,034,736</u>	<u>71,364</u>

Continued

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
GENERAL FUND (Continued)**

FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health & Welfare				
Public Health				
Other Expenses	59,000	59,000	64,189	(5,189)
Total Public Health and Welfare	<u>59,000</u>	<u>59,000</u>	<u>64,189</u>	<u>(5,189)</u>
Leisure Time Activities				
Parks and Recreation				
Personal Services	159,461	159,461	154,964	4,497
Other Expenses	218,051	216,051	203,002	13,049
Total Parks and Recreation	<u>377,512</u>	<u>375,512</u>	<u>357,966</u>	<u>17,546</u>
Senior Services				
Personal Services	328,105	331,605	328,853	2,752
Capital Outlay	50,000	50,000	-	50,000
Other Expenses	116,100	97,900	95,776	2,124
Total Senior Services	<u>494,205</u>	<u>479,505</u>	<u>424,629</u>	<u>54,876</u>
Total Leisure Time Activates	<u>871,717</u>	<u>855,017</u>	<u>782,595</u>	<u>72,422</u>
Community Development				
Personal Services	148,167	140,137	136,290	3,847
Other Expenses	46,505	110,005	94,287	15,718
Total Community Development	<u>194,672</u>	<u>250,142</u>	<u>230,577</u>	<u>19,565</u>
Board and Commission Department				
Personal Services	21,468	21,468	18,562	2,906
Other Expenses	2,100	2,100	31	2,069
Total Board of Zoning Appeals	<u>23,568</u>	<u>23,568</u>	<u>18,593</u>	<u>4,975</u>
Building Department				
Personal Services	486,965	500,165	522,223	(22,058)
Capital Outlay	8,700	-	-	-
Other Expenses	84,892	118,892	89,563	29,329
Total Building Department	<u>580,557</u>	<u>619,057</u>	<u>611,786</u>	<u>7,271</u>
Total Community Development	<u>798,797</u>	<u>892,767</u>	<u>860,956</u>	<u>31,811</u>

Continued

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Basic Utility Services				
Personal Services	1,844,299	1,936,484	1,878,200	58,284
Capital Outlay	30,000	17,000	-	17,000
Other Expenses	983,623	1,022,406	787,485	234,921
Total Basic Utility Services	<u>2,857,922</u>	<u>2,975,890</u>	<u>2,665,685</u>	<u>310,205</u>
Transportation				
Personal Services	380,182	399,186	399,186	-
Other Expenses	445,911	468,199	446,771	21,428
Total Transportation	<u>826,093</u>	<u>867,385</u>	<u>845,957</u>	<u>21,428</u>
General Government				
City Council				
Personal Services	195,229	169,451	200,665	(31,214)
Other Expenses	170,278	163,928	72,542	91,386
Total City Council	<u>365,507</u>	<u>333,379</u>	<u>273,207</u>	<u>60,172</u>
Clerk of Council				
Personal Services	575,762	584,762	579,131	5,631
Other Expenses	47,239	77,239	70,463	6,776
Total Clerk of Council	<u>623,001</u>	<u>662,001</u>	<u>649,594</u>	<u>12,407</u>
Legal				
Personal Services	134,488	134,488	133,987	501
Other Expenses	256,325	251,325	236,726	14,599
Total Legal	<u>390,813</u>	<u>385,813</u>	<u>370,713</u>	<u>15,100</u>
Community Liason				
Personal Services	25,163	25,163	25,078	85
Total Community Liason	<u>25,163</u>	<u>25,163</u>	<u>25,078</u>	<u>85</u>
Human Resources				
Personal Services	148,812	159,812	149,544	10,268
Other Expenses	93,232	52,232	41,624	10,608
Total Human Resources	<u>242,044</u>	<u>212,044</u>	<u>191,168</u>	<u>20,876</u>
Information Systems				
Personal Services	-	57,695	49,164	8,531
Capital Outlay	10,000	10,000	-	10,000
Other Expenses	241,728	237,428	233,548	3,880
Total Public Properties	<u>251,728</u>	<u>305,123</u>	<u>282,712</u>	<u>22,411</u>

Continued

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2019**

				Variance with Final Budget
		Budgeted Amounts		Positive (Negative)
		Original	Final	Actual
Finance Department				
Personal Services		496,126	490,126	488,934
Other Expenses		406,062	387,062	378,477
Total Finance Department		<u>902,188</u>	<u>877,188</u>	<u>867,411</u>
Election				
Other Expenses		40,000	10,000	2,671
Total Election		<u>40,000</u>	<u>10,000</u>	<u>2,671</u>
Engineering				
Supplies and Materials		81,231	192,231	210,229
Total Engineering		<u>81,231</u>	<u>192,231</u>	<u>210,229</u>
Lands and Buildings				
Supplies and Materials		984,181	868,581	851,357
Total Lands and Buildings		<u>984,181</u>	<u>868,581</u>	<u>851,357</u>
Other General Government				
Personal Services		95,929	80,929	79,227
Capital Outlay		48,600	1,555,906	210,188
Other Expenses		1,195,468	1,445,997	1,454,912
Total Other General Government		<u>1,339,997</u>	<u>3,082,832</u>	<u>1,744,327</u>
Total General Government		<u>5,245,853</u>	<u>6,954,355</u>	<u>5,468,467</u>
Total Expenditures		<u>20,824,551</u>	<u>22,710,514</u>	<u>20,722,585</u>
Excess of Revenues Over (Under) Expenditures		256,470	(1,100,035)	927,254
Other Financing Sources (Uses)				2,027,289
Sale of Capital Assets		238,257	244,364	245,189
Transfers Out		<u>(1,721,954)</u>	<u>(1,721,954)</u>	<u>(3,229,260)</u>
Total Other Financing Sources (Uses)		<u>(1,483,697)</u>	<u>(1,477,590)</u>	<u>(2,984,071)</u>
Net Change in Fund Balance		(1,227,227)	(2,577,625)	(2,056,817)
Fund Balance - Beginning of Year		4,720,879	4,720,879	4,720,879
Prior Year Encumbrances		302,815	302,815	302,815
Fund Balance - End of Year		<u>\$ 3,796,467</u>	<u>\$ 2,446,069</u>	<u>\$ 2,966,877</u>
				<u>\$ 520,808</u>

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Variance with Final Budget		
	Budgeted Amounts	Actual	Positive (Negative)
	Final		
Revenues:			
Property Taxes	\$ 485,663	\$ 450,152	\$ (35,511)
Intergovernmental	17,692	35,510	17,818
Special Assessments	206,577	414,638	208,061
All Other Revenues	6,720	13,485	6,765
Total Revenues	716,652	913,785	197,133
Expenditures:			
Debt Service:			
Principal	2,846,499	2,835,000	11,499
Interest & Fiscal Charges	707,842	692,533	15,309
Bond Issuance Costs	54,059	44,877	9,182
Total Expenditures	3,608,400	3,572,410	35,990
Excess of Revenues Over (Under) Expenditures	(2,891,748)	(2,658,625)	233,123
Other Financing Sources			
Note Proceeds	797,134	1,600,000	802,866
Transfers In	620,000	1,040,939	420,939
Total Other Financing Sources	1,417,134	2,640,939	1,223,805
Net Change in Fund Balance	(1,474,614)	(17,686)	1,456,928
Fund Balance- Beginning of Year	83,406	83,406	-
Fund Balance - End of Year	\$ (1,391,208)	\$ 65,720	\$ 1,456,928

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
STREET IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Final	Actual		
Expenditures:				
Current:				
Transportation				
Capital Outlay	\$ 2,594,366	\$ 3,031,070	\$ (436,704)	
Other	50,000	-	50,000	
Total Expenditures	2,644,366	3,031,070	(386,704)	
Excess of Revenues Over (Under) Expenditures				
	(2,644,366)	(3,031,070)	(386,704)	
Other Financing Sources				
Transfers In	2,257,306	1,399,461	(857,845)	
Net Change in Fund Balance				
	(387,060)	(1,631,609)	(1,244,549)	
Fund Balance - Beginning of Year	337,059	337,059	-	
Fund Balance - End of Year	\$ (50,001)	\$ (1,294,550)	\$ (1,244,549)	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
STREET CONSTRUCTION, REPAIR, AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues:				
Intergovernmental	\$ 524,167		\$ 577,979	\$ 53,812
Expenditures:				
Current:				
Transportation				
Personal Services	325,000		325,000	-
Other	265,200		107,129	158,071
Total Expenditures	590,200		432,129	158,071
Net Change in Fund Balance	(66,033)		145,850	211,883
Fund Balance - Beginning of Year	192,146		192,146	-
Fund Balance - End of Year	\$ 126,113		\$ 337,996	\$ 211,883

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 42,500	\$ 46,674	\$ 4,174
Expenditures:			
Current:			
Transportation			
Other	47,000	47,000	-
Net Change in Fund Balance	(4,500)	(326)	4,174
Fund Balance - Beginning of Year	32,583	32,583	-
Fund Balance - End of Year	\$ 28,083	\$ 32,257	\$ 4,174

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
POLICE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 100,322	\$ 100,322	\$ -
Intergovernmental	6,356	6,356	-
Total Revenues	106,678	106,678	-
 Expenditures:			
Current:			
Security of Persons and Property:			
Police and Others:			
Personal Services	92,000	92,000	-
Net Change in Fund Balance	14,678	14,678	-
Fund Balance - Beginning of Year	25,737	25,737	-
Fund Balance - End of Year	\$ 40,415	\$ 40,415	\$ -

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, 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		Variance with Final Budget Positive (Negative)	
	Final			
Revenues:				
Property Taxes	\$ 100,322	\$ 100,322	\$ -	
Intergovernmental	6,356	6,356	-	
Total Revenues	106,678	106,678	-	
 Expenditures:				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	92,000	92,000	-	
Net Change in Fund Balance	14,678	14,678	-	
Fund Balance - Beginning of Year	35,082	35,082	-	
Fund Balance - End of Year	\$ 49,760	\$ 49,760	\$ -	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
STREET LIGHTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Variance with Final Budget
	Final	Actual	
Revenues:			
Property Taxes	\$ 194,286	\$ 194,286	\$ -
Intergovernmental	15,703	15,703	-
Total Revenues	209,989	209,989	-
Expenditures:			
Current:			
Community Development			
Other	193,179	184,981	8,198
Net Change in Fund Balance	16,810	25,008	8,198
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	\$ 16,810	\$ 25,008	\$ 8,198

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
BUILDING LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Positive (Negative)	Variance with Final Budget
	Final	Actual		
Revenues:				
Property Taxes	\$ 70,560	\$ 70,559	\$ (1)	
Intergovernmental	5,355	5,355	-	
Total Revenues	75,915	75,914	(1)	
 Expenditures:				
Current:				
Community Development				
Capital Outlay	5,000	-	5,000	
Other	68,000	-	68,000	
Total Expenditures	73,000	-	73,000	
 Net Change in Fund Balance	2,915	75,914	72,999	
 Fund Balance - Beginning of Year	88,118	88,118	-	
Fund Balance - End of Year	\$ 91,033	\$ 164,032	\$ 72,999	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, 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)
	Final	Final		
Revenues:				
Property Taxes	\$ 67,521	\$ 67,521	\$ -	
Intergovernmental	5,327	5,327	-	
Total Revenues	72,848	72,848	-	
Expenditures:				
Current:				
Security of Persons and Property:				
Fire				
Personal Services	63,000	63,000	-	
Net Change in Fund Balance	9,848	9,848	-	
Fund Balance - Beginning of Year	3,742	3,742	-	
Fund Balance - End of Year	\$ 13,590	\$ 13,590	\$ -	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, 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		Variance with Final Budget	
	Final	Actual	Positive	(Negative)
Revenues:				
Property Taxes	\$ 67,521	\$ 67,521	\$	-
Intergovernmental	5,327	5,327	\$	-
Total Revenues	72,848	72,848	\$	-
Expenditures:				
Current:				
Security of Persons and Property:				
Police and Others:				
Personal Services	63,000	63,000	\$	-
Net Change in Fund Balance	9,848	9,848	\$	-
Fund Balance - Beginning of Year	5,856	5,856	\$	-
Fund Balance - End of Year	\$ 15,704	\$ 15,704	\$	-

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
MASTER PLAN GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance - Beginning of Year	25,353	25,353	-
Fund Balance - End of Year	\$ 25,353	\$ 25,353	\$ -

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
BUREAU OF JUSTICE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Variance with Final Budget
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,200	\$ 1,200	\$ -
Expenditures:			
Current:			
Security of Persons and Property			
Police Safety Equipment			
Other	5,000	4,451	549
Net Change in Fund Balance	(3,800)	(3,251)	549
Fund Balance - Beginning of Year	18,175	18,175	-
Fund Balance - End of Year	\$ 14,375	\$ 14,924	\$ 549

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Variance with Final Budget	
	Final	Actual	Positive (Negative)	Positive (Negative)
Expenditures:				
Current:				
Community Development				
Other	\$ 30,000	\$ 25,233	\$ 4,767	
Other Financing Sources				
Transfers In	30,000	30,000	-	
Net Change in Fund Balance	-	4,767	4,767	
Fund Balance - Beginning of Year	13,065	13,065	-	
Fund Balance - End of Year	\$ 13,065	\$ 17,832	\$ 4,767	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Variance with Final Budget	Positive (Negative)
	Final	Actual		
Net Change in Fund Balance	\$ -	\$ -	\$ -	-
Fund Balance - Beginning of Year	14,925	14,925	-	-
Fund Balance - End of Year	\$ 14,925	\$ 14,925	\$ -	-

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
JUVENILE DIVERSION PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final	Final		
Revenues:				
Intergovernmental	\$ 5,400	\$ 5,400	\$ -	
All Other Revenues	380	380	-	
Total Revenues	5,780	5,780	-	
Expenditures:				
Current:				
Security of Persons and Property:				
Mandatory Drug Law				
Personal Services	4,000	3,993	7	
Other	9,075	3,754	5,321	
Total Expenditures	13,075	7,747	5,328	
Net Change in Fund Balance	(7,295)	(1,967)	5,328	
Fund Balance - Beginning of Year	20,020	20,020	-	
Fund Balance - End of Year	\$ 12,725	\$ 18,053	\$ 5,328	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
EMS COMPUTER GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts				Variance with Final Budget Positive (Negative)
	Final	Actual	\$	\$	
Net Change in Fund Balance			\$ -	\$ -	\$ -
Fund Balance - Beginning of Year		3,000		3,000	-
Fund Balance - End of Year	\$ 3,000	\$ 3,000	\$	\$	-

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
CDBG SIDEWALK FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget	Positive (Negative)
	Final				
Other Financing Sources					
Transfers In	\$ 7,104		\$ 7,104	\$ -	
Net Change in Fund Balance			7,104	7,104	-
Cash Fund Balance - Beginning of Year		-			-
Cash Fund Balance - End of Year	\$ 7,104		\$ 7,104	\$ -	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
COPS GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance - Beginning of Year	4,818	4,818	-
Fund Balance - End of Year	\$ 4,818	\$ 4,818	\$ -

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
FEMA GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
	<u>\$</u>	<u>\$</u>	<u>\$</u>	
Other Financing Sources				
Transfers In	\$ -	\$ 30,521	\$ 30,521	\$ -
Net Change in Fund Balance	-	30,521	30,521	-
Cash Fund Balance - Beginning of Year	-	-	-	-
Cash Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 30,521</u>	<u>\$ 30,521</u>	<u>\$ -</u>

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
CRA MONITORING FEE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:			
Fines, Licenses and Permits	\$ 14,500	\$ 14,500	\$ -
Expenditures:			
Current:			
General Government			
Other	4,000	4,000	-
Net Change in Fund Balance	10,500	10,500	-
Fund Balance - Beginning of Year	136,275	136,275	-
Fund Balance - End of Year	\$ 146,775	\$ 146,775	\$ -

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
THE CLEVELAND FOUNDATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other Financing Sources				
Transfers In	\$ -	\$ 4,819	\$ 4,819	\$ -
Total Other Financing Sources	-	4,819	4,819	-
Net Change in Fund Balance	-	4,819	4,819	-
Cash Fund Balance - Beginning of Year	-	-	-	-
Cash Fund Balance - End of Year	\$ -	\$ 4,819	\$ 4,819	\$ -

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
ECONOMIC DEVELOPMENT STIMULUS GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Positive (Negative)</u>	Variance with Final Budget
	<u>Final</u>	<u>\$</u>			
Net Change in Fund Balance	-	\$ -	\$ -	\$ -	\$ -
Fund Balance - Beginning of Year	28,150	\$ 28,150	28,150	-	
Fund Balance - End of Year	\$ 28,150	\$ 28,150	\$ 28,150	\$ -	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
GRASS REFUSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 6,788	\$ 6,789	\$ 1
Total Revenues	6,788	6,789	1
Expenditures:			
Current:			
Community Development			
Other	38,324	38,323	1
Other Financing Sources			
Transfers In	-	18,000	18,000
Net Change in Fund Balance	(31,536)	(13,534)	18,002
Fund Balance - Beginning of Year	13,637	13,637	-
Fund Balance - End of Year	\$ (17,899)	\$ 103	\$ 18,002

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
G.R.E.A.T GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Final Budget	Positive (Negative)
	Final	Actual		
Other Financing Sources (Uses)				
Transfers In	\$ 3,668	\$ 3,668	\$ -	-
Net Change in Fund Balance		3,668	3,668	-
Cash Fund Balance - Beginning of Year	-	-	-	-
Cash Fund Balance - End of Year	\$ 3,668	\$ 3,668	\$ -	-

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
2008 G.R.E.A.T GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Final		Actual	
	\$	29,342	\$	
Other Financing Sources (Uses)				
Transfers In	\$	29,342	\$	\$ -
Net Change in Fund Balance		29,342	29,342	-
Cash Fund Balance - Beginning of Year		-	-	-
Cash Fund Balance - End of Year	\$	29,342	\$	\$ -

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
WARRENSVILLE HEIGHTS OCCUPANCY PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Positive (Negative)	Variance with Final Budget
	Final	Actual		
Revenues:				
Charges for Services	\$ -	\$ 3,000	\$ 3,000	
Expenditures:				
Current:				
Community Development				
Other	200,000	130,973	69,027	
Other Financing Sources				
Transfers In	196,500	196,500	-	
Net Change in Fund Balance	(3,500)	68,527	72,027	
Fund Balance - Beginning of Year	4,862	4,862	-	
Fund Balance - End of Year	\$ 1,362	\$ 73,389	\$ 72,027	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
RESIDENTIAL DEMOLITION FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Variance with Final Budget	
	Final	Actual	Positive	(Negative)
Expenditures:				
Community Development				
Other	\$ 50,000	\$ 18,558	\$ 31,442	
Other Financing Sources				
Transfers In	50,000	32,000	(18,000)	
Net Change in Fund Balance	-	13,442	13,442	
Fund Balance - Beginning of Year	193,436	193,436	-	
Fund Balance - End of Year	\$ 193,436	\$ 206,878	\$ 13,442	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
COMMUNITY RECYCLING GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 5,000	\$ 5,000	\$ -
Expenditures:			
Current:			
Community Development			
Other	5,753	5,156	597
Net Change in Fund Balance	(753)	(156)	597
Fund Balance - Beginning of Year	1,039	1,039	-
Fund Balance - End of Year	<u>\$ 286</u>	<u>\$ 883</u>	<u>\$ 597</u>

**C CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
CONTINUING PROFESSIONAL TRAINING PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)		
	Final	Actual				
Expenditures:						
Current:						
Security of Persons and Property:						
Police and Others:						
Other	\$ 12,000	\$ -	\$ 12,000			
Net Change in Fund Balance	(12,000)	-	12,000			
Fund Balance - Beginning of Year	21,249	21,249	-			
Fund Balance - End of Year	\$ 9,249	\$ 21,249	\$ 12,000			

**C CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –**
**OHIO DEPARTMENT OF TRANSPORTATION STATE INFRASTRUCTURE BANK LOAN
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
	\$	\$	\$	
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	430,581	430,581	430,581	-
Fund Balance - End of Year	\$ 430,581	\$ 430,581	\$ 430,581	\$ -

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
STATE INFRASTRUCTURE BANK LOAN REPAYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

				Variance with Final Budget	
	Budgeted Amounts		Positive (Negative)		
	Final	Actual			
Revenues:					
Intergovernmental	\$ 283,899	\$ 305,801	\$ 21,902		
Expenditures:					
Debt Service					
Other	15,000	-	15,000		
Total Expenditures	15,000	-	15,000		
Net Change in Fund Balance	268,899	305,801	36,902		
Fund Balance - Beginning of Year	683,728	683,728	-		
Fund Balance - End of Year	\$ 952,627	\$ 989,529	\$ 36,902		

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
INFORMATION TECHNOLOGY SYSTEM FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance - Beginning of Year	305	305	-
Fund Balance - End of Year	\$ 305	\$ 305	\$ -

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
LAND AQUISITION FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Variance with Final Budget	
	Final	Actual	Positive (Negative)	
Expenditures:				
Current:				
Capital Outlay				
Capital Outlay	\$ 33,183	\$ 203,519	\$ (170,336)	
Debt Service				
Principal	736,275	639,000	97,275	
Interest & Fiscal Charges	20,542	17,828	2,714	
Total Expenditures	790,000	860,347	(70,347)	
Other Financing Sources				
Bond Anticipation Notes Issued				
	368,678	415,000	46,322	
Transfers In				
	388,139	436,906	48,767	
Total Other Financing Sources	756,817	851,906	95,089	
Net Change in Fund Balance				
	(33,183)	(8,441)	24,742	
Fund Balance - Beginning of Year				
	438,381	438,381	-	
Prior Year Encumbrances				
	33,183	33,183	-	
Fund Balance - End of Year	\$ 438,381	\$ 463,123	\$ 24,742	

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
EMERY WOODS PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
	\$	\$	
Net Change in Fund Balance	\$ -	\$ -	\$ -
Fund Balance - Beginning of Year	40,519	40,519	-
Fund Balance - End of Year	\$ 40,519	\$ 40,519	\$ -

CITY OF WARRENSVILLE HEIGHTS

CUYAHOGA COUNTY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL –
TOWN CENTER PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Positive (Negative)</u>	Variance with Final Budget
	<u>Final</u>	<u>\$</u>			
Net Change in Fund Balance	-	\$ -	\$ -	\$ -	\$ -
Fund Balance - Beginning of Year	16,772	\$ 16,772	16,772	\$ -	
Fund Balance - End of Year	\$ 16,772	\$ 16,772	\$ 16,772	\$ -	

STATISTICAL SECTION

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
STATISTICAL SECTION
DECEMBER 31, 2019**

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S7
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S8-S13
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14-S19
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.	S20
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.	S21-S25

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
NET POSITION BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING
LAST TEN YEARS**

Table 1

	2010	2011	2012	2013	2014	2015 (2)	2016	2017 (3)	2018	2019
Governmental activities:										
Net investment in Capital assets (1)	\$ (1,790,978)	\$ (1,396,664)	\$ 4,741,934	\$ (2,719,265)	\$ (1,660,356)	\$ (413,445)	\$ 4,413,884	\$ 1,531,320	\$ 3,702,183	\$ 7,587,956
Restricted for:										
Capital projects	135,117	133,539	200,257	229,630	306,185	643,180	74,795	637,366	862,412	116,306
Streets	451,898	477,528	616,951	632,092	409,723	394,833	396,076	573,835	472,601	774,848
Police	123,898	130,420	100,840	122,122	39,637	41,910	89,401	153,193	129,266	133,457
Fire	89,282	147,844	129,579	166,035	33,550	42,567	53,494	128,812	103,202	110,148
Building Levy	130,156	183,607	203,745	126,547	45,891	23,996	19,506	61,988	114,428	182,758
Debt Services	799,916	1,553,049	1,136,956	1,296,384	1,675,502	4,645,437	1,861,294	4,128,029	1,766,666	1,617,354
Other Purposes	377,815	430,731	469,722	612,974	597,939	274,504	1,064,971	937,486	1,195,779	1,019,593
Unrestricted	799,973	1,119,275	(2,676,263)	3,661,396	(5,058,960)	(6,447,325)	(7,929,908)	(24,267,918)	(25,865,387)	(19,091,754)
Total net position - governmental activities	\$ 1,117,077	\$ 2,779,329	\$ 4,923,721	\$ 4,127,915	\$ (3,610,889)	\$ (794,343)	\$ 43,513	\$ (16,115,889)	\$ (17,518,850)	\$ (7,549,334)

(1) – Item reported as Invested in capital assets, net of related debt through December 31, 2017.

(2) – Restated for GASB Statement No. 68 Implementation

(3) – Restated for GASB Statement No. 75 Implementation

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING
LAST TEN YEARS**

Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program revenues:										
Charges for services										
Security of persons and property										
Police and others	\$ 204,229	\$ 599,807	\$ 117,895	\$ 84,406	\$ 102,818	\$ 72,121	\$ 253,964	\$ 137,773	\$ 252,645	\$ 119,311
Fire	392,027	453,935	291,371	494,087	485,032	419,462	505,002	499,474	315,974	529,635
Leisure time activities	21,341	18,912	16,793	55,235	58,434	63,865	67,561	71,246	77,379	73,467
Community development	138,768	18,387	20,937	25,210	21,991	19,714	574,943	589,967	425,083	613,072
Public works	-	50	220	520	60	68	62,000	9,000	-	91,019
Transportation	780	1,518	-	-	-	-	2,250	12,200	480	1,754
General government	228,995	373,205	749,238	420,821	818,026	750,044	36,989	42,079	74,259	72,100
Total charges for services	986,140	1,465,814	1,196,454	1,080,279	1,486,361	1,325,274	1,502,709	1,361,739	1,145,820	1,500,358
Operating grants and contributions										
Security of persons and property										
Police and others	323,149	204,041	24,253	19,962	12,080	17,050	6,166	6,000	20,502	-
Fire	-	403,087	806,566	530,135	-	40,000	-	-	-	-
Leisure time activities	-	-	-	-	-	-	409,863	90,137	-	-
Community development	33,917	37,833	2,790	5,643	3,680	146,180	5,607	4,185	75,394	5,000
Transportation	495,784	469,914	476,258	482,840	482,853	489,380	227,320	36,995	779,706	764,296
General government	-	-	25,353	-	-	-	15,740	4,229	815	1,964
Total operating grants and contributions	852,850	1,114,875	1,335,220	1,038,580	498,613	692,610	664,696	141,546	876,417	771,260
Capital grants and contributions										
Security of persons and property										
Police and others	-	-	-	-	-	-	-	5,400	-	5,400
Community development	69,100	33,766	-	-	165,260	559	-	-	-	-
Transportation	-	-	-	-	-	-	363,141	131,869	31,966	1,207,477
General government	287,175	262,014	270,779	137,309	2,670,483	581,364	-	-	-	-
Total capital grants and contributions	356,275	295,780	270,779	137,309	2,835,743	581,923	363,141	137,269	31,966	1,212,877
Total program revenues	2,195,265	2,876,469	2,802,453	2,256,168	4,820,717	2,599,807	2,530,546	1,640,554	2,054,203	3,484,495

Continued

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CHANGES IN NET POSITION
ACCRUAL BASIS OF ACCOUNTING
LAST TEN YEARS**

Table 2 (Continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Security of persons and property										
Police and others	4,780,991	5,372,668	4,905,321	4,734,068	5,163,481	5,421,417	6,480,372	6,764,289	6,362,593	1,801,291
Fire	3,471,641	3,626,904	3,677,433	4,062,419	3,603,854	3,925,081	4,250,869	4,365,946	4,402,676	(443,842)
Public health and welfare	27,952	55,903	52,001	52,001	65,183	53,085	53,085	53,085	58,020	64,189
Leisure time activities	227,379	266,661	291,803	664,913	697,906	495,965	1,142,545	1,103,575	1,032,162	1,133,371
Community development	1,087,614	882,581	470,806	528,141	873,757	961,571	865,269	1,035,567	1,675,338	1,412,006
Public works	1,136,196	1,024,141	1,201,675	1,298,203	1,173,154	1,527,105	2,948,804	4,042,109	3,853,307	3,986,195
Transportation	2,052,226	1,697,499	1,680,189	2,429,523	2,637,135	2,004,180	2,670,273	2,004,261	1,582,197	2,018,172
General government	3,156,023	3,730,870	4,745,370	4,364,751	2,411,281	4,164,107	3,447,287	4,907,339	4,497,280	4,745,170
Interest and Fiscal Charges	543,135	849,472	534,465	1,606,014	876,751	781,460	505,598	525,353	624,390	793,590
Total primary government expenses	<u>16,483,157</u>	<u>17,506,699</u>	<u>17,559,063</u>	<u>19,740,033</u>	<u>17,502,502</u>	<u>19,333,971</u>	<u>22,364,102</u>	<u>24,801,524</u>	<u>24,087,963</u>	<u>15,510,142</u>
Net (expense)/revenue	<u>(14,287,892)</u>	<u>(14,630,230)</u>	<u>(14,756,610)</u>	<u>(17,483,865)</u>	<u>(12,681,785)</u>	<u>(16,734,164)</u>	<u>(19,833,556)</u>	<u>(23,160,970)</u>	<u>(22,033,760)</u>	<u>(12,025,647)</u>
General revenues										
Property taxes levied for:										
General purposes	801,710	611,674	681,322	597,335	560,635	687,313	405,700	463,538	417,337	401,580
Debt service	406,829	661,791	539,409	387,121	317,748	335,894	283,752	392,932	391,614	450,152
Other purposes	598,037	662,777	658,505	516,621	456,484	490,916	650,621	671,723	575,572	485,087
Municipal income taxes levied for:										
General purposes	13,158,561	13,185,755	14,228,423	14,526,593	16,169,998	16,576,878	17,824,264	17,607,661	17,797,030	18,916,565
Other Taxes	-	-	-	-	-	-	-	-	-	515,671
Grants and entitlements										
not restricted to specific programs	1,478,918	1,091,130	586,783	306,927	659,957	679,693	1,276,788	1,729,668	534,019	586,140
Investment income	1,742	7,054	26,502	7,879	6,872	14,054	37,654	74,099	129,037	201,320
Gain on the sale of capital assets	-	-	-	-	-	-	128,686	-	245,998	245,189
All other revenues	166,600	72,301	180,058	345,583	231,000	171,522	63,947	87,904	807,744	193,459
Total general revenues	<u>16,612,397</u>	<u>16,292,482</u>	<u>16,901,002</u>	<u>16,688,059</u>	<u>18,402,694</u>	<u>18,956,270</u>	<u>20,671,412</u>	<u>21,027,525</u>	<u>20,898,351</u>	<u>21,995,163</u>
Change in net position	<u>\$ 2,324,505</u>	<u>\$ 1,662,252</u>	<u>\$ 2,144,392</u>	<u>\$ (795,806)</u>	<u>\$ 5,720,909</u>	<u>\$ 2,222,106</u>	<u>\$ 837,856</u>	<u>\$ (2,133,445)</u>	<u>\$ (1,135,409)</u>	<u>\$ 9,969,516</u>

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS -
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Nonspendable	\$ 395,282	\$ 373,140	\$ 346,317	\$ 224,285	\$ 240,079	\$ 372,040	\$ 944,501	\$ 857,919	\$ 1,012,638	\$ 1,909,519
Assigned	49,993	600,805	40,900	144,018	165,860	1,735,968	935,889	301,710	1,543,313	1,852,800
Unassigned	2,222,634	2,871,394	4,859,616	4,926,154	6,663,466	6,035,565	6,741,663	6,622,333	5,517,741	3,689,894
Total general fund	<u>2,667,909</u>	<u>3,845,339</u>	<u>5,246,833</u>	<u>5,294,457</u>	<u>7,069,405</u>	<u>8,143,573</u>	<u>8,622,053</u>	<u>7,781,962</u>	<u>8,073,692</u>	<u>7,452,213</u>
All other governmental funds:										
Restricted	3,159,390	4,394,852	2,204,901	1,253,835	925,964	1,365,745	1,362,755	1,368,376	1,859,606	1,905,206
Committed	194,003	232,940	168,120	159,588	214,296	194,996	190,361	176,271	169,287	248,314
Unassigned (Deficit)	(5,687,816)	(5,650,602)	(88,578)	(3,089,735)	(882,616)	(2,386,056)	(2,543,979)	(2,153,944)	(2,172,492)	(2,941,884)
Total all other governmental funds	<u>(2,334,423)</u>	<u>(1,022,810)</u>	<u>2,284,443</u>	<u>(1,676,312)</u>	<u>257,644</u>	<u>(825,315)</u>	<u>(990,863)</u>	<u>(609,297)</u>	<u>(143,599)</u>	<u>(788,364)</u>
Total governmental funds	<u>\$ 333,486</u>	<u>\$ 2,822,529</u>	<u>\$ 7,531,276</u>	<u>\$ 3,618,145</u>	<u>\$ 7,327,049</u>	<u>\$ 7,318,258</u>	<u>\$ 7,631,190</u>	<u>\$ 7,172,665</u>	<u>\$ 7,930,093</u>	<u>\$ 6,663,849</u>

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS -
MODIFIED BASIS OF ACCOUNTING
LAST TEN YEARS**

Table 4
2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Property Taxes and Other Local Taxes	\$ 1,711,860	\$ 1,824,328	\$ 1,669,752	\$ 1,920,190	\$ 1,707,323	\$ 1,595,845	\$ 1,744,604	\$ 1,677,400	\$ 1,893,496	\$ 2,014,837
Income Taxes	12,829,743	13,326,443	14,165,018	14,233,365	15,872,496	16,689,455	17,800,538	17,829,418	17,802,827	18,992,918
Intergovernmental	2,179,335	2,261,416	2,084,485	1,628,155	1,266,054	1,311,829	1,632,792	1,543,486	1,396,971	1,271,550
Interest	1,742	7,054	26,502	7,879	6,872	14,054	26,828	74,544	129,037	201,320
Licenses and Permits	267,270	385,966	256,690	351,843	812,181	603,691	380,903	380,380	263,303	397,779
Fines and Forfeitures	192,370	597,017	586,020	221,822	170,812	138,794	253,846	137,641	279,017	133,826
Rentals	-	-	-	-	-	-	193,250	196,600	170,550	228,205
Charges for Services	352,805	433,371	490,120	458,069	498,852	603,209	672,962	575,551	581,680	695,861
Special Assessments	242,138	222,362	184,610	107,969	341,708	520,889	430,546	176,004	202,499	414,638
All Other Revenues	280,201	210,301	55,646	352,009	233,527	149,447	66,136	87,904	297,239	193,459
Total Revenues	<u>18,057,464</u>	<u>19,268,258</u>	<u>19,518,843</u>	<u>19,281,301</u>	<u>20,909,825</u>	<u>21,627,213</u>	<u>23,202,405</u>	<u>22,678,928</u>	<u>23,016,619</u>	<u>24,544,393</u>
Expenditures:										
Current:										
Security of persons and property										
Police and others	4,762,219	5,454,369	4,909,799	4,652,818	5,177,961	5,353,511	5,867,392	6,011,557	5,451,431	5,789,119
Fire	3,406,521	4,063,276	3,726,203	4,000,675	3,552,650	3,774,899	3,860,674	4,049,991	3,721,429	4,168,269
Public health and welfare	27,952	55,903	52,001	52,001	53,085	53,085	53,085	53,085	58,020	64,189
Leisure time activities	178,910	227,370	276,706	437,558	470,772	445,491	888,433	769,368	712,525	745,003
Community development	1,091,745	882,581	488,755	506,859	736,622	1,002,863	850,694	928,466	1,590,050	1,238,312
Public works	1,025,838	995,680	1,186,379	1,274,543	1,186,403	1,485,708	2,602,683	3,654,007	3,488,250	3,332,570
Transportation	1,777,858	1,739,710	2,290,622	2,705,284	2,809,577	2,221,014	2,175,556	1,943,116	1,531,068	1,899,566
General government	2,785,533	3,264,306	3,470,257	3,808,277	3,536,088	4,194,991	3,219,241	3,989,601	3,811,516	3,900,967
Capital Outlay	1,218,367	7,233,855	3,611,711	318,538	358,256	105,879	4,031,299	478,837	185,505	2,533,816
Debt Service:										
Principal retirement	450,000	4,030,000	20,605,060	28,977,060	2,625,000	2,621,541	821,131	1,080,547	1,118,474	1,556,521
Interest and fiscal charges	461,207	491,367	894,883	1,161,616	934,422	827,848	757,822	755,615	805,221	790,118
Bond issuance costs	-	86,600	44,227	584,403	-	-	17,686	26,760	31,700	37,376
Total expenditures	<u>17,186,150</u>	<u>28,525,017</u>	<u>41,556,603</u>	<u>48,479,632</u>	<u>21,440,836</u>	<u>22,086,830</u>	<u>25,145,696</u>	<u>23,740,950</u>	<u>22,505,189</u>	<u>26,055,826</u>
Excess of revenues over (under) expenditures	<u>871,314</u>	<u>(9,256,759)</u>	<u>(22,037,760)</u>	<u>(29,198,331)</u>	<u>(531,011)</u>	<u>(459,617)</u>	<u>(1,943,291)</u>	<u>(1,062,022)</u>	<u>511,430</u>	<u>(1,511,433)</u>

Continued

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS -
MODIFIED BASIS OF ACCOUNTING
LAST TEN YEARS**

Table 4 (Continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	251,802	1,000	245,998	245,189
Inception of Capital lease	27,898	705,826	305,000	318,538	187,290	-	77,025	-	-	-
Certificates of Participation issued	-	11,200,000	11,717,000	11,700,000	1,800,000	1,700,000	-	-	-	-
Bond anticipation notes issued	-	-	14,550,060	2,610,000	-	-	-	-	-	-
Land acquisition notes issued	-	-	-	100,000	-	450,000	-	-	-	-
SIB Loan Issued	-	-	-	-	-	-	1,927,396	602,497	-	-
Refunding notes issued	12,495,060	8,680,060	-	-	-	-	-	-	-	-
General obligation bonds issued	-	-	-	10,070,000	2,095,000	-	-	-	-	-
Premium on debt issuance	-	94,976	174,447	486,662	157,625	16,745	-	-	-	-
Current refunding	(8,892,000)	(8,935,060)	-	-	-	-	-	-	-	-
Transfers in	533,756	1,617,682	6,756,346	1,385,857	1,989,457	2,378,807	2,066,814	2,088,033	2,268,798	3,229,260
Transfers out	(533,756)	(1,617,682)	(6,756,346)	(1,385,857)	(1,989,457)	(2,378,807)	(2,066,814)	(2,088,033)	(2,268,798)	(3,229,260)
Total other financing sources (uses)	3,630,958	11,745,802	26,746,507	25,285,200	4,239,915	2,166,745	2,256,223	603,497	245,998	245,189
Net change in fund balances	\$ 4,502,272	\$ 2,489,043	\$ 4,708,747	\$ (3,913,131)	\$ 3,708,904	\$ 1,707,128	\$ 312,932	\$ (458,525)	\$ 757,428	\$ (1,266,244)
Debt service as a percentage of noncapital expenditures	5.65%	22.38%	55.83%	62.85%	17.58%	16.10%	7.25%	7.95%	8.62%	9.07%

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
ASSESSED VALUATIONS AND ESTIMATED ACTUAL VALUES OF TAXABLE
PROPERTY
LAST TEN YEARS

Table 5

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2010	115,592,130	137,838,050	724,086,229	5,816,510	6,609,670
2011	115,140,720	146,856,870	748,564,543	6,107,320	6,940,136
2012	114,113,300	148,000,100	748,895,429	6,363,060	7,230,750
2013	80,562,990	138,384,370	625,563,886	6,897,690	7,838,284
2014	80,172,290	141,778,880	634,146,200	7,924,770	9,005,420
2015	79,884,880	134,848,560	613,524,114	8,154,550	9,266,534
2016	73,126,970	130,974,830	583,148,000	8,299,220	9,430,932
2017	73,739,210	135,432,590	597,633,714	8,768,870	9,964,625
2018	74,993,660	131,051,340	588,700,000	9,303,430	10,572,080
2019	84,615,600	149,297,660	668,323,600	9,655,450	10,972,102

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

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

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Cuyahoga County, Ohio; County Fiscal Office

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
ASSESSED VALUATIONS AND ESTIMATED ACTUAL VALUES OF TAXABLE
PROPERTY
LAST TEN YEARS

Table 5 (Continued)

Assessed Value	Total		Total Direct Tax Rate
	Estimated Actual Value	Ratio	
259,246,690	730,695,899	35.48	9.70
268,104,910	755,504,679	35.49	9.70
268,476,460	756,126,179	35.51	9.70
225,845,050	633,402,170	35.66	9.70
229,873,940	623,434,276	36.87	9.70
222,887,990	622,790,648	35.78	9.70
212,401,020	592,578,932	35.84	9.70
217,940,670	607,598,339	35.87	9.70
215,348,430	599,272,080	35.94	9.70
243,568,710	679,295,702	35.86	9.70

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
DIRECT AND OVERLAPPING PROPERTY TAX RATES (Per \$1,000 of Assessed Valuation)
LAST TEN YEARS

Table 6

Collection Year	City of Warrensville Heights				Warrensville Heights School District	Orange City School District	Cuyahoga County	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special Funds (1)	Debt Service	Total Levy					
2010	3.60	4.10	2.00	9.70	89.50	86.10	13.32	7.58	206.20
2011	3.40	3.60	2.70	9.70	89.00	91.10	13.22	7.58	210.60
2012	2.90	4.10	2.70	9.70	89.00	91.10	13.22	7.58	210.60
2013	3.60	4.10	2.00	9.70	89.00	91.10	13.22	7.58	210.60
2014	3.60	4.10	2.00	9.70	91.80	91.10	14.05	8.48	215.13
2015	3.60	4.10	2.00	9.70	91.70	91.20	14.05	9.38	216.03
2016	3.60	4.10	2.00	9.70	92.40	91.20	14.05	9.38	216.73
2017	3.60	4.10	2.00	9.70	92.40	91.20	14.05	9.38	216.73
2018	3.60	3.60	2.50	9.70	93.20	91.20	14.05	9.88	218.03
2019	3.60	3.60	2.50	9.70	99.70	91.00	14.05	9.88	224.33

Source: Cuyahoga County, Ohio; County Fiscal Office

(1) Policy Levy, Fire Levy, Street Lighting, Building Levy, Fire Pension, and Police Pension special revenue funds

(2) Cleveland Metro Parks, Cuyahoga County Library, Cuyahoga Community College and Cleveland-Cuyahoga Port Authority

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Year	Current Tax Levy	Current Collections	Percentage of Current Collections To Current Levy	Delinquent Tax Collection	Total Tax Collection	Percentage of Total Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to To Total Tax Levy
2010	1,690,295	1,487,774	88.02%	111,273	1,599,047	94.60%	692,722	40.98%
2011	1,683,572	1,473,818	87.54%	114,013	1,587,831	94.31%	840,918	49.95%
2012	1,671,028	1,291,783	77.30%	139,276	1,431,059	85.64%	950,335	56.87%
2013	2,455,753	1,220,594	49.70%	395,845	1,616,439	65.82%	662,824	26.99%
2014	2,264,718	1,352,331	59.71%	153,636	1,505,967	66.50%	447,462	19.76%
2015	2,061,817	1,393,725	67.60%	132,815	1,526,540	74.04%	358,650	17.39%
2016	1,991,939	1,436,198	72.10%	104,700	1,540,898	77.36%	347,356	17.44%
2017	1,886,663	1,633,483	86.58%	87,209	1,720,692	91.20%	500,834	26.55%
2018	1,897,393	1,630,432	85.93%	246,283	1,876,715	98.91%	502,367	26.48%
2019	1,968,151	1,870,994	95.06%	248,583	2,119,577	107.69%	340,020	17.28%

Source: Cuyahoga County, Ohio; County Fiscal Office

Note: The County does not identify delinquent collections by the year for which the tax was levied.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
PRINCIPAL TAXPAYERS – REAL ESTATE TAX
2018 AND 2010**

Table 8

Name of Taxpayer	December 31, 2018	
	Assessed Value (1)	Percent of Total Assessed Value
JP JLP Harvard Park, LLC	\$ 12,313,080	5.72%
Cleveland East Hotel	9,265,550	4.30%
Cleveland Illuminating Company	6,830,290	3.17%
Highlands Woods NS, LLC	6,023,480	2.80%
Clarkwood Apartment Ltd	4,692,410	2.18%
LMBX Properties, LLC	3,822,040	1.77%
Sherwin-Williams Automotive	3,070,100	1.43%
Galaxy Corporate Center LLC	2,905,180	1.35%
JES Development	2,716,290	1.26%
LLG Carmax Auto Superstores	2,207,210	1.02%
Total	\$ 53,845,630	25.00%
Assessed Value	\$ 215,348,430	
December 31, 2010		
Name of Taxpayer	Percent of Total Assessed Value	
	Assessed Value	Total Assessed Value
JP JLP Harvard Park, LLC	\$ 13,009,150	5.13%
Cleveland East Hotel	10,510,710	4.15%
Highlands Woods NS, LLC	6,346,600	2.50%
Granada Apartments Company	6,329,100	2.50%
Meridia Health System	7,131,530	2.81%
Clarkwood Apartments, LTD	5,540,850	2.19%
Cleveland Illuminating Company	5,185,370	2.05%
Sherwin-Williams Automotive	3,133,550	1.24%
Heinens, Inc.	2,438,880	0.96%
Overlook Court, LP	4,086,580	1.61%
Total	\$ 63,712,320	25.14%
Assessed Value	\$ 253,430,180	

Source: Cuyahoga County, Ohio; County Fiscal Office

(1) Latest information available

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
INCOME TAX REVENUE BASE COLLECTIONS
LAST TEN YEARS**

Table 9

<u>Tax Year (1)</u>	<u>Tax Rate (2)</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2010	2.60	13,158,561	10,405,766	79.08%	1,199,094	9.11%	1,553,701	11.81%
2011	2.60	13,185,755	11,020,654	83.58%	995,525	7.55%	1,169,576	8.87%
2012	2.60	13,398,636	10,805,480	80.65%	1,230,748	9.19%	1,360,394	10.15%
2013	2.60	13,696,569	11,364,475	82.97%	1,324,053	9.67%	1,008,041	7.36%
2014	2.60	15,103,264	11,854,771	78.49%	1,926,434	12.76%	1,322,058	8.75%
2015	2.60	15,968,752	12,401,242	77.66%	2,187,643	13.70%	1,379,866	8.64%
2016	2.60	16,607,036	12,223,229	73.60%	2,154,043	12.97%	1,445,887	8.71%
2017	2.60	16,558,002	13,341,371	80.57%	1,844,681	11.14%	1,371,950	8.29%
2018	2.60	17,346,368	13,839,779	79.78%	2,250,732	12.98%	1,255,856	7.24%
2019	2.60	17,552,442	14,087,855	80.26%	2,100,002	11.96%	1,364,584	7.77%

(1) Effective July 1, 2009, the City's Electors voted to increase the City's income tax rate from 2.00% to 2.60%.

(2) The City is statutorily prohibited from presenting individual taxpayers.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
**RATIO OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA
LAST TEN YEARS**

Table 10

Fiscal Year	Governmental Activities						Total	Personal Income	Percentage of Personal Income	Per Capita	Per Capita
	General Obligation Bonds	Special Assessment Bonds	C.O.P.s	Long-term Notes	Long-term Loans	Capital Leases					
2010	1,054,608	117,533	-	12,495,060	-	181,011	13,848,212	263,432,526	5.26%	13,542	1,023
2011	658,572	55,000	11,215,829	8,680,060	-	720,684	21,330,145	263,432,526	8.10%	13,542	1,575
2012	-	-	11,730,214	14,581,781	-	877,710	27,189,705	263,432,526	10.32%	13,542	2,008
2013	10,358,021	-	11,833,077	-	-	992,469	23,183,567	255,293,784	9.08%	13,542	1,712
2014	11,845,623	-	11,708,443	-	-	879,018	24,433,084	268,551,402	9.10%	13,542	1,804
2015	11,081,062	-	11,605,465	-	368,459	605,607	23,660,593	275,728,662	8.58%	13,542	1,747
2016	10,321,501	-	9,885,476	-	2,209,828	442,830	22,859,635	280,387,110	8.15%	13,542	1,688
2017	9,526,940	-	9,881,406	-	2,722,395	222,213	22,352,954	282,079,860	7.92%	13,542	1,651
2018	8,942,379	-	9,777,336	-	2,611,557	142,129	21,473,401	285,682,032	7.52%	13,542	1,586
2019	8,207,818	-	9,408,266	-	2,185,408	86,757	19,888,249	291,329,046	6.83%	13,542	1,469

Note: Population and Personal Income data are presented in Table 15.

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
RATIO OF GENERAL OBLIGATION BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY AND
BONDED DEBT PER CAPITA
LAST TEN YEARS

Table 11

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Obligation Debt (3)	Resources Available for Repayment	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt per Capita
2010	13,542	730,695,899	1,054,608	152,856	901,752	0.12%	66.59
2011	13,542	755,504,679	11,874,401	812,585	11,061,816	1.46%	816.85
2012	13,542	756,126,179	11,730,214	-	11,730,214	1.55%	866.21
2013	13,542	633,402,170	22,191,098	-	22,191,098	3.50%	1,638.69
2014	13,542	623,434,276	23,554,066	-	23,554,066	3.78%	1,739.33
2015	13,542	622,790,648	22,686,527	-	22,686,527	3.64%	1,675.27
2016	13,542	592,578,932	20,206,977	-	20,206,977	3.41%	1,492.17
2017	13,542	607,598,339	19,408,346	-	19,408,346	3.19%	1,433.20
2018	13,542	599,272,080	18,719,715	-	18,719,715	3.12%	1,382.34
2019	13,542	679,295,702	17,616,084	-	17,616,084	2.59%	1,300.85

Sources:

(1) U. S. Bureau of Census, Census of Population, 2010

(2) Cuyahoga County, Ohio; County Fiscal Office

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
LEGAL DEBT MARGIN
LAST TEN YEARS**

Table 12

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Valuation	\$ 259,246,690	\$ 268,104,910	\$ 268,476,460	\$ 225,845,050	\$ 229,873,940	\$ 222,887,990	\$ 212,401,020	\$ 217,940,670	\$ 215,348,430	\$ 243,568,710
Overall debt limit - 10.5% of assessed value	\$ 27,220,902	\$ 28,151,016	\$ 28,190,028	\$ 23,713,730	\$ 24,136,764	\$ 23,403,239	\$ 22,302,107	\$ 22,883,770	\$ 22,611,585	\$ 25,574,715
Debt Outstanding:										
General obligation bonds	1,054,608	658,572	-	10,358,021	11,845,623	11,081,062	10,321,501	9,526,940	8,942,379	8,207,818
Special assessment bonds	117,533	55,000	-	-	-	-	-	-	-	-
Certificate of participation	-	11,215,829	11,730,885	11,833,077	11,708,443	11,605,465	9,885,476	9,881,406	9,777,336	9,408,266
Real property acquisition notes	-	-	-	100,000	215,000	-	-	-	-	-
Bond anticipation notes	18,153,560	14,387,060	14,565,060	3,655,000	1,560,000	1,515,000	2,790,389	2,659,000	2,399,000	2,015,000
Total gross indebtedness	19,325,701	26,316,461	26,295,945	25,946,098	25,329,066	24,201,527	22,997,366	22,067,346	21,118,715	19,631,084
Less:										
Notes issued in anticipation of the levy or collection of municipal income taxes	(9,118,560)	(8,935,060)	(9,170,060)	(3,755,000)	(1,775,000)	(1,515,000)	(2,790,389)	(2,659,000)	(2,399,000)	(2,015,000)
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding city's portion)	(5,442,533)	(5,357,000)	(5,241,000)	-	-	-	-	-	-	-
Certificates of participation	-	(11,215,829)	(11,730,885)	(11,833,077)	(11,708,443)	(11,605,465)	(9,885,476)	(9,881,406)	(9,777,336)	(9,408,266)
General obligation bond retirement fund balance	(152,856)	(812,585)	-	-	-	-	-	-	-	-
Total net debt applicable to debt limit	4,611,752	(4,013)	154,000	10,358,021	11,845,623	11,081,062	10,321,501	9,526,940	8,942,379	8,207,818
Legal Debt Margin within 10 1/2% limitations	\$ 22,609,150	\$ 28,155,029	\$ 28,036,028	\$ 13,355,709	\$ 12,291,141	\$ 12,322,177	\$ 11,980,606	\$ 13,356,830	\$ 13,669,206	\$ 17,366,897
Legal debt margin as a percentage of the debt limit	83.06%	100.01%	99.45%	56.32%	50.92%	52.65%	53.72%	58.37%	60.45%	67.91%

(Continued)

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
LEGAL DEBT MARGIN (Continued)
LAST TEN YEARS**

Table 12 (Continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit - 5.5% of assessed unvoted value	\$ 14,258,568	\$ 14,745,770	\$ 14,766,205	\$ 12,421,478	\$ 12,643,067	\$ 12,258,839	\$ 11,682,056	\$ 11,986,737	\$ 11,844,164	\$ 13,396,279
Gross indebtedness authorized by council:	19,325,701	26,316,461	26,295,945	25,946,098	25,329,066	24,201,527	22,997,366	22,067,346	21,118,715	19,631,084
Notes issued in anticipation of the levy or collection of municipal income taxes	(9,118,560)	(8,935,060)	(9,170,060)	(3,755,000)	(1,775,000)	(1,515,000)	(2,790,389)	(2,659,000)	(2,399,000)	(2,015,000)
Bonds and notes issued in anticipation of the levy or collection of special assessments (excluding city's portion)	(5,442,533)	(5,357,000)	(5,241,000)	-	-	-	-	-	-	-
Certificates of participation	-	(11,215,829)	(11,730,885)	(11,833,077)	(11,708,443)	(11,605,465)	(9,885,476)	(9,881,406)	(9,777,336)	(9,408,266)
General obligation bond retirement fund balance	(152,856)	(812,585)	-	-	-	-	-	-	-	-
Net debt within 5.5% limit	4,611,752	(4,013)	154,000	10,358,021	11,845,623	11,081,062	10,321,501	9,526,940	8,942,379	8,207,818
Unvoted legal debt margin within 5 1/2% limitations	<u>\$ 9,646,816</u>	<u>\$ 14,749,783</u>	<u>\$ 14,612,205</u>	<u>\$ 2,063,457</u>	<u>\$ 797,444</u>	<u>\$ 1,177,777</u>	<u>\$ 1,360,555</u>	<u>\$ 2,459,797</u>	<u>\$ 2,901,785</u>	<u>\$ 5,188,461</u>
Unvoted legal debt margin as a percentage of the unvoted debt limitation	67.66%	100.03%	98.96%	16.61%	6.31%	9.61%	11.65%	20.52%	24.50%	38.73%

Source: City Financial Records

CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
DEBT
DECEMBER 31, 2019

Table 13

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>(1) Percentage Applicable to City of Warrensville Heights</u>	<u>Amount Applicable to City of Warrensville Heights</u>
Direct Debt:			
City of Warrensville Heights			
General Obligation Bonds	\$ 8,207,818	100.00%	\$ 8,207,818
Certificates of Participation	9,408,266	100.00%	9,408,266
Capital leases	86,757	100.00%	86,757
Loans Payable	2,185,408	100.00%	2,185,408
Total Direct Debt	<u>19,888,249</u>		<u>19,888,249</u>
Overlapping Debt:			
Warrensville Heights City School District	56,736,000	64.45%	36,567,468
Orange City School District	10,660,721	0.73%	77,896
Cuyahoga County	245,120,000	0.88%	2,167,857
Cuyahoga Community College	207,010,000	0.88%	1,830,810
Total overlapping debt	<u>519,526,721</u>		<u>40,644,031</u>
Total	<u>\$ 539,414,970</u>		<u>\$ 60,532,280</u>

Source: Cuyahoga County, Ohio; County Fiscal Office

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

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
PRINCIPAL TAXPAYERS
2019 AND 2010**

Table 14

<u>Employer</u>	2019 (1) (2)	
	Employees	Percentage of
Cleveland Clinic Foundation	1,589	11.50%
University Hospital Health System	648	4.69%
Heinen's Inc.	512	3.71%
Sherwin-Williams Co.	617	4.47%
One Source Employee Management	438	3.17%
Warrensville Heights Board of Education	414	3.00%
Henkel Corp	176	1.27%
Total	4,394	31.82%
Total City Employment	13,815	100.00%

<u>Employer</u>	2010	
	Employees	Percentage of
Cleveland Clinic Foundation	1,672	13.47%
Warrensville Heights City School District	476	3.83%
Sherwin-Williams Co.	336	2.71%
Regency Hospital of North Cent.	333	2.68%
Heinen's Inc.	350	2.82%
General Electric Co.	117	0.94%
University Hospital Health System	343	2.76%
City of Warrensville Heights	167	1.35%
Henkel Corporation	154	1.24%
Horizon, Inc.	136	1.10%
Total	4,084	32.90%
Total City Employment	12,415	100.00%

Source: (1) City of Cleveland Central Collection Agency

(2) Top eight are the most recent information available

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Table 15

Year	Population (1)	Total Personal Income (4)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value
2010	13,542	263,432,526	19,453	36,461	39.2	14.40	2,145	8.9%	259,246,690
2011	13,542	263,432,526	19,453	36,461	39.2	14.40	1,956	8.0%	268,104,910
2012	13,542	263,432,526	19,453	36,461	39.2	14.40	1,700	6.6%	268,476,460
2013	13,542	255,293,784	18,852	35,926	39.2	15.50	1,657	7.0%	225,845,060
2014	13,542	268,551,402	19,831	35,461	39.6	15.40	1,432	6.9%	229,873,940
2015	13,542	275,728,662	20,361	35,143	39.6	17.60	1,416	4.0%	222,887,990
2016	13,542	280,387,110	20,705	35,181	38.3	19.40	1,531	5.3%	212,401,020
2017	13,542	282,079,860	20,830	35,733	37.8	17.20	1,539	5.9%	217,940,670
2018	13,542	285,682,032	21,096	35,871	37.8	18.80	1,640	5.0%	215,348,430
2019	13,542	291,329,046	21,513	34,814	37.8	17.00	1,647	3.6%	243,568,710

Sources: (1) U. S. Bureau of Census, Census of Population, 2010

(2) Ohio Department of Education for Warrensville Heights City School District

(3) U. S. Bureau of Labor Statistics

(4) Total Personal Income is calculated by multiplying Population times Personal Income per Capita

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Table 16

Function/program:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Security of persons and property:										
Police and others:										
Total calls for services	15,312	14,012	14,470	15,514	15,842	19,245	20,691	20,715	20,068	21,638
Number of traffic citations issued	2,138	1,698	1,765	1,951	1,809	1,483	2,921	3,084	2,239	2,112
Number of parking citations issued	114	820	762	768	811	1,919	1,716	1,457	1,535	1,725
Number of criminal arrests	589	639	593	642	670	783	379	896	674	688
Number of accident reports completed	731	744	763	725	1,018	1,154	1,225	1,367	1,251	1,320
Part 1 offenses (major offenses)	546	575	554	560	568	7	774	869	783	765
DUI arrests	9	12	17	12	24	112	30	39	42	33
Prisoners	117	142	76	43	40	-	496	619	653	630
Prisoner meal costs	\$ 437	\$ 149	\$ -	\$ -	\$ -	\$ -	\$ 10,836	\$ 12,234	\$ 8,795	\$ 6,083
Motor vehicle accidents	731	744	763	725	1,018	1,154	1,225	1,367	1,345	1,412
Property damage accident	640	651	684	680	725	630	191	247	327	355
Fatalities from motor vehicle accident	1	-	-	-	1	-	-	-	-	2
Gasoline costs of fleet	\$ 36,539	\$ 60,000	\$ 28,211	\$ 59,474	\$ 51,591	\$ -	\$ -	\$ -	\$ -	\$ -
Community diversion program youths	23	21	18	16	14	15	20	30	16	14
Community diversion program - service hours	640	470	490	478	385	425	450	467	389	425
Fire:										
EMS calls	1,678	1,902	1,899	1,950	2,037	2,227	2,494	2,587	2,781	3,006
Ambulance billing collections (net)	\$ 380,413	\$ 353,557	\$ 353,520	\$ 411,455	\$ 385,632	\$ 403,302	\$ 441,205	\$ 430,752	\$ 461,781	\$ 411,849
Fire calls	94	360	519	509	498	668	635	649	666	540
Fires with loss	16	23	41	12	14	3	7	35	41	36
Fires with losses exceeding \$10k	9	13	12	7	6	1	5	31	17	22
Fire losses	\$ 613,250	\$ 514,850	\$ 580,000	\$ 672,300	\$ 687,000	\$ 96,430	\$ 148,699	\$ 1,200,900	\$ 1,155,000	\$ 1,300,000
Fire safety inspections	247	192	49	83	85	211	171	125	212	207
Number of times mutual aid given to fire and EMS	44	44	4	14	27	19	16	19	23	36
Number of times mutual aid received for fire and EMS	105	90	19	18	38	56	61	78	107	92

(Continued)

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Table 16 (Continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Basic Utility Services:										
Refuse disposal per year (in tons)	4,209	4,708	3,987	4,051	4,070	3,051	3,010	2,718	2,921	2,586
Refuse disposal costs per year (calendar year)	\$ 163,936	\$ 164,043	\$ 147,021	\$ 189,566	\$ 153,703	\$ 161,650	\$ 419,379	\$ 554,896	\$ 523,524	\$ 526,803
Annual recycling tonnage (excluding leaf and compost items)	868	n/a	107	112	88	76	398	534	551	471
Percentage of waste recycled	23.00%	n/a	2.61%	2.75%	2.13%	2.16%	13.23%	5.20%	16.00%	15.40%
Transportation:										
Street repair (curbs, aprons, berms, asphalt) (hours)	824	320	520	2,116	1,950	877	973	720	630	1,808
Guardrail repair (hours)	132	16	60	10	5	2	3	16	3	5
Paint striping (hours)	205	40	150	200	150	256	328	1,260	480	1,136
Street sweeper (hours)	726	112	625	400	350	317	784	560	556	920
Cold patch (hours)	824	392	725	800	620	344	398	144	640	948
Snow and ice removal overtime hours	-	2,456	2,145	1,500	1,800	3,265	1,534	1,856	1,233	636
Landscaping stump-chipper service (hours)	826	32	50	754	800	1,789	1,238	2,064	1,054	2,100
Holiday lights setup (hours)	88	80	86	196	200	261	181	144	732	336
Sign department (hours)	263	40	60	200	220	180	120	1,004	552	708
Number of trees planted per year	3	-	-	5	10	5	28	30	10	2
Tons of snow melting salt purchased (Nov - Mar)	4,991	4,835	5,600	7,000	7,000	4,525	4,066	6,000	6,000	4,200
Cost of salt purchased	\$ 230,055	\$ 220,444	\$ 190,512	\$ 230,388	\$ 161,313	\$ 295,216	\$ 205,081	\$ 168,000	\$ 291,420	\$ 310,800
General government:										
Council and clerk:										
Number of ordinances passed	114	104	188	134	139	165	179	166	127	175
Number of resolutions passed	59	60	50	30	23	66	77	57	49	56

(Continued)

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Table 16 (Continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Finance department:										
Number of checks/vouchers issued	2,369	2,452	2,407	2,621	2,736	2,887	2,976	2,988	3,185	3,198
Amount of checks written	\$ 6,535,315	\$ 11,008,059	\$ 10,442,701	\$ 7,238,615	\$ 5,348,674	\$ 7,076,524	\$ 10,530,470	\$ 8,627,601	\$ 8,714,435	\$ 10,321,888
General fund interest earnings for fiscal year (cash basis)	\$ 1,742	\$ 7,054	\$ 8,476	\$ 7,878	\$ 6,639	\$ 123,553	\$ 30,085	\$ 76,597	\$ 139,990	\$ 166,651
Number of receipts issued	3,466	330	3,502	3,427	3,869	4,795	4,619	4,290	3,997	4,344
Number of budget adjustments issued	61	16	30	50	6	3	5	83	13	18
Agency rating - Moody's financial services	A-1	A-2								
Health insurance costs vs. general fund expenditures (cash basis)	11.70%	8.61%	8.56%	9.40%	9.10%	10.09%	9.88%	9.47%	10.78%	12.00%
General Fund receipts (cash basis)	\$ 15,908,238	\$ 15,748,605	\$ 15,559,787	\$ 16,516,049	\$ 17,984,776	\$ 19,584,225	\$ 19,635,744	\$ 20,478,751	\$ 20,639,441	\$ 21,554,286
General Fund expenditures (cash basis)	\$ 14,680,884	\$ 14,899,241	\$ 14,716,911	\$ 15,815,121	\$ 16,555,825	\$ 18,480,253	\$ 19,450,905	\$ 20,651,242	\$ 21,099,041	\$ 20,595,931
General Fund cash balances	\$ 786,116	\$ 1,739,885	\$ 2,911,044	\$ 3,089,881	\$ 4,291,087	\$ 5,396,290	\$ 4,988,658	\$ 4,930,484	\$ 4,621,605	\$ 3,362,970
Building department indicators:										
Construction permits issued	631	647	609	282	667	932	795	625	589	639
Estimated value of construction	\$ 8,335,467	\$ 14,970,841	\$ 4,515,733	\$ 41,779,964	\$ 86,106,191	\$ 25,462,710	\$ 26,797,000	\$ 25,437,749	\$ 10,187,805	\$ 54,756,373
Number of plumbin and electrical permits issued	202	193	206	243	126	301	288	211	184	182
Amount of revenue generated from permits	\$ 186,986	\$ 422,070	\$ 222,617	\$ 427,684	\$ 613,841	\$ 593,877	\$ 359,996	\$ 264,014	\$ 140,677	\$ 376,284
Number of contract registrations issued	346	408	249	282	255	259	266	225	280	331
Number of rental inspections performed	833	572	662	718	1,206	2,018	315	1,298	908	1,081
Number of point of sale inspections	1,234	1,831	662	717	102	203	177	159	134	165

Source: Information for operating indicators was obtained from the various departments within the City.

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Table 17

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/program:										
Security of persons and property:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of building	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840	4,840
Vehicles	32	29	29	29	29	29	14	18	17	16
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Square footage of building	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460	13,460
Vehicles	11	11	11	11	11	11	8	8	8	8
Leisure time activities:										
Recreation:										
Number of parks	6	6	6	6	6	6	7	7	7	7
YMCA square footage	-	-	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Senior Community Center:										
Square footage of building	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300
Vehicles	1	1	1	1	1	1	2	2	2	1
Transportation:										
Public works:										
Square footage of building	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360	41,360
Vehicles	40	37	37	40	40	40	21	39	41	29
Streets (miles)	52	52	52	52	52	52	52	52	52	52
General government:										
Square footage occupied	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515	25,515
Administrative vehicles	1	1	-	-	-	-	-	-	0	2
Inspection vehicles	7	7	7	7	7	7	8	4	4	5

Source: City's capital asset records

**CITY OF WARRENSVILLE HEIGHTS
CUYAHOGA COUNTY, OHIO**
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Table 18

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/program:										
Security of persons and property:										
Police	33.00	33.00	33.00	33.00	29.00	31.00	32.00	30.00	31.00	28.00
Police - auxiliary/guards	3.50	4.50	3.50	3.50	3.50	3.50	3.50	3.50	-	-
Police - dispatchers/office/other	10.00	9.00	9.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00
Police - jailers	0.50	0.50	0.50	0.50	0.50	1.50	1.50	1.50	1.00	1.00
Police - animal wardens	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire	28.00	32.00	31.00	29.00	27.00	28.00	28.00	27.00	28.00	29.00
Fire - secretary - other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure time activities:										
Senior and civic center	4.00	4.00	4.00	5.50	5.00	5.00	5.50	6.00	6.00	6.00
Community liaison	-	-	-	-	0.50	0.50	0.50	0.50	0.50	0.50
Community Development:										
Building	10.00	8.50	8.50	8.50	8.50	8.50	8.50	6.50	7.50	8.50
Economic Development	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Transportation:										
Service	30.00	27.00	28.00	28.00	28.00	28.00	28.00	28.00	27.00	27.00
General government										
Council	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Executive administration	4.00	4.00	5.00	4.00	4.00	5.50	6.50	6.00	6.00	6.00
Finance	5.00	4.00	5.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Municipal income tax	1.00	1.00	1.00	0.50	0.50	0.55	0.50	0.50	1.00	1.00
Legal	1.50	1.50	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50
Human resources	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Planning	2.00	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Civil service	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Community activities	-	-	1.00	1.00	1.00	1.00	1.00	2.00	2.00	1.00
Totals	148.50	145.00	146.50	142.00	137.50	143.05	147.50	144.50	143.00	141.00

Source City Payroll Department Payroll Register

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year-end.

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