

# CITY OF WARRENSVILLE HEIGHTS, OHIO

## ANNUAL INFORMATION FILING FOR FISCAL YEAR 2018

The following provides, in accordance with the continuing disclosure agreements (the Continuing Disclosure Agreements) entered into by the City of Warrensville Heights, Ohio (the City), annual financial information and operating data for the City's fiscal year ended December 31, 2018 (Fiscal Year 2018), of the type included in the respective final official statements for its primary offerings of and issuances:

**\$9,055,000 Various Purpose Bonds, Series 2013-1**, dated January 24, 2013. Final Maturity December 1, 2022.

**\$1,725,000 Various Purpose Bonds, Series 2013-2**, dated February 7, 2013. Final Maturity December 1, 2029.

**\$2,095,000 Cinema Park Improvement Bonds, Series 2014 (Special Assessment)**, dated September 2, 2014. Final Maturity December 1, 2030.

The applicable CUSIP number is 936104.

**\$9,800,000 Certificates of Participation, Series 2013-1 (Town Center Project)**, dated February 25, 2013. Final Maturity December 1, 2037.

The applicable CUSIP number is 936113.

**The Annual Information Filing constitutes only the annual financial information and operating data agreed to be provided under the Continuing Disclosure Agreements entered into at the time of the primary offerings referenced above. No representation is made as to the materiality or completeness of that information. Other relevant information for Fiscal Year 2018 may exist, and matters may have occurred or become known during or since that period, which an investor would consider to be important when making an investment decision. Further, no representation is made that the Annual Information Filing is indicative of financial or operating results of the City since the end of Fiscal Year 2018 or future financial or operating results. Finally, the inclusion of certain information pertaining to post-Fiscal Year 2018 events, if any, is provided solely for convenience, and is not intended to suggest that other such information not so included is any less material or important to an investor.**

**Dated: September 30 , 2019**

**CITY OF WARRENSVILLE HEIGHTS, OHIO**

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## INTRODUCTORY STATEMENT

The City entered into the Continuing Disclosure Agreements pursuant to SEC Rule 15c2-12 (the Rule) in connection with the primary offerings and issuances by the City of the issues identified on the cover page. The Continuing Disclosure Agreements require the City to provide annually financial information and operating data for its immediately preceding Fiscal Year of the type included in the final official statements for those offerings (collectively, the Official Statements). This Annual Information Filing provides such financial information and operating data for the City's Fiscal Year ended December 31, 2018.

All financial and other information in this Annual Information Filing has been provided by the City from its records, except for information expressly attributed to other sources. More complete information regarding laws, reports and documents referenced in this Annual Information Filing may be obtained by reviewing those laws, reports and documents. Subject to limited exceptions, records of the City are available for public inspection and copies may be obtained at cost upon request. Questions regarding information contained in this Annual Information Filing and requests for copies of documents should be directed to the Director of Finance of the City at the address shown on the cover. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. The information and expressions of opinion herein are subject to change without notice. The delivery of this Annual Information Filing shall not, under any circumstances, give rise to any implication that the affairs of the City have not changed since the date of this Annual Information Filing.

The City's audited basic financial statements for Fiscal Year 2018 (the Fiscal Year 2018 Financial Statements) were filed with the Municipal Securities Rulemaking Board (MSRB) in an electronic format prescribed by the MSRB using the MSRB's Electronic Municipal Market Access (EMMA) platform on September 6, 2019. Those audited financial statements are hereby incorporated by reference and made a part of this Annual Information Filing.

As used in this Annual Information Filing:

- **“Council”** means the Council of the City.
- **“County”** means the County of Cuyahoga, Ohio.
- **“County Fiscal Officer”** means the Fiscal Officer of the County.
- **“Debt charges”** means the principal (including any mandatory sinking fund deposits and mandatory redemption payments), interest and any redemption premium payable on the obligations referred to as those payments come due and are payable; debt charges may also be referred to as “debt service.”
- **“Fiscal Year”** means the 12-month period ending December 31, and reference to a particular Fiscal Year (such as “Fiscal Year 2018”) means the Fiscal Year ending on December 31 in that year.
- **“Revised Code”** means the Ohio Revised Code.
- **“State”** or **“Ohio”** means the State of Ohio.

**AD VALOREM PROPERTY TAXES  
AND SPECIAL ASSESSMENTS**

**Assessed Valuation**

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the City.

<b>Collection Year</b>	<b>Real(a)</b>	<b>Public Utility(b)</b>	<b>Total Assessed Valuation</b>
2015	\$214,733,440	\$8,154,550	\$222,887,990
2016(c)	204,101,800	8,299,220	212,401,020
2017	209,171,800	8,768,870	217,940,670
2018	206,045,000	9,303,430	215,348,430
2019(d)	234,013,260	9,555,450	243,568,710

- (a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Fiscal Officer. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
- (b) Tangible personal property of all public utilities and real property of railroads; see footnote (a).
- (c) Reflects triennial adjustment.
- (d) Reflects sexennial reappraisal.

Source: County Fiscal Officer.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. “Public Utility” (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Pursuant to statutory requirements for sexennial reappraisals, in 2018 the County Fiscal Officer adjusted the true value of taxable real property to reflect current fair market values. These adjustments were first reflected in the 2018 duplicate (collection year 2019) and in the ad valorem taxes distributed to the City in 2019 and thereafter. The County Fiscal Officer is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Fiscal Officer completed such a triennial adjustment in 2015.

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

As a result of the phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, as described above, and a 2002 reduction of the percentages of true value of electric utility production equipment and natural gas utility property assessed for taxation, eligible local governments have received reimbursement payments from the State to account for the loss of property tax revenue. The City has not received reimbursement from the State relating to lost property revenue from operating levies since 2008.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class of property. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A**.

### **Tax Rates**

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The following are the rates at which the City and overlapping taxing subdivisions have in recent years levied ad valorem property taxes.

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**TAX TABLE A**  
**Overlapping Tax Rates**

<b>Collection Year</b>	<b>City</b>	<b>County(a)</b>	<b>Warrensville Heights City School District</b>	<b>Total</b>
2015	9.70	23.43	91.80	124.93
2016	9.70	23.43	91.70	124.83
2017	9.70	23.43	92.40	125.53
2018	9.70	23.93	93.20	126.83
2019	9.70	23.93	99.70	133.33

<b>Collection Year</b>	<b>City</b>	<b>County(a)</b>	<b>Orange City School District</b>	<b>Total</b>
2015	9.70	23.43	91.10	124.23
2016	9.70	23.43	91.20	124.33
2017	9.70	23.43	91.20	124.33
2018	9.70	23.93	91.20	124.83
2019	9.70	23.93	91.20	124.63

(a) Includes levies for the Cleveland-Cuyahoga County Port Authority, the Cuyahoga Community College District, the Cleveland Metropolitan Park District, and the Cuyahoga County Public Library.

Source: County Fiscal Officer.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

These procedures were instituted initially in 1976 to limit in part the effect of increasing property values on the growth of those property taxes.

The tax credit provisions do not apply to amounts realized from taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges on voted general obligations, or from taxes levied inside the ten-mill limitation or any applicable charter tax rate limitation. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2019 tax collection year of 133.33 mills within the City (in that portion of the City within Warrensville Heights City School District) is reduced by reduction factors of 0.269014 for residential/agricultural property and 0.195845 for all other real property, which results in “effective tax rates” of 97.462493 mills for residential and agricultural property and 107.218084 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State’s General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Collections** for a discussion of reimbursements by the State to taxing subdivisions for these reductions and related changes made by that State legislation.

The following are the rates at which the City levied property taxes for the general categories of purposes for the years shown, both inside and outside the ten-mill limitation.

**TAX TABLE B  
City Tax Rates**

**Inside the Limitation**

<b>Collection Year</b>	<b>Operating</b>	<b>Police and Fire Pension</b>	<b>Debt Retirement</b>	<b>Total</b>
2015	0.70	0.60	2.00	3.30
2016	0.70	0.60	2.00	3.30
2017	0.70	0.60	2.00	3.30
2018	0.70	0.60	2.00	3.30
2019	0.70	0.60	2.00	3.30

**Voted**

<b>Collection Year</b>	<b>Operating</b>	<b>Police and Fire</b>	<b>Street Lighting</b>	<b>Permanent Improvements</b>	<b>Total</b>
2015	2.90	2.00	1.00	0.50	6.40
2016	2.90	2.00	1.00	0.50	6.40
2017	2.90	2.00	1.00	0.50	6.40
2018	2.90	2.00	1.00	0.50	6.40
2019	2.90	2.00	1.00	0.50	6.40

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt service on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

The following table presents certain information concerning the City’s voted property tax levies.

**Millage Rate**

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Voter Authorized	Levied for Collection Year 2019		Purpose	Last Collection Year
	Res./Agr.	All Other		
2.90	1.038086	1.302607	General Fund	2019
1.00	0.357961	0.449175	Police Levy	2020
1.00	0.357961	0.449175	Fire Operating	2020
1.00	0884388	0.844771	Street Lighting	2021
0.50	0.301646	0.306704	Permanent Improvements	2020

**Collections**

The following are the amounts billed and collected for City ad valorem property taxes on real and public utility property for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent Current	Delinquent Accumulated
2014	\$1,582,869	\$1,352,331	85.44%	\$139,686	\$377,354
2015	1,614,784	1,393,725	86.31	109,947	358,650
2016	1,592,571	1,436,198	90.18	112,347	347,356
2017	1,886,663	1,633,483	86.58	257,490	500,834
2018	1,897,393	1,630,432	85.93	250,081	502,367

Source: County Fiscal Officer.

Included in the “Current Billed” and “Current Collected” figures above are payments made from State revenue sources under two Statewide real property tax relief programs – the Homestead Exemption and the Property Tax Rollback Exemption. The Homestead Exemption is available for (i) persons 65 years of age or older, (ii) persons who are totally or permanently disabled and (iii) surviving spouses of persons who were totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouses were not younger than 59, and or older than 65 years of age on the date of their deceased spouses’ deaths. The Homestead Exemption exempts \$25,000 of the homestead’s market value from taxation, thereby reducing the property owner’s ad valorem property tax liability. The Property Tax Rollback Exemption applies to all non-business properties, and reduces each property owner’s ad valorem property tax liability by either 12.5% (for owner-occupied non-business properties) or 10% (for non-owner non-business occupied properties). Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead and Property Tax Rollback Exemptions granted. This State assistance reflected in the City’s tax collections for 2018 was \$57,779 for the elderly/disabled homestead payment and \$52,114 for the rollback payment.

The Homestead Exemption became subject to means testing beginning in 2014, and the Property Tax Rollback Exemption and related reimbursements have been eliminated with respect to new or replacement tax levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Tax Rates**.

Real property taxes are payable in two installments, the first usually in January and the second in July.



## Special Assessments

The City on occasion constructs residential and other street improvements, which can include paving, resurfacing, draining, planting shade trees and constructing curbs, sidewalks, storm sewers, sanitary sewers and water lines. The cost of these improvements is paid in part from special assessments levied against the property benefiting from those improvements; the remaining cost is paid by the City. Unless all of the benefiting property owners petition to pay all costs, State law requires the City to pay at least 2% (plus the cost associated with intersections) of the total cost of the improvements.

Owners of benefiting properties may commence a street improvement project by filing a petition with City Council requesting the improvement. Alternatively, Council, with a three-quarter majority, may by resolution declare the necessity for such an improvement. The special assessment proceedings provide for notice to property owners and an opportunity for property owners to object to the special assessments. At the commencement of construction of the improvement, bond anticipation notes may be issued to pay the project cost. Following completion of the work and determination of final costs, the special assessments are levied by Council against the benefiting properties. Special assessments not paid within 30 days are certified to the County Fiscal Officer for collection over a period of time (usually 10 to 20 years for most projects). Special assessments are billed and collected by the County Fiscal Officer along with and at the same time as real property taxes.

Bonds may be issued in anticipation of the collection of the special assessments to refund (together with any cash payments of special assessments) those notes. The special assessments certified for collection bear the same interest as the bonds. Under State law, those bonds are to be paid from the anticipated special assessments, but they are also general obligations of the City, payable from ad valorem property taxes to the extent not paid from those special assessments. See **City Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations, Indirect Debt and Unvoted Property Tax Limitations** and **Debt Tables A, B and C**. The City has not been required to levy an ad valorem property tax for debt charges on bonds issued in anticipation of the collection of special assessments because special assessments have been collected as required and sufficient balances have been available in the Bond Retirement Fund to cover any temporary shortfall.

The following are the amounts billed and collected for City special assessments (including special assessments related to special assessment debt (see **Debt Tables A and C**) for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Special Assessments	
				Delinquent Current	Delinquent Accumulated
2014	\$212,360	\$112,161	52.82%	\$109,373	\$447,462
2015	321,428	116,841	36.35	222,235	575,915
2016	190,193	123,296	64.83	65,459	477,146
2017	132,211	106,443	80.51	27,495	294,071
2018	287,607	173,705	60.40	87,294	343,138

Source: County Fiscal Officer.

## Delinquencies

From the County records, of the 4,578 nonexempt parcels in the City for collection year 2018, the total number of delinquent parcels was 686, against 57 of which foreclosure proceedings

have been commenced by the County for delinquent taxes. A program authorized by State legislation permits certain of the larger counties to “sell” the right to collect delinquent real estate taxes. That program has been implemented by the County.

### **MUNICIPAL INCOME TAX**

Ohio law authorizes a city or village to levy a municipal income tax on both corporate income and employee wages and salaries at a rate of up to 1% without voter authorization. An income tax rate in excess of 1% requires approval by the voters. . In 2001, City electors authorized an income tax at the rate of 2%. In 2009, City electors voted to change the income tax rate from 2% to 2.60%, which became effective on July 1, 2009. The City, pursuant to Council action and that voter authorization, currently levies the tax at the rate of 2.60%. This tax on business income and individuals’ salaries and wages is collected and administered by the Regional Income Tax Agency (RITA) on behalf of the City. For taxable years beginning on or after January 1, 2018, taxpayers subject to a municipal net profit tax may elect to file one municipal net profit tax return that covers its total municipal net profit tax liability to all municipal corporations through the Ohio Business Gateway for processing by the Ohio Department of Taxation. The Ohio Department of Taxation will provide all administrative functions for those centrally-filed returns and will distribute payments to the appropriate municipalities, as well as address audits and appeals. The State will charge a processing fee to municipalities for taxpayers electing a centralized filing.

The tax is in effect for a continuing period of time. It could be reduced or terminated by action of the Council (unless restricted by a Charter provision), or by vote of the electors initiated by petition of 10% of the number of electors of the City who voted for governor at the last preceding election, following initiated ordinance procedures, or 10% of the electors of the City who voted at the last preceding City general election, following charter amendment procedures. Under current law, the Council could (unless restricted by a Charter provision) reimpose a 1% tax without authorization by the electors. No such Charter provision is now in effect.

Income tax proceeds, after the payment of collection expenses, have been allocated by the Council for Fiscal Year 2018 as follows: 100.00% to the General Fund.

Annual income tax receipts (all at 2.60%) in recent years were:

<b>Year</b>	<b>Total Receipts</b>
2014	\$15,250,079
2015(a)	15,969,961
2016(a)	16,717,892
2017(a)	16,558,002
2018(a)	16,802,478

(a) Excludes Orange and Beachwood East Joint Economic Development Districts.

For comparative purposes, City income tax receipts through July 31, 2018, were \$10,139,731 compared to July 31, 2019, income tax receipts of \$10,600,851.

Residents are currently permitted, as a credit against their City income tax liability, up to a maximum of 50% of 2.60% paid as municipal income tax on the same income in another municipal corporation.

Based on employer payments of corporate and withheld personal income taxes, the following employers each contributed more than 5% of the City income taxes collected in 2018:

<b>Employer</b>	<b>Nature of Business</b>
Cleveland Clinic Foundation	Health care
University Hospital Health Systems	Health care

### **STATE LOCAL GOVERNMENT ASSISTANCE FUNDS**

Statutory state level local government assistance funds, comprised of designated State revenues, are another source of revenue to the General Fund. Most are distributed to each county and then allocated on a formula basis, or in some cases on an agreement basis, among the county and cities, villages and townships, and in some cases park districts, in the county. The amounts of and formula for distribution of these funds may be revised from time to time. City receipts from those funds are set forth in the following table.

<b>Year</b>	<b>Receipts</b>
2014	\$421,763
2015	436,037
2016	405,799
2017	377,983
2018	471,380

The amounts of and formula for distribution of these funds have been and may be revised from time to time. Beginning in 2018, villages with a population of 1,000 or more and cities will experience smaller distributions from the State's Local Government Fund due to a portion of those funds being redirected to townships and drug epidemic services.

### **CITY DEBT AND OTHER LONG-TERM OBLIGATIONS**

The following describes the security for general obligation debt, applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the City.

As used in the discussions that follow, the term BANs refers to notes issued in anticipation of the issuance of general obligation bonds.

Certain overlapping subdivisions also may issue voted and unvoted general obligation debt.

The City is not, and to the knowledge of current City officials has not in at least the last 25 years been in default in the payment of debt service on any of the bonds or notes on which the City is obligor. However, the City makes no representation as to the existence of a condition of default resulting from a default by any private entity under any financing documents relating to industrial development bonds of which the City was the issuer (none of which, to the knowledge of the Director of Finance, are still outstanding).

#### **Security for General Obligation Debt; Bonds and BANs**

The following describes the security for City general obligation debt: bonds and bond anticipation notes (BANs).

**Voted Bonds.** The basic security for voted City general obligation bonds is the authorization by the electors for the City to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the City. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities).

As of December 31, 2018, the City had no voted general obligation bonds or notes outstanding.

**Unvoted Bonds.** The basic security for unvoted City general obligation bonds is the City's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the City, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. See **Security and Sources of Payment** and the discussion under **Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the City and all overlapping taxing subdivisions.

As of December 31, 2018, the City had \$8,635,000 of unvoted general obligation bonds outstanding.

**BANs.** BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the City, or a combination of these sources. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

As of December 31, 2018, the City had \$1,299,000 of outstanding BANs.

### **Statutory Direct Debt Limitations**

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax (assessed) valuation, applicable to all municipal corporations, including the City.

- The net principal amount of both voted and unvoted debt of the City, excluding exempt debt (discussed below), may not exceed 10½% of the tax (assessed) valuation of all property in the City as listed and assessed for taxation.
- The net principal amount of unvoted debt of the City, excluding exempt debt, may not exceed 5½% of that valuation, as discussed below.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

The City’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) also is restricted by the indirect debt limitation discussed below under **Indirect Debt and Unvoted Property Tax Limitations**.

Certain debt that the City may issue is exempt from the direct debt limitations (exempt debt). Exempt debt includes, among others, the following categories.

- General obligation debt:
  - That is “self-supporting” (*i.e.*, nontax revenues from the facility or category of facilities are sufficient to pay operating and maintenance expenses and related debt charges and other requirements) issued for facilities for city utility systems, airports, railroads, mass transit systems, parking, health care, solid waste, urban development, recreation, sports, convention, auditorium, museum, trade show and other public attractions, facilities for natural resource exploration, development, recovery, use or sale and correctional, detention and related rehabilitation facilities.
  - To the extent debt charges are expected to be paid from tax increment financing payments in lieu of taxes pledged to the payment of those debt charges (subject to certain limitations).
  - For highway improvements if the municipality has covenanted to pay debt charges and financing costs from distributions of motor vehicle license and fuel taxes.
  - In anticipation of the levy or collection of special assessments.
  - To pay final judgments or court-approved settlements.
- Securities for water or sanitary or storm water sewerage facilities to the extent that another subdivision has agreed to pay to the City amounts equal to debt charges on those securities.
- Unvoted general obligation bonds to the extent that debt charges will be met from lawfully available municipal income taxes, to be applied to that debt charges pursuant to ordinance covenants.
- Revenue debt and mortgage revenue bonds to finance municipal utilities.
- Notes issued in anticipation of (i) the collection of current revenues (which have a latest maturity of the last day of the Fiscal Year in which issued) or (ii) the proceeds of a specific tax levy.
- Notes issued for certain energy conservation improvements or certain emergency purposes.
- Debt issued in anticipation of the receipt of federal or State grants for permanent improvements, or to evidence loans from the State capital improvements fund or State infrastructure bank.
- Voted debt for urban redevelopment purposes not in excess of 2% of the City’s assessed valuation.

- Securities issued to make a single payment on certain accrued liability to the statewide Police and Fire Pension Fund.
- Securities issued for municipal educational and cultural facilities and sports facilities.

BANs issued in anticipation of exempt bonds also are exempt debt.

As of December 31, 2018, none of the City’s outstanding general obligation debt is subject to the direct debt limitations: (i) \$7,199,000 is exempt debt based on covenants included in the related authorizing legislation providing for debt charges to be paid from lawfully available municipal income taxes and (ii) \$2,735,000 is exempt debt issued in anticipation of the levy and collection of special assessments.

The City may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority. The City did not have any such debt outstanding as of December 31, 2018, or at any time during Fiscal Year 2018.

In the calculation of debt subject to the direct debt limitations, the amount in a city’s bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the City’s Bond Retirement Fund, and based on outstanding debt and the current tax (assessed) valuation, the City’s voted and unvoted nonexempt debt capacities as of December 31, 2018, were:

<b>Limitation</b>	<b>Nonexempt Debt Outstanding</b>	<b>Additional Debt Capacity Within Limitation</b>
10½% = \$25,574,714	\$ -0-	\$25,574,714
5½% = \$13,396,279	\$ -0-	\$13,396,279

This is further detailed in Debt Table A.

### **Indirect Debt and Unvoted Property Tax Limitations**

Voted general obligation debt may be issued by the City if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the City without a vote of the electors. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued), and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the City resulting in the highest tax required for such debt charges, in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the “ten-mill limitation,” is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by *all* overlapping taxing subdivisions without a vote of the electors. This 10 mills is allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the City. For collection year 2018, the entire 10 mills was levied by the combination of the City and taxing subdivisions overlapping the City within the Orange City School District, and 9.90 mills was levied by the combination of the City and taxing subdivisions overlapping the City within the Warrensville Heights City School District. For collection year 2018,

the current allocation of the 10 mills (sometimes referred to as the “inside millage”) was as follows: 3.30 City, 1.50 County, 5.20 Orange City School District; and 3.30 City, 1.50 County, 5.10 Warrensville Heights City School District. Those allocations have remained constant for at least the last five years.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision’s unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. In the case of the City, however, a law applicable to all Ohio cities and villages requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on City unvoted debt before the formula allocations of the inside millage to overlapping subdivision can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the estimate of highest annual debt charges for the anticipated bonds is used to calculate the millage required.

Revenue bonds and notes and mortgage revenue bonds are not included in debt subject to the indirect limitation because they are not general obligations of the City, and the full faith and credit and property taxing power of the City is not pledged for their payment.

The indirect limitation applies to all unvoted general obligation debt even if debt charges on some of it is expected to be paid in fact from municipal income taxes, special assessments, utility revenues, payments in lieu of taxes or other sources.

As of December 31, 2018, if the City were to have converted to the anticipated bonds its \$1,299,000 of unvoted general obligation BANs at the interest rates assumed in the ordinances authorizing the BANs (see **Debt Table D**), the estimated highest requirement for debt charges in any year for all City debt subject to the ten-mill limitation was estimated to be \$1,115,127.50. That debt included unvoted general obligation bonds outstanding and bonds anticipated by BANs outstanding (see **Debt Table D**). The payment of those annual debt charges would require a levy of an estimated 4.5783 mills based on current assessed valuation. All this maximum annual requirement, is expected by the City to be paid from sources other than ad valorem taxes such as municipal income taxes, special assessments, and utility revenues (see **Debt Table C**). If those other sources for any reason were not available, the debt charges could not be met from the amounts produced by the millage currently levied for all purposes by the City within the ten-mill limitation, and therefore inside millage allocated to overlapping subdivisions might have to be preempted for those debt charges. (See the discussion of this preemption, and of the limitations on it, under this caption.)

As of December 31, 2018, the total millage theoretically required by the City, the County and the Orange City School District (the overlapping taxing subdivisions that had issued unvoted debt) for debt charges on their outstanding unvoted general obligation debt was estimated to be 5.5945 mills for Fiscal Year 2020, the year of the highest potential debt charges requirements. There thus remained 4.4055 mills within the ten-mill limitation that had yet to be allocated to debt charges and that were available to the City and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

## Debt Outstanding

The Debt Tables attached provide information concerning the City's outstanding debt represented by bonds and notes, City and overlapping subdivisions general obligation debt allocations and projected debt charges on the City's general obligation debt outstanding as of December 31, 2018. See **Debt Tables**.

The following table shows the principal amount of City general obligation debt outstanding (all Unvoted) as of December 31 in the years shown.

Year	Total, all Exempt
2014	\$13,215,000
2015	12,215,000
2016	11,235,000
2017	10,554,000
2018	9,934,000

## Bond Retirement Fund

The Bond Retirement Fund is the fund from which the City pays debt charges on its general obligation debt, and into which money required to be applied to those payments is deposited. The following table is an unaudited cash basis summary of Bond Retirement Fund receipts and disbursements (excluding proceeds of renewal or refunding obligations) for the years shown.

Year	Receipts	Disbursements	December 31 Balance
2014	\$7,416,917	\$7,171,221	\$988,387
2015	5,186,566	5,241,532	933,421
2016	4,507,246	4,761,079	679,588
2017	3,680,664	3,920,311	439,941
2018	2,976,855	3,416,609	187

## Long-Term Lease-Purchase Obligations; Certificates of Participation

On February 25, 2013, the City executed and delivered a Third Supplemental Lease Agreement (Third Supplemental Lease) between the City and the Ohio Governmental Development Leasing Corporation (the Lessor) pursuant to which the Lessor caused the issuance of \$9,800,000 of Certificates of Participation Evidencing Proportionate Interests of the Owners Thereof in Base Rent to be Paid by the City (Town Center Project) (the Series 2013-1 COPs). The final maturity date of the Series 2013-1 COPs is December 31, 2037 corresponding to the final lease payment obligation required of the City under the Third Supplemental Lease. See **Debt Table F**. The City's obligation to pay Base Rent under the Third Supplemental Lease is subject to annual appropriation. As of December 31, 2018, the City had \$9,700,000 of outstanding Series 2013-1 COPs.

## Short-Term Lease-Purchase Obligations; Certificates of Participation

In December 2018, the City executed and delivered a Ninth Supplemental Lease Agreement (the Ninth Supplemental Lease) between the City and the Ohio Governmental Development Leasing Corporation (the "Lessor") in connection with the issuance and sale of \$1,100,000 Certificates of Participation Evidencing the Proportionate Interests of the Owners Thereof in the Base Rent Payable by the City (the Series 2018 COPs). The proceeds of the sale of the Series



2018 COPs were used to retire at maturity, together with other funds of the City, \$1,300,000 Certificates of Participation Evidencing the Proportionate Interests of the Owners Thereof in the Base Rent Payable by the City (the Series 2017 COPs). The Series 2017 COPs were issued to retire at maturity, together with other funds available to the City, one of several series of certificates of participation evidencing proportionate interests of the owners thereof in the Base Rent payable by the City under the Original Lease, as supplemented by supplemental leases including the Third Supplemental Lease, the Fifth Supplemental Lease, the Sixth Supplemental Lease, the Seventh Supplemental Lease, the Eighth Supplemental Lease and the Ninth Supplemental Lease. As of December 31, 2018, the City had \$1,100,000 of outstanding Series 2018 COPs.

### **Other Long-Term Financial Obligations**

As of the year ended December 31, 2018, the City has executed and delivered capital leases for various equipment, machinery and vehicles in the amount of \$556,219, the present value of the minimum lease payments at the inception of the lease.

As of December 31, 2018, the City had no other long-term financial obligations, other than those discussed above, the retirement obligations and liability described under **Retirement Expenses** and the compensated absences in the Notes for the Fiscal Year 2018 Financial Statements.

### **Retirement Expenses**

Present and retired employees of the City are covered under two statewide public employee retirement (including disability retirement) systems. The Ohio Police and Fire Pension Fund (OP&F) covers uniformed members of the police and fire departments. All other City employees are covered by the Ohio Public Employees Retirement System (OPERS).

OPERS and OP&F are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, both of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. On September 12, 2012, the General Assembly passed five separate pension reform bills intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. The bills passed with respect to OPERS and OP&F provided for (i) no change in the City contribution rates with respect to its employees' earnable salaries, (ii) no change in OPERS employee contribution rate, and (iii) an increase in the OP&F employee contribution rate from 10% to 12.25% in annual increments of 0.75% that began in July of 2013 and ended in July of 2015. With certain transition provisions applicable to certain current employees, the bills increased minimum age and service requirements for retirement and disability benefits, revised the calculation of an employee's final average salary on which pension benefits are based to include the five highest years (rather than the three highest years), provided for OPERS pension benefits to be calculated on a lower, fixed formula, changed provisions with respect to future cost-of-living adjustments to limit those adjustments to the lesser of any increase in the Consumer Price Index or three percent, and made other changes. The OP&F bill also authorizes the OP&F board to further adjust member contribution rates or further adjust age and service requirements after November 1, 2017, if, after an actuarial investigation, the board determines that an adjustment is appropriate.

For further information on these pension plans and for Fiscal Year reporting with respect to employer pensions, see **the Notes** to the Fiscal Year 2018 Financial Statements. Financial and other information for OPERS and OP&F can also be found on the respective web site for each retirement system including its Comprehensive Annual Financial Report.

As of December 31, 2018, the City had the net pension liability reported and explained in **the Notes** to the Fiscal Year 2018 Financial Statements.

In Fiscal Year 2018, City employees covered by OPERS contributed at a statutory rate of 10.0% of earnable salary. As the employer, the City's statutory contribution rate for those employees is 14.0% of the same base. City employees covered by OP&F contributed at a statutory rate of 12.25% of earnable salary. As the employer, the City's statutory contribution rates, applied to the same base, are 19.5% for police personnel and 24.0% for fire personnel. These employee and employer contribution rates have been and are now the maximums permitted under current State law.

The City's current employer contributions to OPERS and OP&F have been treated as current expenses and included in the City's operating expenditures, and the employer's payments to OP&F are paid in part from the proceeds of the "Police and Fire Pension" levies referred to under **Tax Rates**.

Federal law requires City employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. City employees who are covered by a State retirement system are not covered under the federal Social Security Act. OPERS and OP&F are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

#### **SUBSEQUENT EVENTS**

On August 7, 2019, the City issued its \$600,000 Emery Woods General Obligation Improvement Notes, Series 2019 (the Series 2019 Notes). The proceeds of the sale of the Series 2019 Notes were used to retire at maturity, together with other moneys available to the City, the then-outstanding \$660,000 Emery Woods General Obligation Improvement Notes, Series 2018 (the Series 2018 Notes). The Series 2019 Notes will mature on August 6, 2020.

**DEBT TABLE A**

**Principal Amounts of Outstanding General Obligation (GO) Debt;  
Leeway for Additional Debt Within Direct Debt Limitations  
(as of December 31, 2018)<sup>(a)</sup>**

A.	Total debt:		\$ 9,934,000
B.	Exempt debt:		
	Category	Outstanding Principal Amount	
	Special Assessment	\$ 2,735,000	
	Income Tax	7,199,000	
	Total Exempt debt:		\$ 9,934,000
C.	Total nonexempt debt [A minus B]		\$ 0
D.	5½% of tax (assessed) valuation (unvoted nonexempt debt limitation):		\$13,396,279
E.	Total nonexempt limited tax bonds and notes outstanding:		
	Bonds	\$ 0	
	Notes	\$ 0	\$ 0
F.	Debt leeway within 5½% unvoted debt limitation [D minus E]		\$13,396,279*
G.	10½% of tax (assessed) valuation (voted and unvoted debt limitation):		\$25,574,714
H.	Total nonexempt bonds and notes outstanding:		
	Bonds	\$ 0	
	Notes	\$ 0	\$ 0
I.	Debt leeway within 10½% debt limitation [G minus H]		\$25,574,714*

(a) See **Subsequent Events**.

\* Debt leeway in this table determined without considering money in the Bond Retirement Fund.

**DEBT TABLE B**

**Various City and Overlapping  
GO Debt Allocations (Principal Amounts)  
(as of December 31, 2018)(a)**

	<b>Amount</b>	<b>Per Capita(b)</b>	<b>% of City's Current Assessed Valuation(c)</b>
City Nonexempt GO Debt	\$ 0	\$ 0.00	0.00%
Total City GO Debt (exempt and non- exempt)	9,934,000	749.68	4.08
Highest Total Overlap- ping GO Debt(d)	24,247,788	1,829.88	0.10

(a) See **Subsequent Events**.

(b) Based on 2017 (estimated for City) population of 13,251.

(c) The City's assessed valuation as of December 31, 2018, was \$243,568,710.

(d) Includes, in addition to "Total City GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within City (% figures are resulting percent of total debt of subdivisions allocated to City in this manner), as follows:

\$ 1,504,080 County (0.80%); and  
\$12,809,708 Warrensville Heights City School District (66.32%).

Allocation of GO debt of remaining overlapping debt issuing subdivisions is as follows:

\$ 94,332 Orange City School District (0.74%).

Source of tax (assessed) valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC\*

\* Ohio Municipal Advisory Council (OMAC) compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Information Filing to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

## DEBT TABLE C

### Projected Debt Charges Requirements on City GO Debt (as of December 31, 2018)(a)

Year	<u>Debt Charges On</u>			<u>Portion Of Total Anticipated To Be Paid From</u>	
	Outstanding Bonds	Bonds Anticipated by BANS(b)	Total	Special Assessments	Income Tax
2019	\$978,937.50	\$ 0.00	\$ 978,937.50	\$ 217,050.00	\$761,887.50
2020	982,125.00	133,002.50	1,115,127.50	304,200.00	810,927.50
2021	969,800.00	129,615.75	1,099,415.75	297,325.00	802,090.75
2022	975,900.00	126,229.00	1,102,129.00	295,450.00	806,679.00
2023	907,506.25	122,842.25	1,030,348.50	293,425.00	736,923.50
2024	808,862.50	124,455.50	933,318.00	294,650.00	638,668.00
2025	797,387.50	120,831.25	918,218.75	295,437.50	622,781.25
2026	795,481.25	117,207.00	912,688.25	290,825.00	621,863.25
2027	757,925.00	113,582.75	871,507.75	291,012.50	580,495.25
2028	685,275.00	114,958.50	800,233.50	290,800.00	509,433.50
2029	704,025.00	111,096.75	815,121.75	290,150.00	524,971.75
2030	576,425.00	107,235.00	683,660.00	284,100.00	399,560.00
2031	313,125.00	103,373.25	416,498.25	62,850.00	353,648.25
2032	293,906.25	39,511.50	333,417.75	0.00	333,417.75
2033	0.00	38,499.75	38,499.75	0.00	38,499.75
2034	0.00	37,488.00	37,488.00	0.00	37,488.00
2035	0.00	36,476.25	36,476.25	0.00	36,476.25
2036	0.00	35,464.50	35,464.50	0.00	35,464.50
2037	0.00	34,452.75	34,452.75	0.00	34,452.75
2038	0.00	33,441.00	33,441.00	0.00	33,441.00
2039	0.00	32,429.25	32,429.25	0.00	32,429.25
2040	0.00	31,417.50	31,417.50	0.00	31,417.50
2041	0.00	30,405.75	30,405.75	0.00	30,405.75
2042	0.00	29,394.00	29,394.00	0.00	29,394.00
2043	0.00	28,382.25	28,382.25	0.00	28,382.25
2044	0.00	27,370.50	27,370.50	0.00	27,370.50
2045	0.00	26,358.75	26,358.75	0.00	26,358.75
2046	0.00	25,347.00	25,347.00	0.00	25,347.00
2047	0.00	24,335.25	24,335.25	0.00	24,335.25
2048	0.00	23,323.50	23,323.50	0.00	23,323.50
2049	0.00	22,311.75	22,311.75	0.00	22,311.75

(a) See **Subsequent Events**.

(b) Assumes all BANS (outstanding on December 31, 2018) are retired with bonds dated as of the issuance date, having first interest payment and first principal payment, being paid serially on the debt service basis and over the number of years and at the estimated interest rates, all as referred to in the legislation authorizing those BANS. See also **Debt Table D**.

**DEBT TABLE D**

**Outstanding GO Bond Anticipation Notes  
(as of December 31, 2018)(a)**

The following debt is reflected in **Debt Tables A, B and C.**

<b>General Purpose of Issue</b>	<b>Principal Amount</b>	<b>Due</b>	<b><u>Estimated Bond</u></b>		<b><u>Original Notes</u></b>	
			<b>Maturity Years</b>	<b>Interest Rate</b>	<b>Year of Issuance</b>	<b>Principal Amount</b>
Street Improvement	\$660,000	08/07/2019	12	4.75%	2015	\$860,000
Real Property Improvements	639,000	12/11/2019	30	4.75%	2016	450,000

(a) See **Subsequent Events.**

The ability of the City to retire BANs from the proceeds of the sale of either bonds or renewal BANs will be dependent upon the marketability of those obligations under market conditions prevailing at the time of that sale. Under present laws applicable to the City, there is no statutory maximum interest rate applicable to those bonds or renewal BANs.

**DEBT TABLE E**

**Outstanding GO Bonds  
(as of December 31, 2018)**

The following debt is reflected in **Debt Tables A, B and C.**

<b>Bonds</b>				
<b>Issue</b>	<b>Date of Issuance</b>	<b>Final Maturity</b>	<b>Original Principal Amount</b>	<b>Outstanding Principal Amount</b>
Various Purpose Improvement Bonds, Series 2013-1	01/24/2013	2032	\$9,055,000	\$ 5,450,000
Various Purpose Improvement Bonds, Series 2013-2	02/07/2013	2029	1,725,000	1,110,000
Cinema Park Improvement Bonds, Series 2014	09/02/2014	2030	2,095,000	2,075,000
			<b>TOTAL</b>	<b>\$ 8,635,000</b>

## DEBT TABLE F

### Long-Term Lease-Purchase Agreement Payments(a) (as of December 31, 2018)

Lease Payment Date	Base Rent Principal Component	Base Rent Interest Component	Total Base Rent
06/01/2019	\$ 0.00	\$186,331.25	\$186,331.25
12/01/2019	365,000.00	186,331.25	551,331.25
06/01/2020	0.00	179,031.25	179,031.25
12/01/2020	380,000.00	179,031.25	559,031.25
06/01/2021	0.00	171,431.25	171,431.25
12/01/2021	395,000.00	171,431.25	566,431.25
06/01/2022	0.00	163,531.25	163,531.25
12/01/2022	410,000.00	163,531.25	573,531.25
06/01/2023	0.00	157,125.00	157,125.00
12/01/2023	425,000.00	157,125.00	582,125.00
06/01/2024	0.00	150,484.38	150,484.38
12/01/2024	435,000.00	150,484.38	585,484.38
06/01/2025	0.00	143,687.50	143,687.50
12/01/2025	450,000.00	143,687.50	593,687.50
06/01/2026	0.00	136,600.00	136,600.00
12/01/2026	465,000.00	136,600.00	601,600.00
06/01/2027	0.00	129,043.75	129,043.75
12/01/2027	480,000.00	129,043.75	609,043.75
06/01/2028	0.00	121,243.75	121,243.75
12/01/2028	495,000.00	121,243.75	616,243.75
06/01/2029	0.00	112,890.63	112,890.63
12/01/2029	510,000.00	112,890.63	622,890.63
06/01/2030	0.00	103,009.38	103,009.38
12/01/2030	530,000.00	103,009.38	633,009.38
06/01/2031	0.00	92,740.63	92,740.63
12/01/2031	550,000.00	92,740.63	642,740.63
06/01/2032	0.00	82,084.38	82,084.38
12/01/2032	570,000.00	82,084.38	652,084.38
06/01/2033	0.00	71,040.63	71,040.63
12/01/2033	595,000.00	71,040.63	666,040.63
06/01/2034	0.00	59,512.50	59,512.50
12/01/2034	620,000.00	59,512.50	679,512.50
06/01/2035	0.00	45,562.50	45,562.50
12/01/2035	645,000.00	45,562.50	690,562.50
06/01/2036	0.00	31,050.00	31,050.00
12/01/2036	675,000.00	31,050.00	706,050.00
06/01/2037	0.00	15,862.50	15,862.50
12/01/2037	705,000.00	15,862.50	720,862.50

(a) Scheduled lease payments under the Third Supplemental Lease Agreement. See **City Debt and Other Long-Term Obligations – Long-Term Lease-Purchase Obligations; Certificates of Participation.**



## APPENDIX A

### Comparative Cash Basis Summary of General Fund Receipts and Expenditures for Fiscal Years 2014 Through 2018 (Unaudited)

	2014	2015	2016	2017	2018
Revenues:					
Taxes					
Property Tax	\$ 422,671	\$ 355,350	\$ 409,067	\$ 416,856	\$ 420,512
Income Tax	15,501,483	16,676,640	16,761,701	17,997,449	17,958,559
Other Tax	233,373	294,619	727,542	0	0
Intergovernmental	521,058	539,384	663,986	833,572	729,002
Interest	6,639	12,353	32,370	67,290	139,990
Fines Licenses and Permits	811,956	603,441	367,565	382,531	262,488
Fines and Forfeitures	103,872	124,004	216,562	104,776	252,628
Charges for Services	439,042	562,353	617,997	568,031	579,563
All Other	202,256	137,207	266,607	263,381	445,917
<b>Total Revenues</b>	<b>\$18,242,350</b>	<b>\$19,305,351</b>	<b>\$20,063,397</b>	<b>\$20,633,886</b>	<b>\$20,788,659</b>
Expenses:					
Security of Persons & Property	\$ 7,858,919	\$ 8,535,774	\$ 9,139,531	\$ 9,527,862	\$ 8,804,250
Public Health Services	53,085	53,085	53,085	53,085	58,020
Leisure Time Activities	516,675	453,906	529,077	630,305	717,897
Community Development	551,363	599,341	700,556	606,665	603,311
Public Works	2,546,437	2,950,235	3,336,589	3,776,247	3,498,484
General Government	3,557,859	3,953,537	4,296,340	5,126,914	4,808,153
Debt Service	0	81,541	0	0	0
<b>Total Expenses</b>	<b>\$15,084,338</b>	<b>\$16,627,419</b>	<b>\$18,055,178</b>	<b>\$19,721,078</b>	<b>\$ 18,490,115</b>
Excess of Revenues Over (Under) Expenses	\$ 3,158,012	\$ 2,677,932	\$ 2,008,219	\$ 912,808	\$ 2,298,544
Sale of Capital Assets	\$ 0	\$ 0	\$ 3,509	\$ 1,001	\$ 245,998
Transfers In	0	0	0	148,033	8,445
Advance Out	0	0	(594,067)	0	0
Transfers Out	(1,841,016)	(2,232,289)	(1,968,332)	(1,940,000)	(2,755,276)
<b>Total Other Financial Sources (Uses)</b>	<b>\$ (1,841,016)</b>	<b>\$ (2,232,289)</b>	<b>\$ (2,558,890)</b>	<b>\$ (1,790,966)</b>	<b>\$ (2,500,833)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,316,996</b>	<b>\$ 445,643</b>	<b>\$ (550,671)</b>	<b>\$ (878,158)</b>	<b>\$ (202,289)</b>
Beginning Fund Balance	\$ 2,995,225	\$ 4,530,395	\$ 5,214,251	\$ 4,905,257	\$ 4,432,157
Prior Year Encumbrances Approved	218,174	238,213	241,677	405,057	491,011
<b>Ending Fund Balance</b>	<b>\$ 4,530,395</b>	<b>\$ 5,214,251</b>	<b>\$ 4,905,257</b>	<b>\$ 4,432,156</b>	<b>\$ 4,720,879</b>

## APPENDIX B-1

### All-Funds Cash Basis Summary for Fiscal Year 2018 (Unaudited)

Fund	Fund Name	Beginning Cash Balance	YTD Revenue	YTD Expense	Ending Cash Balance
	General Fund	\$4,432,157	\$21,534,113	\$21,245,391	\$ 4,720,879
101	Street Maintenance	289,007	485,621	582,506	192,122
202	State Highway	39,209	39,375	46,000	32,584
203	Police Levy	48,297	104,439	127,000	25,736
204	Fire Levy	25,526	103,439	107,885	21,080
205	Street Lighting	9,145	210,338	219,483	0
206	Building Levy	34,202	74,375	20,460	88,117
213	Fire Pension	38,032	64,710	85,000	17,742
214	Police Pension	17,145	63,710	75,000	5,855
215	DARE Grant	0	0	0	0
216	Master Plan Grant	25,353	0	0	25,353
217	BJA Grant	13,823	4,353	0	18,176
218	CDBG Ext Maint	12,873	30,000	0	42,873
219	Law Enforcement Trust Fund	23,590	6,260	14,925	14,925
222	Juvenile Diversion Program	16,832	5,410	2,222	20,020
224	Fire Department Child Safety Grant	0	0	0	0
227	EMS Computer Grant	3,000	0	0	3,000
230	EMS Training & Equip Grant	0	0	0	0
231	Local Law Enf Block Grant	0	0	0	0
232	CDBG – Sidewalk Replacement Grant	0	0	0	0
241	Cops More Grant	0	0	0	0
242	FEMA	0	0	0	0
243	Cleveland Browns Foundation	0	0	0	0
245	CRE Monitoring	164,685	26,390	54,800	136,275
247	Cops Grant – Sr. Academy	4,818	0	0	4,818
248	The Cleveland Foundation	0	0	0	0
250	EDSI Grant	28,150	0	0	28,150
251	Grass Refuse Fund	243	42,000	28,607	13,636
253	Homeland Security Grant	0	0	0	0
254	Civic Center Park Restoration	0	0	0	0
255	G.R.E.A.T. Grant	0	0	0	0
257	Fire Reporting Grant	0	0	0	0
258	Urban Area Security Initiative Grant	0	0	0	0
261	Great Grant 2008	0	0	0	0
263	WHOP Monitoring Fee	33,435	130,050	158,623	4,862
265	Police Hire Grant	0	0	0	0
266	Police Hiring Recovery Program	0	0	0	0
267	Residential Demolition	261,031	125,840	193,435	193,435
271	Community Recycling Grant	25	4,976	3,961	1,040
272	Neighborhood Street Light	0	0	0	0
274	CPT Program	11,020	11,200	971	21,249
275	WC Safety Program	0	0	0	0
276	Ohio Dept of Aging Grant PT.1	0	0	0	0
277	ODOT SIB Loan	145,284	267,552	0	412,836
278	Ohio Dept of Aging Grant PT.2	0	0	0	0
279	SIB Loan Repayment	568,731	294,025	179,028	683,728
301	Road Programs	17,993	750,000	430,933	337,060
303	Information Tech Systems	306	0	0	306
305	Land & Bldg Acquisition Fund	1,036,755	1,253,511	1,831,940	458,326
310	Emery Woods	42,166	0	1,647	40,519
316	Town Square	16,772	0	0	16,772
317	Generators	\$ 0	\$ 0	\$ 0	\$ 0
318	Cinema Park Project	0	0	0	0

<b>Fund</b>	<b>Fund Name</b>	<b>Beginning Cash Balance</b>	<b>YTD Revenue</b>	<b>YTD Expense</b>	<b>Ending Cash Balance</b>
321	City Boiler Replacement	0	0	0	0
401	Bond Retirement Fund	439,941	2,976,855	3,416,609	187
402	Note Retirement Fund	83,220	0	0	83,220
701	Payroll Clearing Fund	225,281	0	0	225,281
702	Developers Deposits	272,949	1,440	457	273,932
703	Sr. Center Rental Fund	1,483	11,618	0	13,101
704	City Income Tax Receipts	3,514	10,000	0	13,514
708	Zone Income Tax Fund/Jedd	543,130	393,660	0	936,790
709	Self Insurance Fund	8,877	0	0	8,877
712	Flexible Spending Account	4,803	0	0	4,803
710	TIF	1,500	385,376	0	386,876
713	Tim Lally TIF	2,501	474,500	476,571	430
	<b>Totals</b>	<b>\$ 8,946,804</b>	<b>\$29,885,136</b>	<b>\$29,303,455</b>	<b>\$ 9,528,485</b>