

CITY OF CLEVELAND, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2019

CITY OF CLEVELAND



Comprehensive Annual Financial Report

For the year ended December 31, 2019

Issued by the
Department of Finance

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Director

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City Controller

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CITY OF CLEVELAND, OHIO

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INTRODUCTORY SECTION

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June 25, 2020

Honorable Mayor Frank G. Jackson
City of Cleveland Council and
Citizens of the City of Cleveland, Ohio

Introduction

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Cleveland (the City) for the year ended December 31, 2019. This report, prepared by the Department of Finance, includes the basic financial statements that summarize the various operations and cash flows related to the City's 2019 activities. Our intention is to provide a clear, comprehensive and materially accurate overview of the City's financial position at the close of last year. The enclosed information has been designed to allow the reader to gain an understanding of the City's finances, including financial trends, financial instruments and fund performances. The City has complete responsibility for all information contained in this report.

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

The City's financial statements have been audited by Clark, Schaefer, Hackett & Co. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Clark, Schaefer, Hackett & Co. concluded, based upon its audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2019, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditors' Report.

Structure of this Comprehensive Annual Financial Report

This CAFR is designed to assist the reader in understanding the City's finances. This CAFR consists of the following sections:

- The Introductory Section, which includes this letter of transmittal and contains information pertinent to the City's management and organization.
- The Financial Section contains the Independent Auditors' Report, MD&A, Basic Financial Statements, Required Supplementary Information and various other statements and schedules pertaining to the City's funds and activities.
- The Statistical Section contains numerous tables of financial and demographic information. Much of this information is shown with comparative data for the ten-year period from 2010 through 2019.

References throughout this report to Note 1, Note 2, etc., are to the Notes to Financial Statements included in the Financial Section of this CAFR.

Profile of the Government

The City

The City is a municipal corporation and political subdivision of the State of Ohio. It is located on the southern shore of Lake Erie and is the county seat of Cuyahoga County.

The City is included in the Cleveland-Elyria, OH Metropolitan Statistical Area (MSA), comprised of Cuyahoga, Lake, Lorain, Geauga and Medina counties. This MSA is the 33rd largest of 384 Metropolitan Areas in the United States and the 2nd largest MSA in the State of Ohio.

The City is located in the northeast part of the state, approximately 150 miles north-east of Columbus. Bordering Lake Erie, The City is home to world-renowned medical facilities, professional sports venues, a casino, Severance Hall, numerous lakefront parks, the Port of Cleveland, the Rock and Roll Hall of Fame and operates the nation's tenth largest water system. Interstate highways I-71, I-480, I-77 and I-90 serve as some of the City's major transportation arteries. The City is rich in educational and medical facilities, including Cleveland State University, Case Western Reserve University, the Cleveland Clinic and University Hospitals of Cleveland.

City Government

The City operates under and is governed by, the Charter which was first adopted by the voters in 1913 and has been and may be further amended by the voters from time to time. The City is also subject to certain general State laws that are applicable to all cities in the State. In addition, under Article XVIII, Section 3 of the Ohio Constitution, the City may exercise all powers of local self-government and may exercise police powers to the extent not in conflict with applicable general State laws. The Charter provides for a mayor-council form of government.

The City's chief executive and administrative officer is the Mayor, elected by the voters for a four-year term. Frank G. Jackson was elected as Mayor of the City in November 2005 and began his first term on January 2, 2006. In November 2017, he was re-elected to a fourth term, which will make him the City's longest serving Mayor. Prior to assuming office as Mayor, Mr. Jackson served as a Ward 5 City Council member for 16 years and in 2002 was elected by the then 21-member City Council (Council) to serve as Council President. Under the Charter, the Mayor may veto any legislation passed by Council, but a veto may be overridden by a two-thirds vote of all members of the Council.

Legislative authority is currently vested in a 17-member Council. Council members serve four year terms and are elected from wards. The present terms of the Mayor and Council members expire on December 31, 2021. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal functions. The presiding officer is the President of Council, elected by the Council members. Kevin J. Kelley was elected as President of Council in November 2013 and re-elected in November 2017. The Clerk of Council is appointed by Council. The Charter establishes certain administrative departments; the Council may establish divisions within departments or additional departments. The Mayor appoints all of the directors of the City's 12 departments.

The Director of Finance and City Controller believe that, to the best of their knowledge, the data contained in this report present fairly the financial position and results of operations of the various funds of the City. All necessary disclosures are included in this report to enable the reader to understand the City's financial activities.

Financial Reporting Entity

The City has applied guidelines established by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. Provisions outlined in this statement define the operational, functional and organizational units for which the City, acting as Primary Government, is required to include as part of its reporting entity. The inclusion of a component unit as part of the City's reporting entity requires the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Under these provisions, the City's financial reporting entity acts as a single rather than multi-component unit. The provisions permit the entity to include all funds, agencies, boards and commissions that, by definition, comprise components within the primary government itself. For the City, these components include police and fire protection services, waste collection, parks and recreation, health, select social services and general administrative services. Primary enterprise activities owned and operated by the City include a water system, sewer system, electric distribution system and two airports.

In accordance with GASB Statement No. 61, the Cuyahoga Metropolitan Housing Authority, Cleveland-Cuyahoga Port Authority and Cleveland Municipal School District are defined as related organizations and Gateway Economic Development Corporation of Greater Cleveland is defined as a jointly governed organization. None of these organizations are included within the City's reporting entity.

The City has included the Public Health Department Blended Component Unit as part of its reporting entity.

Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure ensures that accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable assurances that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and county financial assistance, the City is also responsible for maintaining a rigorous internal control structure that ensures full compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management, external auditors and the internal audit staff of the City. The City is required to undergo an annual audit in conformity with the provisions of the U.S. Office of Management and Budget's Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The information related to the Uniform Guidance, including the schedule of federal awards expenditures, findings and recommendations and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

Accounting and Financial Reporting

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by GAAP and the number of individual funds established is determined by sound financial administration. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance. The City's governmental funds include the General Fund, Public Health Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. The City's proprietary funds are its Enterprise Funds that provide services to the general public, including utilities and airport service and Internal Service Funds that provide services to City departments, divisions and other governments. The City also maintains Fiduciary Funds to account for assets held by the City in an agent capacity for individuals, private organizations and other governments.

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units. All governmental funds are accounted for using a current financial resources (current assets, deferred outflows of resources, current liabilities and deferred inflows of resources) measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual (both measurable and available). Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus of the City's proprietary funds is on the flow of total economic resources (all assets, deferred outflows of resources, liabilities and deferred inflows of resources). The accrual basis of accounting (revenues are recognized when earned and expenses when incurred) is utilized for the Enterprise and Internal Service Funds.

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances and pre-encumbrances are included as expenditures rather than included in fund balances.

Budgeting Procedures

Detailed provisions regulating the City's budget, tax levies and appropriations are set forth in the Ohio Revised Code and the City Charter. The Mayor is required to submit the appropriation budget, called "The Mayor's Estimate" to City Council by February 1 of each year. The Council may adopt a temporary appropriation measure for the first three months of the year, but must adopt a permanent appropriation measure for the fiscal year by April 1. The Cuyahoga County Fiscal Officer must certify that the City's appropriation measure does not exceed the amounts set forth in the County Budget Commission's Certificate of Estimated Resources.

The City maintains budgetary control on a non-GAAP basis at the character level (personnel and related expenditures and other expenditures) within each division. Lower levels within each character are accounted for and reported internally. Lower levels are referred to as the program level. Estimated expenditure amounts must be pre-encumbered and subsequently encumbered prior to the release of purchase orders to vendors or finalization of other contracts. Pre-encumbrances and encumbrances that would exceed the available character level appropriation are not approved or recorded until the Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year. As an additional control over expenditures, the City Charter requires that all contracts in excess of \$50,000 shall first be authorized and directed by ordinance of Council.

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 shown on page 65 as part of the basic financial statements. For other governmental funds with appropriated annual budgets, this comparison is presented in the supplementary information subsection of this report along with more detailed information regarding the General Fund, which starts on page 144.

Factors Affecting Financial Condition

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City's economic condition draws strength and stability from its evolving role as the focal point of a growing, changing and substantial regional economy. The City is located at the center of one of the nation's heaviest population concentrations. The Cleveland Metropolitan area is a significant local market, housing 2.1 million people. The City also provides superior links to the global markets. The Cleveland-Cuyahoga Port Authority handles the largest amount of overseas cargo on Lake Erie and includes a Foreign Trade Zone. The City is also well-served with extensive highways and Cleveland Hopkins International Airport is serviced by all major airlines. The re-emergence of downtown Cleveland as a vibrant center for national and regional entertainment and major cultural activities signals a turning point in the City's overall fortunes and is paving the way for further economic expansion that will be significantly more entrepreneurial in scope.

The local economy is being impacted by the COVID-19 pandemic. The level of impact is yet to be determined, however it has touched many sectors of the local economy.

Major Industries, Economic Conditions and Employment

The City, as well as most large urban municipalities across the nation, has faced significant economic challenges in recent years. Like all manufacturing cities across the country, the City has tried to combat the declining industry base with more professional and service industry opportunities. The City's budget basis income tax collections increased 6.9% in 2019 as a result of an increase in employer withholdings.

While the City's economy has shifted more toward education and health care services, its manufacturing base has assumed a smaller, yet still vital role. Competitive pressures in manufacturing have limited job creation, but the competitive position of the City based industrial companies has improved.

For 2019, the U.S. Bureau of Labor Statistics (BLS) indicates that the Cleveland area employment base continues to become more diversified. The following table summarizes the percentage of nonfarm employment in the Cleveland area by major industry.

Industry	Percent of Workforce
Education and health services	19.42 %
Trade, transportation and utilities	16.83
Professional and business services	15.30
Government	12.72
Manufacturing	11.40
Leisure and hospitality	9.64
Financial activities	6.06
Mining, logging and construction	3.67
Other services	3.73
Information	1.23
Total	<u>100.00</u> %

Current Projects and 2019 Accomplishments

The 2019 budget focused on continuing the City's commitment to improve the quality of life of its citizens by strengthening its neighborhoods, fostering a favorable business climate and providing superior services.

The City achieved the following 2019 programmatic goals and projects:

Department of Community Development

- The Department continued implementing neighborhood strategies to reduce blight and promote recovery from the economic downturn by making or supporting investments throughout Cleveland. Investments include, but are not limited to demolition, housing renovation, home repair, land reutilization, development of new affordable housing, storefront façade improvements, addressing homelessness and needed public services. All approaches are consistent with the CityWide plan to deploy sustainable and green principles.
- The U.S. Department of Housing and Urban Development (HUD) approved its priorities to focus our resources to address Affordable Housing, Homelessness, Non-Homeless Persons with Special Needs, Stabilizing Neighborhood Housing Markets, Non-Housing Community Development and Public Housing. The City receives approximately \$25 million in entitlement funding. This amount represents the eighth largest block grants in the country. Using the City's network of over 80 partners, the City is able to deploy funding to those that need help. Each year, on average, the City's entitlement program benefits over 100,000 residents, 300 housing units and leverages over \$10 million in other resources.
- All housing projects that receive City financial assistance, including tax abatement, are required to meet the City's Green Building Standards (GBS). The GBS incorporates national standards such as Leadership in Energy & Environmental Design (LEED) and Enterprise Community Partners' Green Community Standards.
- Six affordable multi-family projects with 231 units were completed in 2019. Included in these projects were Emerald Alliance VIII, a 66 unit permanent supportive housing project and 1874 East 93rd Street apartments, containing 8 units. In addition, 20 vacant homes in the City were renovated by Habitat for Humanity. Construction began on several projects including Internal Village and La Villa Hispana, which will have 60 units.
- The commercial revitalization team completed 34 Storefront Renovation Program projects in 2019 which included 11 comprehensive building rehabilitations, 18 neighborhood business signs and five downtown projects.
- The Department addressed lead hazards in 60 units through the Lead Hazard Reduction Grant. The City was awarded a High Impact Lead Hazard Reduction Grant in 2019 for \$9.7 million.
- Under the Community Engagement Healthy Homes Initiative (HHI) Program, specialists assess neighborhood housing issues and help residents and landlords understand and remove environmental hazards and bring homes to housing code compliance. In addition, the program supports the Department's Exterior Paint Program by helping residents and landlords apply for and complete the paint program.

Department of Building and Housing

- The Department inspected, condemned and razed over 810 structures.
- Initiated 2,897 court cases against negligent property owners.
- Issued 6,473 violation notices.
- Issued 19,947 construction permits valued at \$1.195 billion in new construction.
- Boarded-up and secured 2,027 vacant structures.

- Issued 1,304 condemnation notices.

Department of Economic Development

- The Department began to access \$10 million in funding from JobsOhio for the environmental assessment and remediation of the Opportunity Corridor. The grants will help to create shovel-ready industrial development sites on land that is adjacent to the Opportunity Corridor, a \$300 million investment connecting Cleveland's University Circle to the I-490 Interchange. Over 100 acres have been assessed and are positioned to begin remediation in 2020.
- The Department of Economic Development, through its partnerships, provided assistance to conduct 17 environmental assessments throughout the City. The assessments helped to further over 100 acres for redevelopment.
- The Neighborhood Retail Assistance Program provided \$185,000 of assistance for five projects that leveraged over \$400,000 of total project investment, helping to replace vacant storefronts with restaurants, cafés and locally-owned retail shops. The five small businesses will create 13 new jobs and include Cent's Pizzeria, UnBar Café and Vic's Floral.
- Under the Vacant Property Initiative (VPI) Program, the City provided approximately \$600,000 in assistance to four borrowers. The total project cost for these borrowers is nearly \$11.5 million and will create almost 70 new jobs with a few borrowers being Old Brooklyn Community Development Corporation, 18901 Euclid Avenue, LLC, W25D III, LLC and Tappan Building, LLC.
- Under the Mayor's Neighborhood Transformation Initiative, the first of 26 new homes are under construction and 40 senior residents have received assistance with stabilizing and improving their homes. The Glenville CircleNorth mixed-use building opened in the fall of 2019 with 67 residential units, a retail incubator with seven small businesses and a co-working space with enhanced programming to support start-up businesses.

Department of Public Health (CDPH)

- The Division of Environment inspected approximately 7,800 food operators, 130 pools and 330 schools. The Division responded to over 400 cases where high levels of lead were found in a child's blood. The Division investigated over 12,000 citizen nuisance complaints and issued 1,200 tickets.
- The Division of Health program, Mom's First, served over 1,100 participants in 2019. The infant mortality rate (IMR) for babies in the Mom's First program is 6.6 per 1,000 live births, compared to the overall IMR of 13.3 per 1,000 live births.
- The HIV programs distributed over 99,000 condoms, conducted 3,174 HIV tests and conducted 1,280 partner notification and testing services.
- Over 6,690 childhood immunizations, 67 HPV vaccinations, 680 Hepatitis A vaccinations and 790 flu shots were administered. Over 4,120 patients were seen in the health centers.
- Vital statistics issued 55,464 birth certificates and 63,979 death certificates.
- The Division of Air Quality completed 240 asbestos inspections and reviewed 2,140 asbestos projects, issued 529 City air permits, renewed Ohio EPA permits and issued 28 new Ohio EPA permits. The Division took 54 enforcement actions during the year.
- As part of the Department's responsibility to provide disease surveillance and emergency preparedness, epidemiologists investigated 3 outbreaks, participated in over 10 functional and full-scale exercises and 12 Emergency Operation Center Activations.

Department of Aging

- Provided core services to 6,420 unduplicated clients, including both older adults and adults with disabilities.
- Secured approximately \$660,000 in grants to support programs for seniors and adults with disabilities.
- The Annual Senior Day program in May 2019 attracted more than 2,000 older adults. The Annual Cleveland Senior Walk, held in September 2019, had over 1,000 participants. The Annual Disability Awareness Day luncheon held in October attracted over 200 participants.
- Year three implementation of six age friendly strategies was successfully undertaken as part of the Age Friendly Cleveland plan. These strategies include access to technology, ADA/accessible vehicle listings, access to cultural events, encouraging gardening and age in place handymen.
- The Age Friendly Home Investment Program was launched with 123 households receiving a home repair grant.

The Office of Equal Opportunity (OEO)

- Under Codified Ordinance No. 188, OEO penalizes contractors that fail to meet the Cleveland Resident Employment Law. Since 2009, over \$829,000 in penalties have been collected for non-compliance with Codified Ordinance No. 188.
- In December of 2019, the Cleveland Resident Employment Law was ruled to be in conflict with and was superseded by the Ohio Revised Code Section 9.75. The City can no longer enforce the Ordinance to employ city residents and low income residents on its construction contracts.
- Under Codified Ordinance No. 123.08, OEO is the Citywide Prevailing Wage Coordinator. Since 2011, OEO has established itself as a convener and facilitator of standardized policies and procedures related to prevailing wage. This model of Prevailing Wage Coordinators informally reporting to the Director of OEO to ensure standardization in practices, policies and procedures has been deemed effective. In addition, the implementation of Labor Compliance Tracker (LCP) software has enhanced standardization and effectiveness through technology. As such OEO, through the Director, will continue the role of convener and facilitator.
- OEO continues utilizing two compliance software systems, Business to Government Now (B2GNow) and LCP. Adoption of this technology meets the Mayoral goal of efficiency through technology.
- Since 2013, OEO continued to maintain a registry of certified contractors. To date, there are 639 certified contractors in B2GNow and the certification team continues to provide in-depth consultation to applicants assisting them with certification and engaging contractors with doing business with the City. Additionally, the certification team provides business development and outreach through one-on-one meetings and sharing information through networking and outreach.
- In 2019, the certification team focused on aligning businesses based on the Small Business Administration's Size Standards Tool based on the North American Industry Classification System (NAICS) and average annual receipts and revenue.
- OEO worked to amend Codified Ordinance No. 187.14, as amended by Ordinance No. 532.13, relating to small contractor rotation programs. Additionally, Purchases and Supplies and OEO secured a grant for use in implementing a pilot rotation program through the Department of Public Works.

Department of Public Works

- The Division of Recreation served 75,701 nutritious after school and summer meals.
- The Division of Recreation partnered with the Cleveland Foundry to provide rowing programs to Cleveland youth.

- The Division of Recreation had 29 Showagon performances during 2019, with over 65 youth participants.
- In partnership with the Cleveland Cavaliers, the Division of Recreation renovated four recreation center gym floors.
- In 2019, Division of Recreation generated \$36,000 from Field Permits, Facility Permits, Collinwood Concession/Complex, Halloran, League Park and Street Block Permits.
- In partnership with the Greater Cleveland Sports Commission, 32 youth participated in the Tri for Change youth outreach program in conjunction with USA Triathlon.
- The Division of Recreation held a STEM program that required the youth to build bicycles and learn the STEM associated with the construction. The Division awarded 12 bicycles in 2019.
- The Division of Recreation partnered with the Cleveland Cavaliers to develop the first eSports youth team.
- The Division of Recreation took over the operation of Highland Park Golf Course.
- The Division of Park Maintenance serviced 103,788 vacant properties, mowing each vacant lot four times through the year and performed 754 illegal dumpsite clean-ups.
- The Division of Park Maintenance, Urban Forestry unit, trimmed 7,594 trees, removed 566 trees and planted 654 new trees.
- The Division of Motor Vehicle Maintenance (MVM) purchased 67 new vehicles, which included 45 police vehicles, two ambulances, 10 waste collection trucks, one street sweeper, three plow trucks, four fire trucks, one chipper and one end loader.
- MVM relocated the body repair and collision facility to a new location that has six work bays and an overhead crane. The body repair technicians have the ability to perform a full range of repairs including major collision.
- MVM established an in-house training center where guest instructors from the major vehicle brands provide training to City technicians.
- The Division of Waste Collection collected and disposed of 243,825 tons of debris.
- The Division of Streets resurfaced 401,772 square yards of curb-to-curb projects.
- The Division of Traffic Engineering painted 455 miles of lane lines. All traffic signal bulbs are now Light Emitting Diode (LED) bulbs.

Department of Public Safety

- In 2019, the Division of Police (CPD) completed the upgrade of the Law Enforcement Record Management System which enables officers to electronically submit certain forms and reports and issue eCitations.
- CPD commenced Phase I of the Real Time Crime Center operation, providing critical investigative case support to the Homicide Unit, Gang Impact Unit and the five Police Districts to expedite the investigative timeline and to enhance case closures and bringing suspects to justice.
- CPD Community Engagement Officers and the Bureau of Community Relations Officers were involved in 2,261 community events. Examples of a few of these events include: community/neighborhood meetings, school engagements, Safety Fairs, coffee/ reading/ lunch with a cop and an ice cream social. All of these events enable officers to interact with the citizens of Cleveland in a positive informal environment.

- CPD trained all officers in Use of Force, Community Engagement & Problem Solving, Crisis Intervention, Bias-Free and Search & Seizure procedures in order to provide assistance to officers in order to keep current in today's dynamic environment.
- CPD in partnership with the prosecutor's office has compiled a Sexual Abuse Kits inventory for cases dating to 1989 and has submitted numerous kits for DNA testing.
- CPD successfully planned and executed safety and security for the 2019 Major League Baseball All-Star Game and festivities without any major issues. Several thousand people attended the festivities each day in downtown Cleveland. CPD, Federal, State and local law enforcement partners collaborated in a seamless integrated operation which led to safe and enjoyable events for those in attendance.
- The Division of Fire (CFD) became a registered agency for International Accreditation in 2019. The requirements for accreditation are improved transparency, accountability and professionalism of the CFD.
- CFD implemented a new code enforcement inspection schedule based on building hazard classes. This program has allowed us to use our inspector's time more efficiently. The more hazardous buildings and buildings with higher life hazards are inspected more frequently than structures that are not very hazardous or have a low life hazard.
- CFD implemented a new quality control program with performance benchmarks and weekly reporting in the Fire Prevention Bureau. Through the accreditation process, this program will be developed for every bureau/unit within CFD. We anticipate that this will improve CFD's performance and consistency.
- CFD deployed 185 new G-1 SCBAs for all suppression companies. All members received a new personal SCBA face piece. This equipment provides clean breathing air to firefighters when working in environments that are dangerous to life and health and will assist in mitigating emergency situations.
- New emergency scene lights were distributed to all chiefs, ladder companies and rescue squads. The lights enable firefighters to operate more safely in fire structures, at MVA scenes and confined space rescue incidents.
- The Fire Training Academy purchased Driver Simulator to be used to train firefighters providing a unique risk-free method of teaching firefighters to drive fire trucks.
- The City of Cleveland Division of Emergency Medical Service (EMS) logistics section replaced/replenished over 330 First Aid Kits and 300 naloxone kits utilized by the CPD to provide life-saving first aid. First Aid, CPR, choking and AED training were continued by CPD.
- EMS continues to partner with our local hospital systems to identify opportunities to establish programs to meet the increasing medical needs of the community. The collaborative efforts include the agreement of the four hospital systems to have the emergency departments remain open to EMS traffic at all times. This ensures that patients are able to remain within their hospital network unless a specific medical or traumatic emergency dictates otherwise.
- The Department of Public Safety continued its partnership with the MetroHealth system to provide Public Safety Medical Director services, which include Medical Director oversight for the EMS, CFD and CPD. In 2019, EMS graduated the first EMS Fellow, Dr. Brian Miller and welcomed the second EMS Fellow, Dr. Jennifer DeMarco.
- EMS continues to partner with the Department of Aging on the Matter of Balance Program which focuses on improving balance and decreasing the fear of falling; and the Senior Power Program designed to increase knowledge and awareness in the areas of crime prevention, fire hazards, emergency services and programs. EMS provides instruction for these programs. The File of Life Emergency Medical Safety Program continued in 2019. The File of Life is an emergency preparedness magnetic file that promotes safety and peace of mind by having important information about medical history, emergency contacts and medications all in one place in the event of an emergency. The File of Life is designed to hang on the outside of a refrigerator and is available to emergency responders when seconds matter.

- The City continues its agreement with the Cuyahoga County Sheriff assuming all jail duties for the City of Cleveland. All City jail facilities have been closed and all arrests within the City of Cleveland are booked, processed and housed at the Cuyahoga County jail.
- The Office of Professional Standards and the Civilian Police Review Board are working closely with the DOJ and the monitoring team to ensure that citizen complaints involving sworn and civilian employees of the CPD are thoroughly investigated and resolved. New operating manuals for the Office of Professional Standards and the Civilian Police Review Board have been drafted and staffing levels have been increased to ensure complaints are investigated timely and resolved fairly and impartially. These changes have been implemented to build trust and accountability.
- The Division of Animal Care and Control (ACC) opened the brand new, state-of-the-art kennel in March 2019. The 15,500 square foot facility embodies the current best practice standards for kennels and meets the City of Cleveland's goal of LEED Silver Energy and Environmental Design Standards. The innovative design provides a safe, clean and healthy environment to support staff and volunteers in the care of animals and the promotion of animal adoption. Additional staff was hired to meet the approved budgeted levels, including a full time veterinarian and kennel manager. The new kennel has also enhanced volunteer involvement to permit more dogs to be exercised outside for fresh air and enrichment.
- The City of Cleveland has been named a Certified City in the BETTER CITIES FOR PETS program. This program celebrates cities that value pets and commit to being more pet-friendly.
- ACC continues to wear body cams to better protect them out in the field. All employees have received training geared toward enhancing their skills and knowledge on various topics such as Fear Free Handling, Alert-Lockdown-Inform-Counter-Evacuate (A.L.I.C.E) training, Humane Society of the United States classes and Medical and Legal training classes.
- ACC continues to partner with the Marion C. Seltzer School to provide the "Marion C. Seltzer School Pup Star Readers" program. This program brings students into the kennel once a month to read to the dogs. The program continues to be a huge success.
- ACC continues its partnership with Cleveland Municipal Court to provide a program for individuals who have committed animal-related offenses. The "AROC" (Animal Related Offenses Class) program's goal is to help educate and create more responsible pet owners. The class is taught by two Animal Control Officers.

Department of Public Utilities

- The Division of Water services not only the City, but also 69 direct service communities, seven master meter communities and three emergency standby communities. They provide water to approximately 433,000 city and suburban accounts in the Cleveland metropolitan area. Of these 433,000 accounts, approximately 118,000 accounts were located within the City; accounting for 24.2% of the Division's metered sales revenue. The Division provides billing and payment services for the Northeast Ohio Regional Sewer District (NEORS), HomeServe USA Corp. and other communities. The major capital projects included City and suburban water main renewals, plant enhancement programs and secondary site improvements.
- The Division of Cleveland Public Power (CPP) provided approximately 74,000 residential and business customers in the City with reliable and affordable power. In 2019, CPP sold approximately 1.589 billion Kilowatt hours (kWh) of electricity. In 2019, the major capital projects for the Division of CPP included the Southern Transmission Line, LED street lights, switches and underground cables.
- The Division of Water Pollution Control maintains the local sanitary sewer and storm water collection system within the City. The system is comprised of over 1,400 miles of sewer lines, more than 44,000 storm drains and 12 pump stations. In 2019, the Division's sewers transported 1,674,321 thousand cubic feet (Mcf's) of water. In 2019, the major capital projects included rehabilitation of the East 185th Street and Marcella Road sewer lines, motor vehicles, and additional sewer relinings and installations.

Department of Port Control

- During 2019, Cleveland Hopkins International Airport (CLE) enplaned 5,023,316 passengers and had aircraft landed weight of 5,928,580,000 pounds.
- CLE substantially completed the North Airfield Improvements Phase II Project which included work on Taxiways Romeo & Bravo and substantial storm water improvements.
- CLE substantially completed the Upper Level Expansion Joints Rehabilitation Project which included roadway improvements to the Terminal Upper Road.
- CLE awarded the master and Airport Layout Plan, providing a roadmap for the Airport to follow for the next 25 years.

Department of Law

- Drafted approximately 395 contracts and reviewed 1,028 contracts for legal form and correctness.
- Prepared and processed 475 pieces of legislation for introduction to City Council.
- Obtained 672 search warrants for Housing Court enforcement actions and helped the Department of Building and Housing obtain legal authorization for 1,137 demolitions of unsafe structures in the City.
- Responded to 248 subpoenas for public records.
- Processed 20,437 requests on the City's web-based records request system GovQA.
- Processed 595 claims for property damage and other losses.
- Represented the City in 773 civil cases pending in various Ohio state and federal courts.
- Prosecuted 2,809 criminal complaints in housing court for failing to comply with the Department of Building and Housing administrative orders at sites with code violations found at properties.
- Processed 2,894 citizen complaints in the prosecutor's office.
- Issued 16,148 misdemeanor charges, of which, 1,183 were domestic-violence and issued 3,901 felony charges, of which, 384 were domestic violence.
- Issued 1,505 operating vehicle impaired charges and 36,508 traffic offense charges.
- Represented the City in 76 liquor permit hearings and processed 204 liquor permit requests.

Mayor's Office of Prevention, Intervention and Opportunity for Youth and Young Adults (PIOYYA):

- Partnered with 46 providers to offer over 60 new programs beyond traditional sports and recreational activities that are aimed at providing youth and the community access to center-based resources, programs and activities that address the root causes of violence; promote healing, wellness, resiliency and self-efficacy; and support our residents in developing the skills and knowledge required to thrive and live quality lives. Programming centers around six (6) areas: Youth and Adult Education; Job and Career Readiness; Health and Wellness; Youth Leadership Development, Mentorship and Community Service; The Arts; and Sports and Recreation.
- Completed phase 1 of the Toxic Stress/Trauma Management project, designed to transform the City's 22 recreation centers into trauma-informed neighborhood resource and recreation centers. As a part of this project, 11 social-worked trained trauma-informed care coaches were hired through a contractor to connect patrons of the centers to community-based resources and support services. Through this initiative over 300 individuals received support and/or connections to resources/services.

- Provided 220 youth summer employment and internship opportunities, job and career readiness training and life skills training in collaboration with Youth Opportunities Unlimited.
- Created juvenile reentry and diversion programs designed to connect high-risk and formerly incarcerated youth with appropriate resources/support services and job opportunities. Over 50 youth were served through this initiative.

Office of Capital Projects

- The Office of Capital Projects completed construction on several projects including, but not limited to the:
 - Matherson Culvert replacement,
 - Carter Lift Bridge,
 - Harvard Ave resurfacing from East 116th Street to Lee Road,
 - Innerbelt Eastbound Bridge Phase II,
 - Clark Avenue from Lorain Avenue to West 41st Street,
 - Martin Luther King Boulevard rehabilitation from Kinsman Road to Shaker Boulevard,
 - East 116th Street from Union Avenue to Shaker Boulevard,
 - Madison Avenue from West 117th St to West Boulevard.
- In conjunction with the City's resurfacing program, 618 American with Disability Act (ADA) ramps were installed.
- Completed 89 required inspections and inventory of bridges.
- The Office of Capital Projects inspected 1,479 roads, bridges, subdivisions and utility cut projects in the public right of way to ensure quality control.
- The Office of Capital Projects furthered the City's neighborhood revitalization efforts through the implementation, construction and/or rehabilitation of City facilities and infrastructure, design and/or construction of roof repairs or replacement at two recreation centers and mechanical improvements at four recreation centers. Other public facility improvements included 205 St. Clair Façade, Music Hall improvements, New City Kennel, Fire Station 01 mechanical and general improvements, Fire Station 04 plaza work and general MEP improvements, Police Ordinance Industrialized Units and EMS Lighting Project.
- Managed the Towpath Trail Project, including Stage Four, Literary to Canal Basin.
- Continued oversight of right of way and real estate matters for roads and bridge reconstruction projects including: NEORSD City Land Swap for C. VanDuzer Property, Opportunity Corridor, Hudson and Frand Roadway Extensions, Shoreline Apartments Phase Two and Lipscomb Cliff Drive.
- Handled real estate transactions needed for various public works and private development projects including: Circle North, Morgana Bluffs Nature Preserve and Learning Center, Cleveland Institute of Art Dormitory, Harbor Verandas, Canal Basin Park, Mounted Police, Irishtown Bend, Civic Builders' homes on Carter Road, Gold Star Family Memorial in University Circle, Flats East Phase II, Quicken Loans Arena Transformation Project, Loew Park and William Cullen Bryant Elementary School, OHV and BMX Park Development Project, Urban Agriculture Innovation Zone and the Scranton Road Bridge Improvement Project.
- Negotiated and completed leases or lease renewals with Case Western Reserve University for the Nord Family Greenway, Cleveland Museum of Art and Kufner Towing.
- Oversaw and coordinated real estate matters for the Cleveland Metropolitan School District's master facilities plan, NEORSD Project Clean Lake green and grey infrastructure projects, NEORSD storm water management projects and various projects with the Cleveland Metroparks and City's Department of Public Utilities.

Office of Sustainability

- Continued managing and reporting on utility and energy data for City facilities. Since 2010, the City's overall energy consumption is down 1.5% on a weather normalized basis and is using 7% less energy per square foot of building space, saving approximately \$2.8 million per year.
- Hosted Mayor Jackson's 11th Annual Sustainable Cleveland Summit and celebrated the Year of People throughout 2019.
- Secured or managed the following grants: \$180,000 from the U.S. Forest Service to plant more than 200 trees in the Cudell and Buckeye-Shaker neighborhoods and to plant 150 trees in the Bellaire-Puritas and St. Clair-Superior neighborhoods; \$250,000 from the Northeast Ohio Regional Sewer District to install a rain collection cistern at the new City Kennel; \$442,000 from the U.S. Environmental Protection Agency (EPA) to install approximately 20,000 square feet of permeable pavers and plant 150 trees at Marion Motley Park; \$100,000 from Partners for Places, Cleveland Foundation and Gund Foundation to support a 100% renewable energy feasibility study, with a focus on equity and workforce development; \$5,000 from the Cuyahoga County Solid Waste District; \$40,000 from the National Recreation and Parks Association to support the City's goal of having all residents live within a 10-minute walk of a clean, safe, programmed park.
- Supported the addition of 15 more miles of bike infrastructure, including trails, bike lanes and sharrows.
- Continued implementation of the Cleveland Climate Action Plan and support of local, resident-led projects through the Cleveland Climate Action Fund.
- Continued to receive an 'A' score on the 2019 CDP (Carbon Disclosure Project) disclosure on the City's progress with the Climate Action Plan goals and actions.
- Convened the Cuyahoga50 celebration, consisting of more than 50 events throughout the year (25 on the anniversary weekend) and representing a collaboration of more than 300 organizations to celebrate our progress and address today's threats to clean water for all.
- Distributed more than 300 rain barrels to City residents at 11 community rain barrel workshops.
- Completed the 2018-2019 Youth Sustainability Leadership Program.
- Continued outreach through the "Don't Break the Lake" and "Skip the Straw" campaigns aimed at reducing plastic waste in our waters, especially from disposable plastic bags, water bottles and straws.
- Continued to support community choice electricity aggregation with Northeast Ohio Public Energy Council (NOPEC) resulting in overall cost savings, rate stability and 100% renewable energy for residents and small businesses.
- Supported Northeast Ohio Areawide Coordinating Agency's 2019 Commuter Choice Challenge and encouraged employee participation in the Gohio Commute online tracking platform.

2020 Budget

The City passed a structurally balanced budget for fiscal year 2020 on March 23, 2020. The continuation of service related enhancements will impact the Departments of Public Safety, Public Works, Public Health and Building and Housing. The City intends to maintain the continuation of stringent, conservative fiscal policies which supports financial accountability and efficient delivery of services throughout the City. However, at this time, the adverse economic impact of the COVID-19 pandemic is uncertain to accurately predict. The City is anticipating decreases in income tax and other revenues and will continue to monitor the status of all collections. The City instituted a hiring freeze on non-critical positions and will keep the freeze in effect until collections have been determined to maintain a balanced budget. Other measure such as layoffs and Rainy Day transfers will be considered if necessary.

The estimate of receipts and expenditures for all General Fund departments and divisions, per the 2020 budget are as follows:

- Total revenues and other financing sources are projected to be \$672.9 million. The City's income tax is the largest source of revenue. It is generated by a 2.5% rate on wages for Cleveland residents and non-residents; The City is anticipating to collect \$444.3 million in income tax for 2020.
- Total expenditures and other financing uses are estimated to decrease from \$685.7 million in 2019 to \$670.6 million in 2020. This decrease is due to one-time expenditures, specifically relating to the lead abatement program and demolition of vacant and abandoned structures.
- Since January 2019, the Cleveland Division of Police graduated 182 new officers. The 2020 budget supports increased staffing levels in the Domestic Violence and Crisis Intervention Teams. The City is anticipating the completion of the new Police headquarters in the next two to three years. EMS graduated 19 trainees during 2019 and has a class of 19 recruits that will graduate in the first half of 2020 to maintain increased ambulance service and respond to high volume activity. The Division of Fire graduated 21 firefighters to support deployment activities. Building and Housing is continuing to demolish blighted and abandoned structures through our Safe Routes to School program which eliminated 651 structures within 1,000 feet of walking routes to school in 2019. We also demolished an additional 159 properties throughout the City. The Department of Public Works will continue using its enhanced budget to improve city services, such as street sweeping, pothole repair, waste collection, leaf pick-up, tree-trimming, tree planting and tree removal services.

Long-term financial planning:

The City is well positioned for the future as the City continues to make investments that create increased service delivery, economic development and expanded opportunities in all neighborhoods. During 2019, we directed \$14 million to enhance our demolition program, \$13 million for the 2020 street resurfacing program, \$8 million for vehicle acquisition, \$3 million for Information Technology and \$5 million for the lead initiative. This will help strengthen the health and economic impact within our neighborhoods. Lastly, we directed \$5 million to the Rainy Day Fund to help safeguard the city from an economic downturn as a result of volatility at the global, national and state levels.

The following projects currently underway will provide the momentum necessary to continue rebuilding the City's economic base:

- Sherwin Williams announced the location of their new headquarters in downtown Cleveland and will redevelop several vacant parking lots on Cleveland's Public Square. The Headquarters will keep over 3,100 employees in downtown and employment is expected to grow by 400 in the next decade. Construction is expected to be completed by 2023.
- INTRO, a \$125 million mixed-use project in Cleveland's Ohio City neighborhood across from the historic West Side Market, broke ground earlier this year. The project will provide almost 300 apartments as well as retail space to a major intersection in the City. The project will be constructed using an innovative mass timber design and will be one of the tallest buildings of that type in the United States.
- Mayor Frank G. Jackson's Neighborhood Transformation Initiative has undertaken several projects in the Glenville neighborhood, including new housing starts, housing rehab, senior housing repair and the construction of the \$14,000,000 Glenville CircleNorth project, a mixed-use development featuring a retail incubator with seven locally-owned small business starts.

Business Incentives and creating Economic Development

Note 20 – Tax Abatements are a requirement in the City’s CAFR, based upon GASB Statement No. 77, *Tax Abatement Disclosures*. This footnote disclosure focuses on lost tax dollars and the costs to government entities. The following will reveal the benefits derived from offering business incentives.

Department of Economic Development

The City uses tax increment financing (TIF) authorized by the Ohio Revised Code (ORC) Chapter 5709 as a tool to support development in the City. TIFs are often used to support financing to close project funding gaps, without which the project would not be able to move forward. Most TIFs authorized by the City are Non-School TIFs, providing that the Cleveland Metropolitan School District receives its share of the tax revenues generated by the development, approximately 60% of the total taxes. TIFs are analyzed by the Department staff to ensure that the project meets a but-for test, confirming that the development would not proceed without the incentive, as well as to determine that the City receives an adequate return on its investment in the form of other taxes, job creation and retention or policy goals.

TIFs authorized within the last ten years have leveraged over \$2.0 billion in investment in the City. As a result of these projects, thousands of jobs have been created, adding millions of dollars to the City in total payroll and income tax revenue generated annually. In addition, TIF projects have resulted in the development of 1,387 hotel rooms in the City, helping to support the City’s tourist and convention industries and generating bed and sales tax revenues.

A recent success story involved Casto, a privately held, fully integrated real estate services firm that recently purchased property located on the corner of West 28th Street and Franklin Boulevard. They are developing a mixed use development of approximately 112 market rate and workforce housing apartment units, 8,800 square feet of retail space and indoor parking for residents.

The City is providing a non-school TIF to assist with the Development. The total project investment is expected to exceed approximately \$29 million and the project is expected to create approximately 26 new full time jobs with an approximate payroll of \$700,000.

Department of Community Development

The Community Reinvestment Area (CRA) Program is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new residential buildings to encourage revitalization of the existing housing stock and the development of new structures. This program permits municipalities or counties to designate areas where housing investment has been discouraged.

The tax abatement process starts with the applicant completing an application with supporting documentation of the completed construction/rehabilitation work.

The City reviews the application to ensure the applicant meets program requirements; if the application is in compliance with the program requirements the City will approve and grant the tax abatement. The City notifies and provides a copy of the instrument granting the tax exemption to the Cleveland Municipal School District. The City forwards the application to the Cuyahoga County Fiscal Officer office for further processing. The Cuyahoga County Appraisal Department under the County Fiscal Officer, assigns taxable values to new construction or remodel residential property.

The tax abatement program is an important and useful tool; for developers as an attractive incentive for promoting home sales; for homebuyers by making homeownership more affordable; and for the City, helping to make it a city of choice.

The City is required by Statute, to file online annually, by March 31st, all CRA tax abatement information with the State of Ohio.

The City, pursuant to various sections (5709 and 3735) under the Ohio Revised Code, established a housing council. This housing council consists of seven members: two are appointed by the Mayor, one member is appointed by the Planning Commission, two members are appointed by City Council and two are appointed from the other members of the housing council. They serve three year terms. Their purpose is to look at the property conditions of the residential properties that have been granted CRA incentives.

Tax abatement is available to both homeowners and developers. Work must be completed under a permit issued by the City's Department of Building and Housing on property located in the City only. During 2016, the length or term of abatement would vary from 10 to 15 years depending on the type of project respectively. For tax abatements processed after August 8, 2017, pursuant to Ordinance No. 244-17 passed May 22, 2017 and effective May 24, 2017, the term for all projects eligible for CRA tax abatement is 15 years.

The Residential Property Tax Abatement Program aims to:

- Stimulate community revitalization
- Retain city residents and attract new residents
- Attract homeowners
- Reduce development costs for homeownership and rental projects

Residents and developers seeking tax abatement for residential projects must meet GBS.

The GBS is designed to save homeowners money on utilities and support local green jobs, while also improving the health of the community and reduce our collective contribution to climate change. GBS also creates direct benefits for developers and builders, including cost savings from efficient operation, a marketing advantage and public recognition for high performance homes. Tax abatement has contributed to the development of 22,749 units of housing dating back to 1994. Since 2010 (the first year of GBS), 4,730 GBS units were completed. In 2018, a total of 784 units met the GBS.

- Single family – 94 new construction, 71 rehabs
- Multi-family – 461 new construction, 164 rehabs

The City has offered tax abatements to various affordable housing development projects. The tax abatement program has made affordable low income housing development projects more affordable to operate and to pass savings on to tenants by providing lower rents. These types of housing development projects are not financially feasible without the total funding package that includes tax abatement.

Major Initiatives

As the City plans ahead to achieve increased municipal efficiencies and enhanced infrastructure coordination, the Mayor has launched the following initiatives:

- *Connecting Cleveland 2020 Citywide Plan* – a plan for the future of the City and its neighborhoods. It seeks to create great neighborhoods by creating “connections” between people, places and opportunities. It is developing buildings as well as developing people and communities. It means linking the physical and the social in order to create a community that is truly viable and sustainable. The plan lays out a practical vision to achieve its goals through a strategy that builds on the City's unique assets and the assets in each of its diverse neighborhoods.
- *Mayor Frank G. Jackson Scholarship Program* – improving the quality of life for all residents has been the driving force behind the goals Mayor Jackson has set for his administration. The key to this effort is ensuring that all children have access to a high quality education. As such, due to the generous contributions through the United Way Combined Campaign, the Mayor established several scholarship programs to support the City employees, their children and Cleveland Municipal School District students interested in pursuing a full-time college education.
- *Sustainable Cleveland 2019* – a 10-year initiative facilitated by the Office of Sustainability that engages people from all walks of life, working together to design and develop a thriving and resilient region. Working groups emerge from the annual Sustainable Cleveland 2019 summits and focus on different topics to build a brighter future for Cleveland. Since 2013, the City has implemented its sustainable building policy on new construction, renovations and Fix it First projects. This policy sets the standard of LEED silver for new construction.

- *Clean Cleveland* – is a systematic delivery system designed to deliver service more efficiently and improve quality of service to Cleveland neighborhoods, without spending more money. Departments and divisions coordinate across boundaries to provide services, not limited to vacant structure clean-up, waste collection, street sweeping, graffiti removal, hydrant painting and abandoned structure board up or demolition.

Awards and Acknowledgements

The Independent Audit: The City Charter requires an annual audit of the financial statements of all accounts of the City by an Independent Certified Public Accountant. Accordingly, this year’s audit was completed by Clark, Schaefer, Hackett & Co. The year ended December 31, 2019, represents the 39th consecutive year the City has prepared a CAFR. In addition to the independent auditors, the City maintains its own Internal Audit Division. Along with the duty of assisting the independent auditors, the Internal Audit Division is responsible for strengthening and reviewing the City’s internal controls. The Internal Audit Division performs its own independent operational and financial audits of the City’s many funds, departments and divisions. We believe that the City’s internal control structure adequately safeguards its assets and provides reasonable assurance of proper recording of all financial transactions.

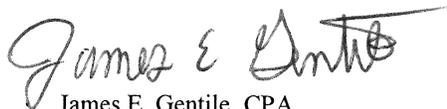
Government Finance Officers Association (GFOA) Certificate of Achievement Award: The GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland, Ohio for its CAFR for the fiscal year ended December 31, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such CAFR’s must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 35 years (years ended 1984 – 2018). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

Acknowledgements: The preparation of this report could not have been accomplished without the efficient and dedicated service of the Finance Department, particularly the Division of Financial Reporting and Control. We would also like to thank the Mayor, the cabinet and members of City Council. Without their continued support, the Department of Finance could not have maintained the financial management practices required to ensure the financial integrity of the City. We would like to thank the representatives of Clark, Schaefer, Hackett & Co. for their efforts and professional conduct throughout the audit engagement.

Very truly yours,


Sharon Dumas, Director
Department of Finance


James E. Gentile, CPA
City Controller

CITY OF CLEVELAND, OHIO

City Officials
Frank G. Jackson, Mayor

EXECUTIVE STAFF

Sharon Dumas Director, Department of Finance/Interim Chief of Staff
Darnell Brown.....Chief Operating Officer
Valarie J. McCall Chief of Communications, Government & International Affairs
Monyka Price, Ph.D..... Chief of Education
Jason Woods Chief of Sustainability
Natoya J. Walker Minor..... Chief of Public Affairs
Edward W. Rybka..... Chief of Regional Development
Tracy Martin-Thompson.....Chief of Prevention, Intervention and Opportunity for Youth and Young Adults
Barbara Langhenry.....Director, Department of Law
Karrie D. Howard.....Director, Department of Public Safety

ADMINISTRATION

Mary McNamara..... Director, Department of Aging
Ayonna Blue Donald.....Director, Department of Building and Housing
Freddy L. Collier, Jr..... Director, City Planning Commission
Michael Spreng Secretary, Civil Service Commission
Tania Menesse.Director, Department of Community Development
Grady Stevenson, Jr. Director, Community Relations Board
David Ebersole..... Director, Department of Economic Development
Nycole West Director, Department of Human Resources
Matthew L. Spronz.....Director, Mayor’s Office of Capital Projects
Melissa K. Burrows, Ph.D.....Director, Office of Equal Opportunity
Sabra T. Pierce-Scott.....Director, Mayor’s Office of Quality Control and Performance Management
Robert Kennedy. Director, Department of Port Control
Merle Gordon..... Director, Department of Public Health
Robert L. Davis Director, Department of Public Utilities
Michael Cox..... Director, Department of Public Works

CITY OF CLEVELAND, OHIO

City Council

Kevin J. Kelley	President of Council / Ward 13
Phyllis E. Cleveland	Majority Leader / Ward 5
Blaine A. Griffin.....	Majority Whip / Ward 6
Patricia J. Britt	City Clerk, Clerk of Council
Joseph T. Jones.....	Ward 1
Kevin L. Bishop.....	Ward 2
Kerry McCormack.....	Ward 3
Kenneth L. Johnson, Sr.....	Ward 4
Basheer S. Jones	Ward 7
Michael D. Polensek.....	Ward 8
Kevin Conwell.....	Ward 9
Anthony T. Hairston.....	Ward 10
Brian Mooney.....	Ward 11
Anthony Brancatelli.....	Ward 12
Jasmin Santana	Ward 14
Matt Zone	Ward 15
Brian Kazy	Ward 16
Charles Slife	Ward 17



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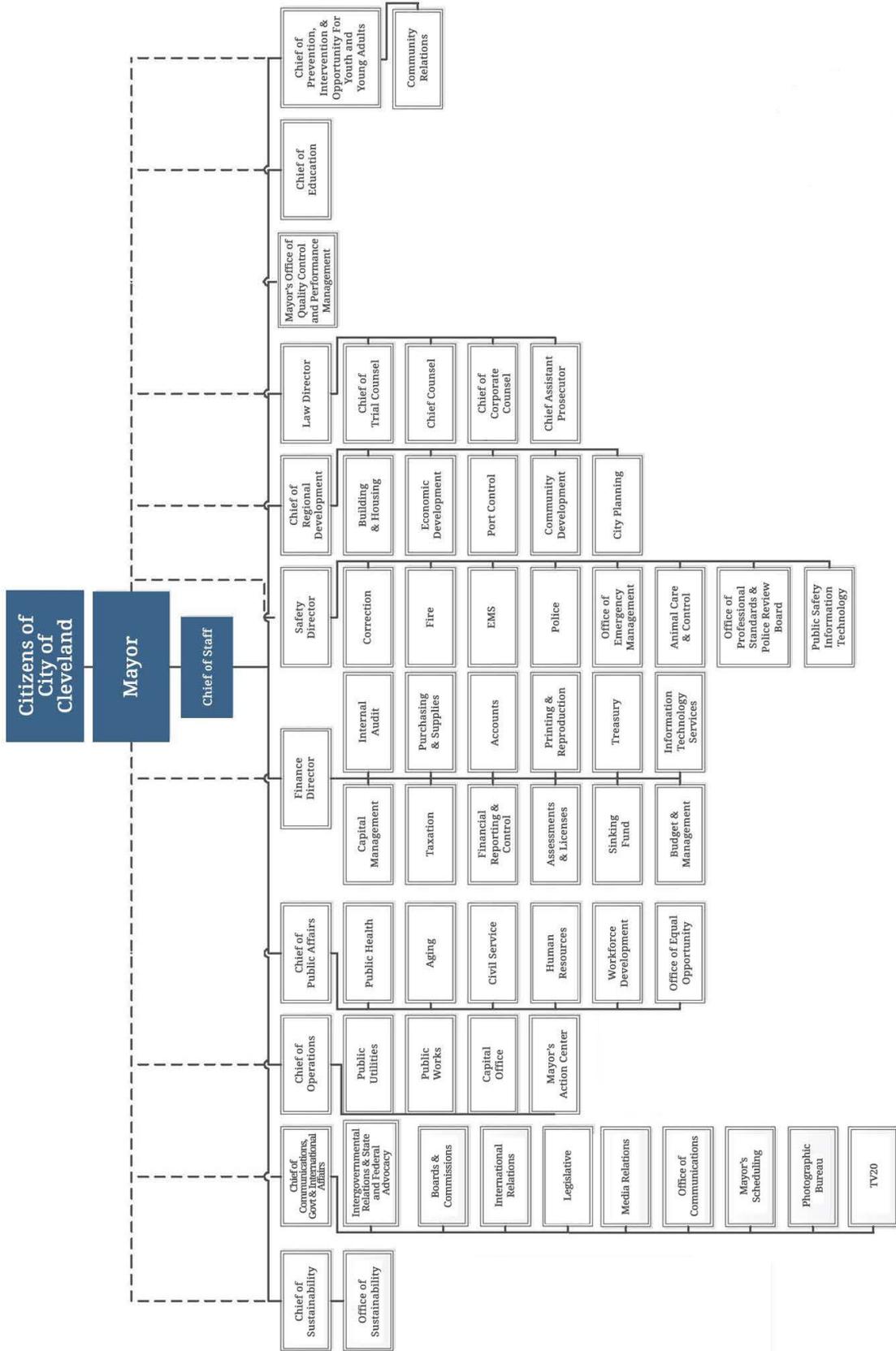
City of Cleveland
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

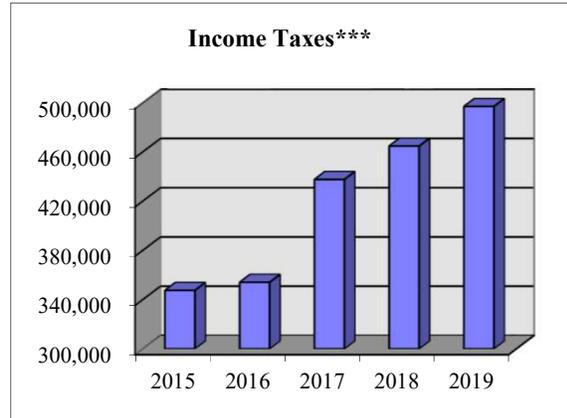
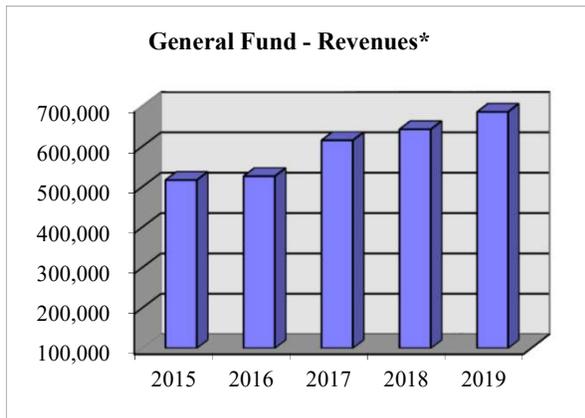
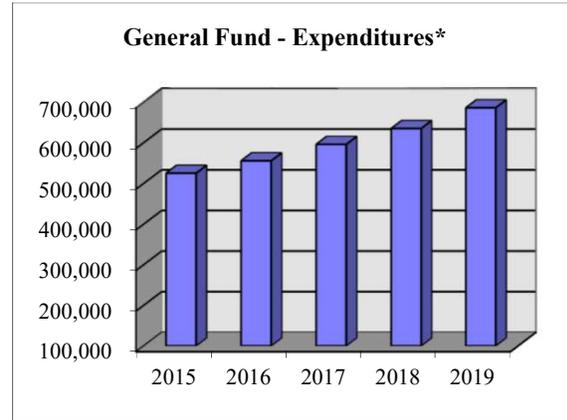
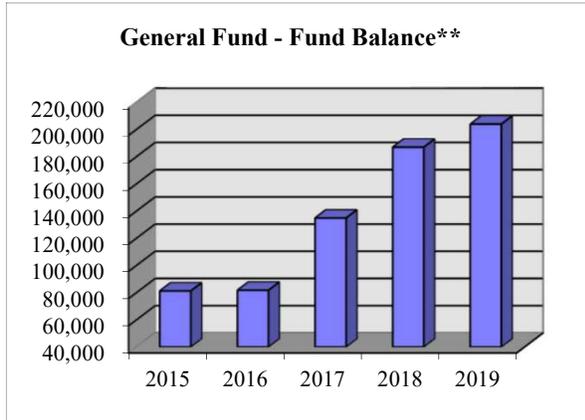
Executive Director/CEO



CITY OF CLEVELAND, OHIO

FINANCIAL HIGHLIGHTS

(Amounts in Thousands)



For Year Ended	General Fund Fund Balance**	General Fund Revenues*	General Fund Expenditures*	Income Taxes***
2015	81,209	516,783	524,938	347,565
2016	81,722	526,199	555,470	354,151
2017	134,860	615,244	595,844	437,676
2018	186,909	642,595	634,937	464,803
2019	203,892	685,652	685,734	496,973

* *Budget Basis* - General Fund revenues and expenditures include other financing sources (uses).

** *GAAP Basis*.

*** *Budget Basis* - Income Taxes includes General Fund and Restricted Income Tax Fund.

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Frank G. Jackson, Mayor, Members of Council and the Audit Committee
City of Cleveland, Ohio:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, 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.

Auditors' 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 auditors' 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 entity'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 entity'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Subsequent Event Footnote

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of net pension and OPEB liabilities and pension and OPEB 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 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 and capital assets 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2020 on our consideration of the City of Cleveland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cleveland's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 25, 2020

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CITY OF CLEVELAND, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Cleveland (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2019. Please read this information in conjunction with the City's financial statements and footnotes that begin on page 58.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2019 by approximately \$2.533 billion (net position).
- Of the approximately \$2.533 billion of net position, governmental activities accounted for approximately \$253.4 million of net position, while business-type activities net position accounted for approximately \$2.280 billion.
- The City's net position increased by \$325.5 million as compared to 2018. The governmental activities net position increased by \$283.7 million and the business-type activities net position increased by \$41.8 million.
- At the end of the current year, unassigned fund balance for the General Fund was \$114.9 million, which represents the amount available for spending at the City's discretion. The unassigned fund balance equals 18.2% of the total General Fund expenditures and other financing uses.
- In 2019, the City's total long-term debt and other long-term debt-related obligations, excluding premiums, accreted interest and discounts decreased by \$93.1 million. The decrease is due to payments made on debt of \$150.2 million offset by a new debt issue for General Obligation bonds of \$51.0 million and new loans payable of \$6.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of five components: (1) government-wide financial statements, (2) fund financial statements, (3) General Fund budget and actual statement, (4) notes to the financial statements and (5) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City principally include: General Government; Public Works; Public Safety; Community Development; Building and Housing; Public Health and Economic Development. The business-type activities of the City principally include: water; sewer; electricity; and airport facilities.

The government-wide financial statements can be found on pages 58-61 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City presents 31 individual governmental funds on a modified accrual basis. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Public Health Fund, which are considered to be major funds. Data from the other 29 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annually appropriated budget for its General Fund, Enterprise and Internal Service Funds. The City adopts an annually appropriated budget for some of its Special Revenue and Debt Service Funds. The General Fund budgetary comparison has been provided as a separate financial statement to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found on pages 62-65 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. The first type is Enterprise Funds. They are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water, electric, airport, sewer, public auditorium, markets, parking lots, cemeteries and golf course operations. The second type of proprietary fund the City uses is Internal Service Funds to account for its motor vehicle maintenance, printing and reproduction, postal services, utilities administration, sinking fund administration, municipal income tax administration, telephone exchange, radio communications operations, workers' compensation reserve, health self-insurance fund and prescription self-insurance fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally throughout the City's various functions. Because most of the internal services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements, except for the Utilities Administration Fund which has been classified as a business-type activity.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Division of Water, Cleveland Public Power, Water Pollution Control and Department of Port Control Funds, which are considered to be major funds of the City. Conversely, Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor Enterprise and Internal Service Funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 66-70 of this report.

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

The basic fiduciary fund financial statement can be found on page 71 of this report.

Notes to the financial statements. The notes provide additional information that is essential to achieve a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 73-131 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Information regarding the government-wide net position of the City is provided below:

Summary Statements of Net Position as of December 31, 2019 and 2018

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	2019	2018	2019	2018	2019	2018
(Amounts in Thousands)						
Assets:						
Current and other assets	\$ 1,058,523	\$ 1,021,723	\$ 1,222,713	\$ 1,228,070	\$ 2,281,236	\$ 2,249,793
Capital assets	<u>1,252,272</u>	<u>1,237,652</u>	<u>3,032,996</u>	<u>3,039,201</u>	<u>4,285,268</u>	<u>4,276,853</u>
Total assets	2,310,795	2,259,375	4,255,709	4,267,271	6,566,504	6,526,646
Deferred outflows of resources	338,567	194,274	131,067	99,170	469,634	293,444
Liabilities:						
Net pension liability	929,193	631,189	224,015	127,074	1,153,208	758,263
Net OPEB liability	221,047	540,378	105,347	86,570	326,394	626,948
Long-term obligations	969,070	969,452	1,539,753	1,635,759	2,508,823	2,605,211
Other liabilities	<u>161,408</u>	<u>168,394</u>	<u>234,350</u>	<u>233,190</u>	<u>395,758</u>	<u>401,584</u>
Total liabilities	2,280,718	2,309,413	2,103,465	2,082,593	4,384,183	4,392,006
Deferred inflows of resources	115,294	174,607	3,617	45,948	118,911	220,555
Net position:						
Net investment in capital assets	722,633	714,288	1,633,097	1,544,414	2,355,730	2,258,702
Restricted	208,522	188,612	207,837	219,202	416,359	407,814
Unrestricted	<u>(677,805)</u>	<u>(933,271)</u>	<u>438,760</u>	<u>474,284</u>	<u>(239,045)</u>	<u>(458,987)</u>
Total net position	<u>\$ 253,350</u>	<u>\$ (30,371)</u>	<u>\$ 2,279,694</u>	<u>\$ 2,237,900</u>	<u>\$ 2,533,044</u>	<u>\$ 2,207,529</u>

The net pension liability is reported by the City at December 31, 2019 and is reported pursuant to Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions — an Amendment of GASB Statement No. 27*. For fiscal year 2018, the City adopted GASB Statement No. 75, which significantly revises accounting for costs and liabilities related to 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 of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 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 Statement No. 68 and GASB Statement No. 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 Statement No. 68 and GASB Statement No. 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 ORC 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 liabilities of the pension/OPEB plans 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.

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 City. 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 Statement No. 68 and GASB Statement No. 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 of resources.

As a result of implementing GASB Statement No. 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$2.533 billion at the close of the most recent fiscal year. This represents an increase of 14.7% in 2019. Of the net position from governmental activities, \$722.6 million represents its investment in capital assets (e.g., land, land improvements, buildings, infrastructure, furniture, fixtures, equipment and vehicles), net of accumulated depreciation, less any related, still-outstanding debt issued to acquire, construct or improve those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. Another significant portion of net position, \$208.5 million, represents resources that are subject to external restrictions on how they may be used.

In 2019, the total assets and deferred outflows of resources from governmental activities increased by \$195.7 million. This increase is primarily attributed to an increase in cash and cash equivalents of \$54.0 million and deferred outflow of resources of \$144.3 million. The increase in deferred outflow of resources is related to pension due to investment returns falling short of expectations. The increase in cash and cash equivalents relates to an increase in income taxes due to a stable economy, higher interest rates, and lower unemployment rates.

Also in 2019, the total liabilities and deferred inflows of resources from governmental activities decreased by \$88.0 million. This was caused primarily due to a decrease in the OPEB liability due to changes in assumptions and investment returns for pension falling short of expectations.

Of the business-type net position, \$1.633 billion represents its investment in capital assets, net of accumulated depreciation, less any related, still-outstanding debt issued to acquire, construct or improve those assets. These capital assets are used to provide services to their customers. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$207.8 million of net position is subject to external restrictions on their use. The remaining balance of \$438.8 million is unrestricted and may be used to meet the City's ongoing obligations to customers and creditors.

In 2019, business-type total assets and deferred outflows of resources increased by \$20.3 million. This increase is primarily attributed to an increase in deferred outflow of resources mainly attributed to changes in assumptions and decreases in investment returns in the pension plan.

Business-type total liabilities and deferred inflows of resources decreased by \$21.5 million due to a decrease in derivative instrument interest rate swaps of \$8.0 million, due to being terminated, and deferred inflow of resources related to pension of \$28.2 million. This was offset by an increase in OPEB liability of \$18.8 million.

Information regarding government-wide changes in net position is provided below:

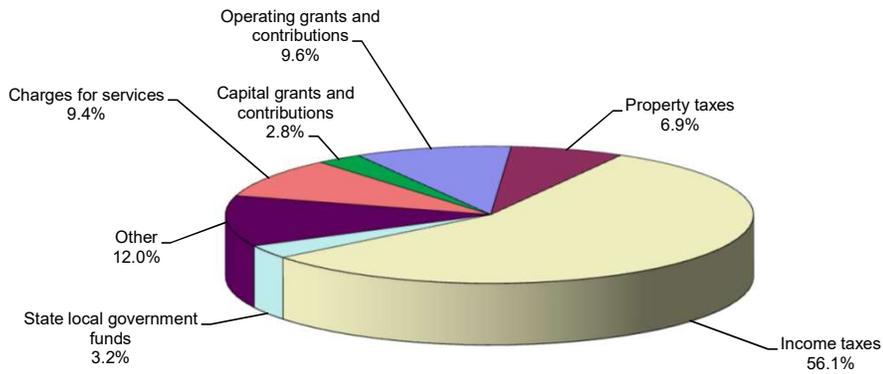
**Changes in Net Position
For the Years Ended December 31, 2019 and 2018**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	2019	2018	(Amounts in Thousands)		2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 79,061	\$ 76,726	\$ 724,592	\$ 714,588	\$ 803,653	\$ 791,314
Operating grants and contributions	80,294	84,101	6,329	10,742	86,623	94,843
Capital grants and contributions	23,279	21,128	77,512	78,329	100,791	99,457
General revenues:						
Income taxes	487,077	480,966			487,077	480,966
Property taxes	58,252	53,839			58,252	53,839
Other taxes	44,633	45,235			44,633	45,235
Unrestricted shared revenues	20,894	19,338			20,894	19,338
State local government funds	26,658	25,191			26,658	25,191
Unrestricted investment earnings	14,997	10,730	26	24	15,023	10,754
Other	20,210	19,070	625		20,835	19,070
Total revenues	<u>855,355</u>	<u>836,324</u>	<u>809,084</u>	<u>803,683</u>	<u>1,664,439</u>	<u>1,640,007</u>
Expenses:						
General Government	191,388	157,730			191,388	157,730
Public Works	172,526	151,476			172,526	151,476
Public Safety	75,355	415,703			75,355	415,703
Community Development	31,523	33,464			31,523	33,464
Building and Housing	16,974	15,294			16,974	15,294
Public Health	21,269	19,189			21,269	19,189
Economic Development	28,428	27,251			28,428	27,251
Interest on debt	27,059	26,286			27,059	26,286
Water			316,588	302,725	316,588	302,725
Sewer			31,318	29,061	31,318	29,061
Electricity			220,883	218,261	220,883	218,261
Airport facilities			187,779	173,624	187,779	173,624
Nonmajor activities			17,834	15,802	17,834	15,802
Total expenses	<u>564,522</u>	<u>846,393</u>	<u>774,402</u>	<u>739,473</u>	<u>1,338,924</u>	<u>1,585,866</u>
Changes in net position before transfers	290,833	(10,069)	34,682	64,210	325,515	54,141
Transfers	<u>(7,112)</u>	<u>(4,852)</u>	<u>7,112</u>	<u>4,852</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>\$ 283,721</u>	<u>\$ (14,921)</u>	<u>\$ 41,794</u>	<u>\$ 69,062</u>	<u>\$ 325,515</u>	<u>\$ 54,141</u>

Governmental activities increased the City's net position by \$283.7 million as compared to a \$15.0 million decrease in 2018. The increase is primarily attributed to a decrease in expenses for Public Safety of \$340.3 million due to changes in assumption in the Ohio Police and Fire OPEB Plan. This was offset by an increase in expenses for General Government of \$33.7 million and Public Works of \$21.1 million mainly due to the increase in pension and OPEB liability.

Business-type activities increased the City's net position by \$41.8 million in 2019 compared to \$69.1 million increase in 2018. The change from the prior year is mainly attributed to an increase in \$13.9 million in expenses for Division of Water due to salary costs related to an increase in pension expense and \$14.2 million for Division of Port Control primarily due to increase in repairs and maintenance and pension expense. This decrease was offset by an increase of \$10.0 million in charges for services for Division of Water due to an increase in metered service revenue.

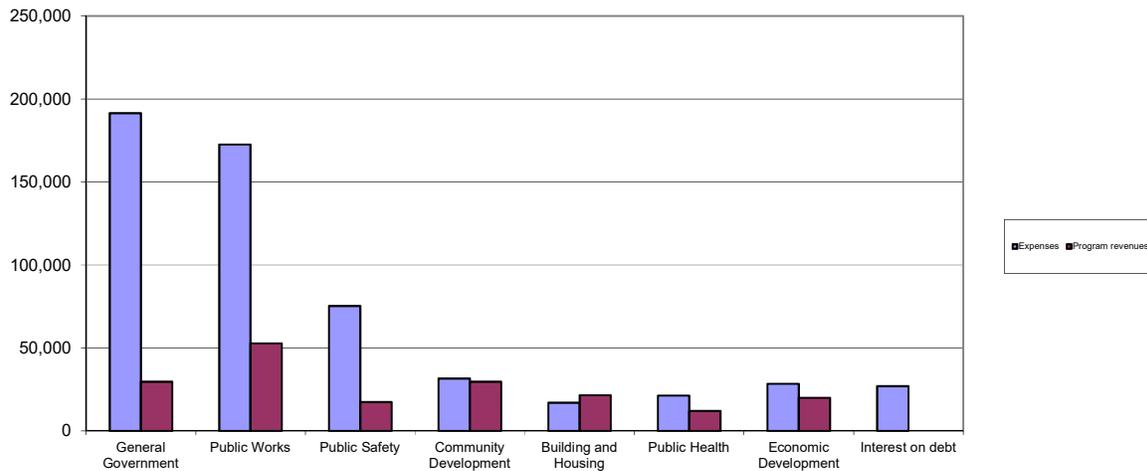
Revenues by Source - Governmental Activities



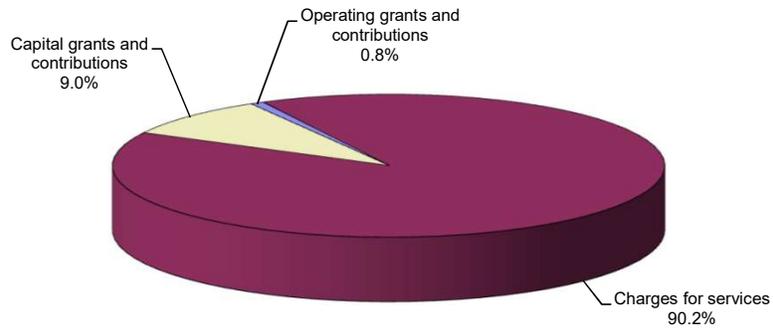
Other includes other taxes, shared revenues, unrestricted investment earnings and other general revenues.

Expenses and Program Revenues - Governmental Activities

(Amounts in Thousands)

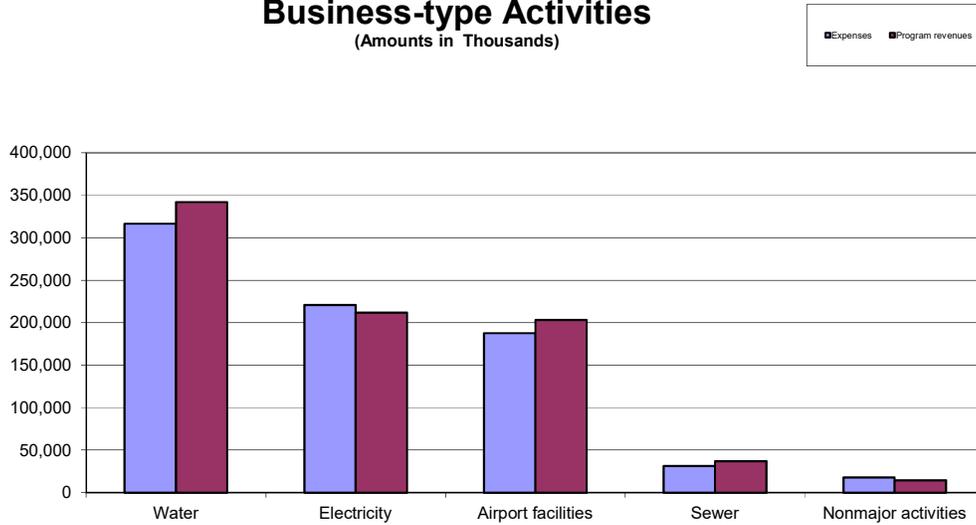


Revenues by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities

(Amounts in Thousands)



Business-type activities are principally accounted for in the City's Enterprise Funds. The City operates four major Enterprise Funds encompassing two airports, a water system, sewer system and an electric distribution system. The City also operates other Enterprise Funds consisting of cemeteries, a public auditorium, municipal parking lots and public market facilities. The City owns two golf courses, with one being managed and operated by an outside entity. The operating results of the City's Major Enterprise Funds are discussed below.

Division of Water: The Division operates a major public water supply system, the tenth largest in the United States that serves not only the City, but also sixty-nine direct service, seven master meter and three emergency standby suburban municipalities in the Cleveland Metropolitan Area. They provide water to approximately 433,000 city and suburban accounts in the Cleveland Metropolitan Area. Operating revenue in 2019 increased to \$320.2 million from \$306.2 million in 2018. The rise is primarily attributed to an increase in metered service revenue of \$12.9 million as a result of a rate increase for the City and suburbs. Operating expenses, exclusive of depreciation, increased approximately 9.9% to \$217.4 million compared to \$197.9 million in 2018.

Division of Cleveland Public Power: The Division supplies electrical service to approximately 74,000 customers in the City. The Division is responsible for supplying, transmitting and distributing electricity and providing related electrical services to customers within its service area. The Division's 2019 operating revenue decreased by 3.8% to \$203.8 million from \$211.9 million in 2018. Purchased power expense decreased by 5.3% to \$134.2 million in 2018 from \$141.7 million in 2018. Operating expenses, exclusive of depreciation and purchased power increased 17.0% to \$52.9 million in 2019 compared to \$45.2 million in 2018.

Division of Water Pollution Control: The Division was created for the purpose of supplying sewer services to customers within the Cleveland metropolitan area. The Division currently has approximately 117,000 customer accounts in the City, of which 95.6% are residential and 4.4% commercial. The Division's 2019 operating revenue increased by 7.3% to \$32.2 million from \$30.0 million in 2018. The growth is primarily attributed to an increase in fixed fee revenue due to a rate increase. Operating expenses, exclusive of depreciation, increased 9.4% to \$24.4 million in 2019 compared to \$22.3 million in 2018.

Department of Port Control: The City's Department of Port Control includes the Divisions of Cleveland Hopkins International Airport and Burke Lakefront Airport. During 2019, 24 passenger airlines provided scheduled airline service at Cleveland Hopkins International Airport. Burke Lakefront Airport, a federally certified commercial and general aviation reliever airport, provides the majority of its services to air taxi operators serving the City's downtown business activities. The Divisions' change in net position for 2019 was \$15.9 million. Landing fee revenue increased due an increase in landed weight. Terminal and concourse rentals were impacted by the decrease in rental fees. Capital and other contributions decreased related to the completion of the Burke Runway 6R/24L Rehabilitation, Phase II and Upper Level Expansion Joint Rehabilitation, Phase II.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$697.8 million, an increase of \$31.0 million and approximately 4.7% in comparison with the prior year. The components of the governmental fund balances include an unassigned balance of \$114.9 million, which indicates the amount available for spending at the City's discretion. An additional \$428.5 million of fund balance is available for expenditures that are legally restricted for a particular purpose. The nonspendable portion of fund balance has \$3.2 million of funds that are not in a spendable form, such as pre-paid expenditures. An additional \$65.2 million is committed to fund specific purposes and cannot be reassigned without legislative approval. The remaining assigned balance of \$86.0 million represents funds that the City intends to use for a specific purpose.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$114.9 million and the total fund balance was \$203.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 18.2% of total General Fund expenditures and other financing uses, while total fund balance represents approximately 32.3% of that same amount.

A two-year comparison of General Fund activity is shown below. The revenues, expenditures and changes in fund balance shown in these comparisons are presented on the modified accrual basis of accounting applicable to governmental funds.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance Information - GAAP Basis
2019 and 2018

	(Amounts in Thousands)	
	<u>2019</u>	<u>2018</u>
Revenues:		
Income taxes	\$ 432,704	\$ 420,717
Property taxes	37,905	34,628
State local government funds	26,304	24,970
Other taxes	44,739	45,149
Other shared revenues	17,796	17,314
Licenses and permits	19,490	18,993
Charges for services	32,796	36,316
Fines, forfeits and settlements	10,909	11,323
Investment earnings	6,140	4,474
Grants	707	723
Miscellaneous	18,783	8,483
Total revenues	<u>648,273</u>	<u>623,090</u>
Expenditures:		
General Government	102,500	90,785
Public Works	80,187	74,705
Public Safety	340,573	328,661
Community Development	289	295
Building and Housing	12,270	11,138
Economic Development	1,698	1,538
Other	8,255	9,030
Capital outlay	18,989	9,050
Total expenditures	<u>564,761</u>	<u>525,202</u>
Excess (deficiency) of revenues over (under) expenditures	83,512	97,888
Other financing sources (uses):		
Transfers out	(66,529)	(55,087)
Sale of City assets		9,248
Net change in fund balance	16,983	52,049
Fund balance at beginning of year	<u>186,909</u>	<u>134,860</u>
Fund balance at end of year	<u>\$ 203,892</u>	<u>\$ 186,909</u>

The City also presents Public Health as a major governmental fund. It includes all public health related activity of the City, including operations and Public Health Department related grant activity. The Public Health’s change in fund balance increased by \$491,000 in 2019 due to grant related activity.

Analysis of General Fund Revenues

General Fund revenues and other sources totaled \$648.3 million in 2019, an increase of approximately \$15.9 million from 2018. A discussion of each of the major types of General Fund revenues follows.

Municipal Income Taxes

Ohio law authorizes a municipal income tax both on corporate income (net profits from the operation of a business or profession) and employee wages, salaries and other compensation at a rate of up to 1% without voter authorization and at a rate above 1% with voter authorization. In 2016, the voters in the City approved increases of one-half of one percent to the rate of the income tax, bringing it to the current 2.5% rate. By the terms of the 1981 voter approval, as amended in 1985, one-ninth of the receipts of the total 2.5% tax (the Restricted Income Tax) must be used only for capital improvements, debt service or obligations issued for capital improvements or the payment of past deficits. The remaining eight-ninths of the municipal income tax is recorded in the General Fund and is pledged to and may also be used for, debt service on General Obligation Bonds of the City, to the extent required and certain other obligations of the City.

The income tax is also imposed on gross salaries and wages earned in the City by non-residents of the City and on salaries, wages and other compensation of City residents earned within or outside the City. The income tax liability of a City resident employed outside the City is reduced by a credit equal to 100% of the tax paid to the municipality in which the City resident is employed. The tax on business profits is imposed on that part of profits attributable to business conducted within the City. In 2019, approximately 91% of the total income taxes paid to the City were derived from non-residents employed in the City and business profits.

Income tax revenue increased approximately \$12.0 million in 2019, primarily due to the increased income tax collection and a decrease in unemployment rate.

Property Taxes

Taxes collected from real property 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 property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

The “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 multiplied by the assessed value.

The assessed values of taxable property in the City for the past two years were as follows:

Tax Collection Year	Real Property	Public Utility Tangible Personal	Total Assessed Valuation
(Amounts in Thousands)			
2019	\$ 4,826,299	\$ 436,992	\$ 5,263,291
2018	\$ 4,312,945	\$ 415,800	\$ 4,728,745

Property tax revenue increased by \$3.3 million as a result of an increase in residential property valuations.

State Local Government Funds, Other Taxes and Other Shared Revenues

State Local Government Funds, Other Taxes and Other Shared Revenues include taxes levied and collected by the State of Ohio or counties and partially redistributed to the City and other political subdivisions. Other Taxes and Other Shared Revenues include state income, sales, admission, motor vehicle, parking, hotel, commercial activity, corporate franchise, casino, homestead and rollback, public utility, estate and cigarette taxes as well as liquor fees. State Local Government Funds revenue increased by \$1.3 million or 5.3% due to economic growth in 2019. Other Taxes decreased by \$410,000 or 0.9% from 2018 levels primarily as a result of a decrease in admission tax. Other Shared Revenues increased by \$482,000 or 2.8% from 2018 levels primarily as a result of increase in casino revenue money.

The State Local Government Funds (LGF) are major sources of non-tax General Fund revenue. Through these funds, Ohio subdivisions share in a portion of the State’s collection of the sales tax, use tax, personal income tax, corporate franchise tax and public utilities excise tax. The percentages of the five taxes supporting these funds have varied over the years. At times, the dollar amount in the funds has been capped at specified levels.

Pursuant to statutory law in Ohio, State LGF revenues are divided into county and municipal portions. The county portion, the larger of the two, is distributed to each of the State’s 88 counties and is allocated based upon a statutory formula utilizing county population and county municipal property values. Once received by a county, the funds can either be distributed to all subdivisions using the statutory formula or the county and its subdivisions may agree upon an alternate method for allocating the funds. Cuyahoga County and its recipient communities have chosen the latter method which is comprised of a base allocation and an excess allocation. The excess allocation takes into account such factors as assessed value per capita, per capita income, population density and the number of individuals receiving public assistance. The municipal portion of the LGF is distributed directly by the State to those municipalities that collect an income tax. A municipality receives its share of the funds based upon its percentage of total municipal income taxes collected throughout the state in a given year.

Analysis of General Fund Expenditures

General Fund expenditures and other financing uses totaled \$631.3 million in 2019, an increase of 8.8% from 2018. The amount of expenditures and other uses by function on a GAAP basis, including the increases (decreases) over the prior year, are shown in the following table:

<u>Expenditures and Other Financing Uses</u>	<u>Actual 2019</u>	<u>% of Total</u>	<u>Restated</u>		<u>Increase (Decrease)</u>	<u>% Change</u>
			<u>Actual 2018</u>	<u>% of Total</u>		
(Amounts in Thousands)						
Current:						
General Government	\$ 102,500	16.24	\$ 90,785	15.64	\$ 11,715	12.90
Public Works	80,187	12.70	74,705	12.87	5,482	7.34
Public Safety	340,573	53.95	328,661	56.64	11,912	3.62
Community Development	289	0.05	295	0.05	(6)	(2.03)
Building and Housing	12,270	1.94	11,138	1.92	1,132	10.16
Economic Development	1,698	0.27	1,538	0.27	160	10.40
Other	8,255	1.31	9,030	1.56	(775)	(8.58)
Capital Outlay	18,989	3.00	9,050	1.56	9,939	109.82
Transfers Out	<u>66,529</u>	10.54	<u>55,087</u>	9.49	<u>11,442</u>	20.77
 Total Expenditures and Other Financing Uses	 <u>\$ 631,290</u>		 <u>\$ 580,289</u>		 <u>\$ 51,001</u>	

The total expenditures and other financing uses increased by \$51.0 million. The growth was primarily caused by increases in General Government, Public Safety, capital outlay and transfers out. The increase in Public Safety was due to increases in salaries. The increase in General Government was primarily due to an increase in settlements. Capital outlay increased as a result of capital expenditures related to demolition, vehicles, pedestrian bridge and other related projects. Transfers out grew due to increased transfers to the Division of Streets for additional streets resurfacing.

Proprietary Funds. The City’s proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the Division of Water, Water Pollution and Control, Cleveland Public Power and the Department of Port Control Funds amounted to \$316.8 million, \$29.8 million, \$3.7 million and \$97.2 million, respectively, at December 31, 2019. The change in net position for each of the respective funds amounted to an increase of \$27.7 million, an increase of \$6.1 million, a decrease of \$8.5 million and an increase of \$15.9 million during 2019. Other factors concerning the finances of the City’s proprietary funds have already been addressed in the discussion of the City’s business-type activities.

Major Functional Expense Categories. A discussion of the City’s major functional expense categories follows:

Employees and Labor Relations

As of December 31, 2019 and 2018, the City had approximately 7,401 and 7,330 full-time employees, respectively. Of the 7,401 full-time employees, approximately 5,428 full-time employees are represented by 39 collective bargaining units. The largest collective bargaining units, together with the approximate number of employees represented by such units, include the American Federation of State, County and Municipal Employees, Local 100 – 1,127 members; Cleveland Police Patrolmen’s Association (CPPA) – 1,333 members; the Association of Cleveland Firefighters – 734 members; Municipal Foreman and Laborers Union, Local 1099 – 542 members; and Local 507 – 308 members.

There have been no significant labor disputes or work stoppages in the City within the last 36 years.

The Council, by ordinance, establishes schedules of salaries, wages and other economic benefits for City employees. Generally, the terms of these ordinances have been the product of negotiations with representatives of the employees or bargaining units and increases in economic benefits have normally been provided on an annual basis.

Chapter 4117 of the ORC (the Collective Bargaining Law), establishes procedures for and regulates public employer-employee collective bargaining and labor relations for the City and other state and local governmental units in Ohio. The Collective Bargaining Law creates a three-member State Employment Relations Board (the SERB), which administers and enforces the Collective Bargaining Law. Among other things, the Collective Bargaining Law: (i) creates rights and obligations of public employers, public employees and public employee organizations with respect to labor relations; (ii) defines the employees it covers; (iii) establishes methods for (a) the recognition of employees and organizations as exclusive representatives for collective bargaining and (b) the determination of bargaining units; (iv) establishes matters for which collective bargaining is either required, prohibited or optional; (v) establishes procedures for bargaining and the resolution of disputes, including negotiation, mediation and fact finding; and (vi) permits all covered employees to strike, except certain enumerated classes of employees, such as police and fire personnel.

Over the past two years, the total salaries and wages paid to the City’s employees from all funds were as follows:

<u>Year</u>	<u>Amount Paid</u>	
	(Amounts in Thousands)	
2019	\$	494,000
2018	\$	475,000

In 2019, there was an increase in salaries and wages payable of 4% from the prior year due to more employees working for the City than in 2018 and a police retroactive salary payment.

GENERAL FUND BUDGETARY ANALYSIS

In 2019, the principal differences between the original and final budgeted expenditures included a \$27.9 million increase in Capital Outlay due to the costs associated with vehicles, equipment, demolition and other capital expenditures and an \$8.2 million increase in Other as a result of expenditures relating to lead abatement.

The major differences between the final amended budget and the actual total revenues were increases of \$14.7 million in miscellaneous, \$10.9 million in income taxes, \$4.8 million in other taxes and \$2.2 million in charges for services. The increase in miscellaneous was due to City's receipt of unclaimed monies and of a Workers' Compensation Refund. Income tax revenue increased due to a lower unemployment rate and stable economy in 2019. The increase in other taxes was primarily attributed to admissions tax, parking tax and hotel tax collections. Charges for services increased mainly due to emergency medical services receipts.

The major differences between the final amended budget and the actual total expenditures were decreases of \$6.6 million in General Government and \$9.7 million in Public Safety both due to anticipated additional staffing.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: The City's capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$4.285 billion (net of accumulated depreciation). This capital assets balance includes land; land improvements; utility plant; buildings, structures and improvements; furniture, fixtures, equipment and vehicles; infrastructure; and construction in progress. The total increase in the City's capital assets for the current fiscal year was 0.2% (a 1.2% increase for governmental activities and a 0.2% decrease for business-type activities). A summary of the City's capital assets at December 31, 2019 is as follows:

	<u>Capital Assets, Net of Accumulated Depreciation</u>		
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
	(Amounts in Thousands)		
Land	\$ 68,513	\$ 191,625	\$ 260,138
Land improvements	75,168	66,848	142,016
Utility plant		1,659,385	1,659,385
Buildings, structures and improvements	351,968	303,668	655,636
Furniture, fixtures, equipment and vehicles	80,381	182,986	263,367
Infrastructure	413,624	269,813	683,437
Construction in progress	<u>262,618</u>	<u>358,671</u>	<u>621,289</u>
Total	<u>\$ 1,252,272</u>	<u>\$ 3,032,996</u>	<u>\$ 4,285,268</u>

Additions to construction in progress during the current fiscal year affecting the City's capital assets included the following:

- The Division of Cleveland Public Power main additions to construction in progress during 2019 included Southern Transmission Line, High voltage switching equipment, general engineering services, and underground cable reconstruction.
- The Division of Water incurred a net increase of \$45.0 million of capital additions related to additional spending on water main renewals, plant enhancement program, secondary site improvements and the automated meter reading implementation.
- The Department of Port Control capital improvements totaled approximately \$30.0 million. Major projects included the North Airfield Improvement Projects, Phase II, Burke Runway 6R/24L rehabilitation, Phase II, BKL Taxiway D Overlay, Snow Removal Equipment Acquisition, Upper Level Expansion Joint rehabilitation and Garage Structural.
- The Division of Water Pollution Control had capital improvements of \$18.9 million. The major capital additions were East 185th Street and Marcella Road, Rehabilitating and relining sewers, Sewer installations, Motor vehicles.
- Major capital projects for Governmental Activities included land improvements, vehicles and equipment, various computer system upgrades and infrastructure improvements.

The primary sources for financing the City's Capital Improvement Projects are general obligation bond proceeds, certificates of participation proceeds, urban renewal bond proceeds, revenue bond proceeds, proceeds from capital leases, interest earned on funds during the construction period, restricted income taxes and funds from the State Issue 2 and Local Transportation Improvement Programs. The City has three primary goals relating to its Capital Improvements: (1) preservation and revitalization of the City's neighborhoods, (2) economic development and job creation and (3) providing cost-effective, basic City services to Cleveland residents and the business community. Additional information on the City's capital assets, including commitments made for future capital expenditures, can be found in Note 14 – Capital Assets.

Long-term debt and certain other obligations: At the end of the current fiscal year, the City had total long-term debt and certain other obligations outstanding of \$2.208 billion as shown below. General Obligation Bonds are typically issued for general governmental activities and are backed by the full faith and credit of the City. Revenue bonds are typically recorded in the applicable Enterprise Fund and are supported by the revenues generated by the respective Enterprise Fund. The remainder of the City’s debt represents bonds or notes secured solely by specified revenue sources.

The activity in the City’s debt obligations outstanding during the year ended December 31, 2019 is summarized below (excluding unamortized discounts, premiums and accreted interest).

	Balance January 1, 2019	Debt Issued	Debt Refunded or Defeased	Debt Retired	Balance December 31, 2019
	(Amounts in Thousands)				
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 267,135	\$ 51,015	\$	\$ (25,340)	\$ 292,810
Subordinated Income Tax Refunding Bonds	28,975			(4,245)	24,730
Subordinate Lien Income Tax Bonds	339,690			(12,430)	327,260
Non-Tax Revenue Bonds	52,971			(3,893)	49,078
Annual Appropriation Bonds	9,145			(325)	8,820
Certificates of Participation	85,160			(7,445)	77,715
Capital Lease Obligations	1,874			(1,386)	488
Note/Loans Payable	1,024	601		(359)	1,266
	<u>785,974</u>	<u>51,616</u>	<u>-</u>	<u>(55,423)</u>	<u>782,167</u>
Total Governmental Activities					
<u>Business –Type Activities:</u>					
Revenue Bonds	1,439,068	438,835	(438,680)	(86,630)	1,352,593
Loans Payable	75,545	5,395		(8,190)	72,750
	<u>1,514,613</u>	<u>444,230</u>	<u>(438,680)</u>	<u>(94,820)</u>	<u>1,425,343</u>
Total Business –Type Activities					
Total	<u>\$ 2,300,587</u>	<u>\$ 495,846</u>	<u>\$ (438,680)</u>	<u>\$ (150,243)</u>	<u>\$ 2,207,510</u>

Funds used to meet the debt service requirements of the City’s General Obligation Bonds are from certain ad valorem taxes, restricted income taxes and interest earnings. Ad valorem taxes, the primary source of funds, amounted to \$19.7 million in 2019 which represents approximately 50.9% of the debt service requirements on the General Obligation Bonds. These taxes were derived from a levy of \$4.35 per \$1,000 of assessed property. The remaining 49.1% of debt service requirements is retired from a portion of the City’s restricted income tax proceeds, homestead and rollback reimbursement from the State, premium generated through the issuance of bonds, interest earnings and other miscellaneous revenue sources generated within the Debt Service Funds.

The City issues its General Obligation Bonds within the context of its Capital Improvement Program. Programs which have benefited due to the issuance of general obligation debt include, but are not limited to, public facilities improvements, bridge and roadway improvements, recreation facilities, cemeteries and urban redevelopment. The City’s Enterprise Funds implement their own individual Capital Improvement Programs and issue revenue bond and note debt necessary to fund their programs.

The City's bond ratings for governmental and revenue bonds are as follows as of December 31, 2019:

	Moody's Investors Service	Standard & Poor's	Fitch Ratings
General Obligation Bonds	A1	AA+	A+
Subordinate Lien Income Tax Bonds***	A1	AA	N/A
Non-tax Revenue Bonds**	A2	AA-	N/A
Stadium Certificates of Participation**	A3	A+	N/A
Waterworks Improvement Revenue Bonds****	Aa2	AA+	N/A
Second Lien Water Revenue Bonds****	Aa3	AA	N/A
Public Power System Revenue Bonds	A3	A-	N/A
Airport System Revenue Bonds	A2	A	A-
Parking Facility Refunding Revenue Bonds (Insured Ratings)*	A2	AA	N/A
Water Pollution Control Revenue Bonds	Aa3	A+	N/A

* Parking Facilities' bonds only carry an insured rating.

** On May 16, 2019, S&P Global Ratings raised its rating on the City's annual appropriation bonds and Certificates of Participation to A+ (stable) from A. S&P also raised its rating on the City's Non-Tax Revenue Bonds to AA- (stable) from A+. These changes were the result of new rating criteria.

*** On May 17, 2019, S&P Global Ratings lowered its rating on the City's Subordinate Lien Income Tax Bonds and Subordinate Lien Unrestricted Income Tax Bonds to AA (stable) from AA+ based upon new rating criteria adopted by the rating agency.

**** Effective July 29, 2019, Moody's Investors Service lowered its rating on the City's Senior Lien Water Revenue Bonds to Aa2 (stable) from Aa1 and lowered its rating on the Second Lien Water Revenue Bonds to Aa3 from Aa2. This stemmed from the rating agency's review of a number of credits nationwide in light of a court ruling in Puerto Rico regarding linkages between a utility and the City.

The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to management, citizens and investors. Net general bonded debt is total general bonded debt supported by taxes less amounts available in the Debt Service Fund. This data at December 31, 2019 was:

Net General Bonded Debt:	\$305,732,000
Ratio of Net Bonded Debt to Assessed Valuation:	5.81%
Net General Bonded Debt Per Capita:	\$770.46

The ORC provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.50% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.50% of total assessed value of property. The City's total debt limit (10.50%) is \$552,645,519 and unvoted debt limit (5.50%) is \$289,480,986. At December 31, 2019, the City had capacity under the indirect debt limitation calculation per the ORC to issue approximately \$140 million in additional unvoted debt. These debt limitations are not expected to affect the financing of any currently planned facilities or services.

In addition, the City has entered into various derivative or hedging agreements. Derivative instruments are contracts, the value of which depends on, or derives from, the value of an underlying asset, index or rate. The most common types of derivatives used by governments are interest rate swaps and interest rate locks. A detailed description of each outstanding derivative, including its terms, objectives, risks and fair value, can be found in Note 5 – Debt and Other Long-Term Obligations.

The City reports a deferred inflow of resources and a liability in the amount of the fair value of the interest rate swaps, which reflect the prevailing interest rate environment at December 31, 2019 and an investment loss or gain as appropriate, based on the change in fair value. The specific terms and conditions of each swap have been provided by the respective counterparty for each swap and confirmed by the City's financial advisor.

Additional information on the City's long-term debt can be found in Note 5 – Debt and Other Long-Term Obligations.

FACTORS EXPECTED TO IMPACT THE CITY'S FUTURE FINANCIAL POSITION OR RESULTS OF OPERATIONS

In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. The financial impact of the pandemic and the ensuing emergency measures will impact subsequent periods of the City. 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 revenues, expenses, and any recovery from emergency funding cannot be estimated.

Over the last several years, the City has seen significant reductions in funding from the federal and state governments. To offset these reductions, the City continues to focus on stimulating economic and community development throughout its core business districts and neighborhoods to strengthen its housing stock value and ensure a strong local job market.

Other Impacting Factors

- Effective February 19, 2020, the City issued \$83,580,000 of Public Power System Revenue Refunding Bonds, Series 2020, to refund \$83,395,000 of outstanding Series 2014 and Series 2016 Public Power System Bonds series 2014.
- On February 26, 2020 the City issued \$69,820,000 of Subordinate Lien Income Tax Refunding Bonds, Series 2020A, to refund \$61,885,000 of various series of outstanding Subordinate Lien Income Tax Bonds.
- On June 3, 2020, City Council approved legislation authorizing the issuance of not to exceed \$64,050,000 of General Obligation Bonds.
- Also on June 3, 2020 City Council approved legislation in an amount not to exceed \$2,500,000 for the issuance of Economic and Community Development Bonds (Core City Fund).
- Effective June 10, 2020, the City issued \$15,815,000 Water Revenue Bonds, Series EE, 2020. These bonds were issued to refund \$14,565,000 of outstanding Water Revenue Bonds, Series X, 2012.

NEED ADDITIONAL INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, City Hall, Room 104, 601 Lakeside Avenue, Cleveland, Ohio 44114.

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BASIC FINANCIAL STATEMENTS

CITY OF CLEVELAND, OHIO

STATEMENT OF NET POSITION DECEMBER 31, 2019 (Amounts in Thousands)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 701,239	\$ 650,025	\$ 1,351,264
Investments	9,713		9,713
Receivables:			
Taxes	156,019		156,019
Accounts	9,173	213,187	222,360
Recoverable costs of purchased power		1,215	1,215
Grants	5,445		5,445
Loans	115,470		115,470
Unbilled revenue		21,081	21,081
Accrued interest	412	39	451
Assessments	51,794		51,794
Less: Allowance for doubtful accounts	<u>(45,406)</u>	<u>(27,188)</u>	<u>(72,594)</u>
Receivables, net	<u>292,907</u>	<u>208,334</u>	<u>501,241</u>
Internal balances	877	(877)	-
Due from other governments	48,948	10,812	59,760
Inventory of supplies	1,133	22,790	23,923
Prepaid expenses and other assets	3,706	4,310	8,016
Restricted assets:			
Cash and cash equivalents		324,591	324,591
Accrued interest receivable		303	303
Accrued passenger facility charge		2,425	2,425
Total restricted assets	<u>-</u>	<u>327,319</u>	<u>327,319</u>
Capital assets:			
Land and construction in progress	331,131	550,296	881,427
Other capital assets, net of accumulated depreciation	<u>921,141</u>	<u>2,482,700</u>	<u>3,403,841</u>
Total capital assets	<u>1,252,272</u>	<u>3,032,996</u>	<u>4,285,268</u>
Total assets	<u>2,310,795</u>	<u>4,255,709</u>	<u>6,566,504</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding	12,580	51,738	64,318
Pension	270,030	70,255	340,285
OPEB	<u>55,957</u>	<u>9,074</u>	<u>65,031</u>
Total deferred outflows of resources	<u>338,567</u>	<u>131,067</u>	<u>469,634</u>

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

CITY OF CLEVELAND, OHIO

STATEMENT OF NET POSITION

DECEMBER 31, 2019

(Amounts in Thousands)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Accounts payable	\$ 26,170	\$ 41,338	\$ 67,508
Accrued wages and benefits	29,366	9,478	38,844
Claims payable	9,466		9,466
Due to other governments	83,757	154,041	237,798
Accrued interest payable	5,522	20,814	26,336
Unearned revenue	7,130		7,130
Liabilities payable from restricted assets		8,679	8,679
Long-term obligations:			
Due within one year	97,743	103,844	201,587
Due in more than one year	871,324	1,435,909	2,307,233
Net pension liability	929,193	224,015	1,153,208
Net OPEB liability	<u>221,047</u>	<u>105,347</u>	<u>326,394</u>
Total liabilities	<u>2,280,718</u>	<u>2,103,465</u>	<u>4,384,183</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax	58,661		58,661
Special assessment - TIF	14,506		14,506
Derivative instruments-interest rate swaps		14	14
Pension	21,206	3,319	24,525
OPEB	<u>20,921</u>	<u>284</u>	<u>21,205</u>
Total deferred inflows of resources	<u>115,294</u>	<u>3,617</u>	<u>118,911</u>
NET POSITION			
Net investment in capital assets	722,633	1,633,097	2,355,730
Restricted for:			
Capital	77,882	773	78,655
Debt service	47,542	189,225	236,767
Loans	29,962		29,962
Other purposes	53,136	17,839	70,975
Unrestricted	<u>(677,805)</u>	<u>438,760</u>	<u>(239,045)</u>
Total net position	<u>\$ 253,350</u>	<u>\$ 2,279,694</u>	<u>\$ 2,533,044</u>

CITY OF CLEVELAND, OHIO

STATEMENT OF ACTIVITIES

December 31, 2019

(Amounts in Thousands)

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Governmental activities:				
General Government	\$ 191,388	\$ 19,447	\$ 4,293	\$ 5,918
Public Works	172,526	19,395	16,228	17,121
Public Safety	75,355	14,262	3,130	
Community Development	31,523	1,072	28,560	
Building and Housing	16,974	20,900	540	
Public Health	21,269	3,827	8,056	
Economic Development	28,428	158	19,487	240
Interest on debt	27,059			
Total governmental activities	<u>564,522</u>	<u>79,061</u>	<u>80,294</u>	<u>23,279</u>
Business-type activities:				
Water	316,588	320,168	3,041	18,635
Sewer	31,318	32,176	741	4,154
Electricity	220,883	209,787	598	1,455
Airport facilities	187,779	148,421	1,750	52,972
Nonmajor activities:				
Public Auditorium	3,488	1,253		
Westside Market	2,412	1,363	17	
Eastside Market	60			
Municipal Parking Lots	7,443	9,621	35	296
Cemeteries	3,167	1,405	131	
Golf Courses	1,264	398	16	
Total business-type activities	<u>774,402</u>	<u>724,592</u>	<u>6,329</u>	<u>77,512</u>
Total	<u>\$ 1,338,924</u>	<u>\$ 803,653</u>	<u>\$ 86,623</u>	<u>\$ 100,791</u>

General revenues:

Income taxes
Property taxes
Other taxes
Unrestricted shared revenues
State local government funds
Unrestricted investment earnings
Other

Transfers

Total general revenues and transfers

Change in net position
Net position at beginning of year
Net position at end of year

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (161,730)	\$	\$ (161,730)
(119,782)		(119,782)
(57,963)		(57,963)
(1,891)		(1,891)
4,466		4,466
(9,386)		(9,386)
(8,543)		(8,543)
<u>(27,059)</u>		<u>(27,059)</u>
<u>(381,888)</u>	<u>-</u>	<u>(381,888)</u>
	25,256	25,256
	5,753	5,753
	(9,043)	(9,043)
	15,364	15,364
	(2,235)	(2,235)
	(1,032)	(1,032)
	(60)	(60)
	2,509	2,509
	(1,631)	(1,631)
	<u>(850)</u>	<u>(850)</u>
<u>-</u>	<u>34,031</u>	<u>34,031</u>
<u>(381,888)</u>	<u>34,031</u>	<u>(347,857)</u>
487,077		487,077
58,252		58,252
44,633		44,633
20,894		20,894
26,658		26,658
14,997	26	15,023
20,210	625	20,835
<u>(7,112)</u>	<u>7,112</u>	<u>-</u>
<u>665,609</u>	<u>7,763</u>	<u>673,372</u>
283,721	41,794	325,515
<u>(30,371)</u>	<u>2,237,900</u>	<u>2,207,529</u>
<u>\$ 253,350</u>	<u>\$ 2,279,694</u>	<u>\$ 2,533,044</u>

CITY OF CLEVELAND, OHIO

**BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(Amounts in Thousands)**

	<u>General</u>	<u>Public Health</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 190,621	\$ 2,858	\$ 459,453	\$ 652,932
Investments			9,713	9,713
Receivables:				
Taxes	119,640		36,379	156,019
Accounts	9,171		2	9,173
Grants	146	519	4,780	5,445
Loans	52		115,418	115,470
Accrued interest	12		400	412
Assessments	45,722		6,072	51,794
Less: Allowance for doubtful accounts	<u>(45,406)</u>			<u>(45,406)</u>
Receivables, net	<u>129,337</u>	<u>519</u>	<u>163,051</u>	<u>292,907</u>
Due from other funds	3,008	230	7,789	11,027
Due from other governments	22,724	3	26,221	48,948
Prepaid expenditures and other assets	<u>3,069</u>	<u>32</u>	<u>138</u>	<u>3,239</u>
TOTAL ASSETS	<u>\$ 348,759</u>	<u>\$ 3,642</u>	<u>\$ 666,365</u>	<u>\$ 1,018,766</u>
LIABILITIES				
Accounts payable	\$ 7,205	\$ 465	\$ 15,957	\$ 23,627
Accrued wages and benefits	26,354	222	1,452	28,028
Due to other governments	1,270		80,869	82,139
Unearned revenue	64	1,029	6,037	7,130
Due to other funds	<u>3,820</u>	<u>58</u>	<u>9,591</u>	<u>13,469</u>
Total liabilities	<u>38,713</u>	<u>1,774</u>	<u>113,906</u>	<u>154,393</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow	<u>106,154</u>	<u>3</u>	<u>60,434</u>	<u>166,591</u>
Total deferred inflows of resources	<u>106,154</u>	<u>3</u>	<u>60,434</u>	<u>166,591</u>
FUND BALANCES				
Nonspendable	3,069	32	138	3,239
Restricted		1,446	427,063	428,509
Committed		387	64,813	65,200
Assigned	85,953		11	85,964
Unassigned	<u>114,870</u>			<u>114,870</u>
Total fund balances	<u>203,892</u>	<u>1,865</u>	<u>492,025</u>	<u>697,782</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 348,759</u>	<u>\$ 3,642</u>	<u>\$ 666,365</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and, therefore, are not reported in the funds.				1,248,804
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				93,424
Long-term liabilities, including bonds and claims payable, are not due and payable in the current period and therefore are not reported in the funds.				(951,830)
The assets, liabilities and deferred outflows/inflows of resources of most of the internal service funds are included in the governmental activities in the statement of net position.				8,190
The net pension liability and net OPEB liability are not due and payable in the current period; (excluding internal service) therefore the liabilities and related deferred inflows/outflows of resources are not reported in governmental funds:				
Pension				(666,227)
OPEB				<u>(176,793)</u>
Net position of governmental activities				<u>\$ 253,350</u>

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

CITY OF CLEVELAND, OHIO

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

	<u>General</u>	<u>Public Health</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Income taxes	\$ 432,704	\$	\$ 54,088	\$ 486,792
Property taxes	37,905		19,675	57,580
State local government funds	26,304			26,304
Other taxes	44,739			44,739
Other shared revenues	17,796		37,523	55,319
Licenses and permits	19,490	1,332	1,070	21,892
Charges for services	32,796	2,186	3,176	38,158
Fines, forfeits and settlements	10,909		3,383	14,292
Investment earnings	6,140	26	8,111	14,277
Grants	707	7,714	44,469	52,890
Contributions			1,787	1,787
Miscellaneous	18,783	681	5,973	25,437
Total revenues	<u>648,273</u>	<u>11,939</u>	<u>179,255</u>	<u>839,467</u>
EXPENDITURES:				
Current:				
General Government	102,500		5,496	107,996
Public Works	80,187		29,425	109,612
Public Safety	340,573		4,452	345,025
Community Development	289		27,568	27,857
Building and Housing	12,270		1,749	14,019
Public Health		18,343		18,343
Economic Development	1,698		26,020	27,718
Other	8,255			8,255
Capital outlay	18,989		94,181	113,170
Debt service:				
Principal retirement			55,423	55,423
Interest			34,968	34,968
General Government			450	450
Other			1,080	1,080
Total expenditures	<u>564,761</u>	<u>18,343</u>	<u>280,812</u>	<u>863,916</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>83,512</u>	<u>(6,404)</u>	<u>(101,557)</u>	<u>(24,449)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in		6,895	116,785	123,680
Transfers out	(66,529)		(60,200)	(126,729)
Issuance of bonds			51,015	51,015
Premium on bonds			5,740	5,740
Sale of City assets			1,185	1,185
Issuance of Loans			601	601
Total other financing sources (uses)	<u>(66,529)</u>	<u>6,895</u>	<u>115,126</u>	<u>55,492</u>
NET CHANGE IN FUND BALANCES	16,983	491	13,569	31,043
FUND BALANCES AT BEGINNING OF YEAR	<u>186,909</u>	<u>1,374</u>	<u>478,456</u>	<u>666,739</u>
FUND BALANCES AT END OF YEAR	<u>\$ 203,892</u>	<u>\$ 1,865</u>	<u>\$ 492,025</u>	<u>\$ 697,782</u>

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

CITY OF CLEVELAND, 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

(Amounts in Thousands)

Amounts reported for governmental activities in the statement of activities (pages 62 and 63) are different because:

Net change in fund balances - total governmental funds (page 63)	\$ 31,043
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	16,636
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,890
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences, including accrued interest, in the treatment of long-term debt and related items.	3,941
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.	(7,692)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows of resources, except for amounts reported as deferred inflows/outflows of resources, changes in the net pension/OPEB liabilities are reported as pension/OPEB expense in the statement of activities:	
Pension	(87,894)
OPEB	320,826
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>1,971</u>
Change in net position of governmental activities (pages 60 and 61)	<u>\$ 283,721</u>

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

CITY OF CLEVELAND, OHIO

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (BUDGET AND ACTUAL) - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual*</u>	<u>Variance- Positive (Negative)</u>
REVENUES:				
Income taxes	\$ 424,869	\$ 430,869	\$ 441,754	\$ 10,885
Property taxes	37,973	37,973	37,905	(68)
State local government funds	26,165	26,165	26,073	(92)
Other taxes	40,014	40,014	44,823	4,809
Other shared revenues	13,346	13,346	13,441	95
Licenses and permits	18,154	18,154	19,519	1,365
Charges for services	36,415	36,415	38,601	2,186
Fines, forfeits and settlements	10,936	10,936	11,015	79
Investment earnings	3,500	3,500	5,495	1,995
Grants	417	417	913	496
Miscellaneous	<u>27,636</u>	<u>27,636</u>	<u>42,382</u>	<u>14,746</u>
Total revenues	<u>639,425</u>	<u>645,425</u>	<u>681,921</u>	<u>36,496</u>
EXPENDITURES:				
Current:				
General Government	113,979	111,034	104,448	6,586
Public Works	78,836	80,336	78,925	1,411
Public Safety	367,137	363,472	353,798	9,674
Community Development	2,176	1,931	1,843	88
Building and Housing	13,213	12,788	12,485	303
Public Health	9,814	9,364	8,897	467
Economic Development	1,907	1,757	1,697	60
Other	19,932	28,132	27,336	796
Capital outlay	<u>2,550</u>	<u>30,450</u>	<u>30,450</u>	<u>-</u>
Total expenditures	<u>609,544</u>	<u>639,264</u>	<u>619,879</u>	<u>19,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>29,881</u>	<u>6,161</u>	<u>62,042</u>	<u>55,881</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	10,217	19,432	3,731	(15,701)
Transfers out	(41,591)	(66,300)	(65,855)	445
Sale of City assets	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>(1,600)</u>
Total other financing sources (uses)	<u>(29,774)</u>	<u>(45,268)</u>	<u>(62,124)</u>	<u>(16,856)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>107</u>	<u>(39,107)</u>	<u>(82)</u>	<u>39,025</u>
DECERTIFICATION OF PRIOR YEAR ENCUMBRANCES AND PRE-ENCUMBRANCES	<u> </u>	<u> </u>	<u>571</u>	<u>571</u>
NET CHANGE IN FUND BALANCE	107	(39,107)	489	39,596
FUND BALANCE AT BEGINNING OF YEAR	<u>43,313</u>	<u>43,313</u>	<u>43,313</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 43,420</u>	<u>\$ 4,206</u>	<u>\$ 43,802</u>	<u>\$ 39,596</u>

* On budgetary basis of accounting (see Note 2 - Summary of Significant Accounting Policies, "D" Budgetary Procedures).

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

CITY OF CLEVELAND, OHIO

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2019
(Amounts in Thousands)**

	Business Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control	Nonmajor Enterprise Funds		
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 405,002	\$ 79,530	\$ 55,656	\$ 99,032	\$ 9,422	\$ 648,642	\$ 49,690
Restricted cash and cash equivalents	3,695	1,222	861	4,123		9,901	
Receivables:							
Accounts	65,295	121,126	20,662	5,898	206	213,187	
Recoverable costs of purchased power			1,215			1,215	
Unbilled revenue	10,191	1,935	2,927	6,028		21,081	
Accrued interest	3	29			7	39	
Less: Allowance for doubtful accounts	(16,810)	(2,483)	(7,143)	(701)	(51)	(27,188)	
Receivables, net	58,679	120,607	17,661	11,225	162	208,334	-
Due from other funds	2,670	40	3,070	14	12	5,806	3,362
Due from other governments		250		10,562		10,812	
Inventory of supplies	10,226	659	9,226	2,674	5	22,790	1,133
Prepaid expenses and other assets	3,097	69	389	630	29	4,214	563
Total current assets	483,369	202,377	86,863	128,260	9,630	910,499	54,748
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	61,088	5,863	4,130	229,340	14,269	314,690	
Accrued interest receivable	65	6	4	217	11	303	
Accrued passenger facility charges				2,425		2,425	
Total restricted assets	61,153	5,869	4,134	231,982	14,280	317,418	-
Capital assets:							
Land	5,443	295	5,574	166,882	13,431	191,625	663
Land improvements	17,808	156	841	94,931	15,481	129,217	179
Utility plant	1,972,905	191,672	622,718			2,787,295	
Buildings, structures and improvements	265,256	11,475	23,499	375,034	109,353	784,617	4,483
Furniture, fixtures, equipment and vehicles	610,807	18,578	91,472	86,877	6,519	814,253	20,272
Infrastructure				1,018,128		1,018,128	
Construction in progress	162,063	25,863	35,462	116,157	19,126	358,671	
Less: Accumulated depreciation	(1,319,641)	(133,571)	(425,805)	(1,088,231)	(84,253)	(3,051,501)	(21,438)
Total capital assets, net	1,714,641	114,468	353,761	769,778	79,657	3,032,305	4,159
Total noncurrent assets	1,775,794	120,337	357,895	1,001,760	93,937	3,349,723	4,159
Total assets	2,259,163	322,714	444,758	1,130,020	103,567	4,260,222	58,907
DEFERRED OUTFLOWS OF RESOURCES							
Loss on refunding	20,167		10,470	20,822	279	51,738	
Pension	35,436	4,121	10,622	13,675	1,944	65,798	11,475
OPEB	4,560	539	1,370	1,797	224	8,490	1,458
Total deferred outflows of resources	60,163	4,660	22,462	36,294	2,447	126,026	12,933

CITY OF CLEVELAND, OHIO

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

DECEMBER 31, 2019

(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control	Nonmajor Enterprise Funds	Total Enterprise Funds	
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 16,387	\$ 3,056	\$ 11,679	\$ 9,535	\$ 939	\$ 41,596	\$ 2,658
Accrued wages and benefits	9,407	1,149	2,743	3,458	421	17,178	12,008
Claims payable						-	9,466
Due to other funds	1,958	2,688	130	1,725	180	6,681	45
Due to other governments		149,209		4,587	245	154,041	1,618
Accrued interest payable	9,370	190	1,021	10,061	172	20,814	
Current payable from restricted assets	3,695		861	4,123		8,679	
Current portion of long-term obligations	42,716	814	5,925	41,585	3,540	94,580	
Total current liabilities	<u>83,533</u>	<u>157,106</u>	<u>22,359</u>	<u>75,074</u>	<u>5,497</u>	<u>343,569</u>	<u>25,795</u>
Noncurrent liabilities:							
Accrued wages and benefits	1,076	180	355	980	52	2,643	1,050
Construction loans payable	58,878	5,237				64,115	
Accreted interest payable			23,563			23,563	
Revenue bonds payable	482,497	34,426	185,115	633,953	7,816	1,343,807	
Net pension liability	111,359	13,840	36,152	43,538	6,156	211,045	33,721
Net OPEB liability	51,511	6,425	16,597	21,303	2,780	98,616	16,781
Other			1,431			1,431	
Total noncurrent liabilities	<u>705,321</u>	<u>60,108</u>	<u>263,213</u>	<u>699,774</u>	<u>16,804</u>	<u>1,745,220</u>	<u>51,552</u>
Total liabilities	<u>788,854</u>	<u>217,214</u>	<u>285,572</u>	<u>774,848</u>	<u>22,301</u>	<u>2,088,789</u>	<u>77,347</u>
DEFERRED INFLOWS OF RESOURCES							
Derivative instruments-interest rate swaps					14	14	
Pension	1,732	210	535	693	103	3,273	455
OPEB	143	17	43	56	7	266	60
Total deferred inflows of resources	<u>1,875</u>	<u>227</u>	<u>578</u>	<u>749</u>	<u>124</u>	<u>3,553</u>	<u>515</u>
NET POSITION							
Net investment in capital assets	1,154,482	77,238	174,375	154,610	71,701	1,632,406	4,159
Restricted for capital projects	1	250	501	21		773	
Restricted for debt service	57,321	2,657	2,445	121,026	5,776	189,225	
Restricted for passenger facility charges				17,839		17,839	
Unrestricted	<u>316,793</u>	<u>29,788</u>	<u>3,749</u>	<u>97,221</u>	<u>6,112</u>	<u>453,663</u>	<u>(10,181)</u>
Total net position	<u>\$ 1,528,597</u>	<u>\$ 109,933</u>	<u>\$ 181,070</u>	<u>\$ 390,717</u>	<u>\$ 83,589</u>	<u>2,293,906</u>	<u>\$ (6,022)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						<u>(14,212)</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES						<u>\$ 2,279,694</u>	

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

CITY OF CLEVELAND, OHIO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands)**

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control	Nonmajor Enterprise Funds		
OPERATING REVENUES:							
Charges for services	\$ 320,155	\$ 32,176	\$ 203,778	\$ 148,421	\$ 14,040	\$ 718,570	\$ 160,655
Total operating revenue	<u>320,155</u>	<u>32,176</u>	<u>203,778</u>	<u>148,421</u>	<u>14,040</u>	<u>718,570</u>	<u>160,655</u>
OPERATING EXPENSES:							
Operations	142,497	14,297	35,511	85,523	13,701	291,529	160,229
Maintenance	74,855	10,097	17,352	4,620	118	107,042	2,760
Purchased power			134,227			134,227	
Depreciation	72,625	5,861	22,096	55,731	3,239	159,552	557
Total operating expenses	<u>289,977</u>	<u>30,255</u>	<u>209,186</u>	<u>145,874</u>	<u>17,058</u>	<u>692,350</u>	<u>163,546</u>
OPERATING INCOME (LOSS)	<u>30,178</u>	<u>1,921</u>	<u>(5,408)</u>	<u>2,547</u>	<u>(3,018)</u>	<u>26,220</u>	<u>(2,891)</u>
NON-OPERATING REVENUES (EXPENSES):							
Investment income (loss)	2,888	875	648	6,024	479	10,914	740
Interest expense	(23,214)	(694)	(11,159)	(24,024)	(788)	(59,879)	
Passenger facility charges				20,121		20,121	
Gain (loss) on disposal of capital assets	(27)	(2)		625	(3)	593	
Other revenues (expenses)	6,212	307	7,381	(6,346)	16	7,570	
Total non-operating revenues (expenses)	<u>(14,141)</u>	<u>486</u>	<u>(3,130)</u>	<u>(3,600)</u>	<u>(296)</u>	<u>(20,681)</u>	<u>740</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	16,037	2,407	(8,538)	(1,053)	(3,314)	5,539	(2,151)
Capital contributions and other contributions	11,708	3,713	33	16,942	4,579	36,975	353
Transfers in					2,531	2,531	518
Change in net position	<u>27,745</u>	<u>6,120</u>	<u>(8,505)</u>	<u>15,889</u>	<u>3,796</u>	<u>45,045</u>	<u>(1,280)</u>
NET POSITION AT BEGINNING OF YEAR	<u>1,500,852</u>	<u>103,813</u>	<u>189,575</u>	<u>374,828</u>	<u>79,793</u>		<u>(4,742)</u>
NET POSITION AT END OF YEAR	<u>\$ 1,528,597</u>	<u>\$ 109,933</u>	<u>\$ 181,070</u>	<u>\$ 390,717</u>	<u>\$ 83,589</u>		<u>\$ (6,022)</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds						<u>(3,251)</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES						<u>\$ 41,794</u>	

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

CITY OF CLEVELAND, OHIO

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control	Nonmajor Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from customers	\$ 319,655	\$ 31,764	\$ 207,471	\$ 143,517	\$ 14,067	\$ 716,474	\$ 160,402
Cash payments to suppliers for goods or services	(110,207)	(9,212)	(23,366)	(48,139)	(7,645)	(198,569)	(129,213)
Cash payments to employees for services	(83,450)	(10,667)	(18,742)	(32,464)	(4,453)	(149,776)	(27,669)
Cash payments for purchased power			(131,024)			(131,024)	
Agency activity on behalf of other sewer authorities		(3,547)				(3,547)	
Other	(135)	(74)	(5,066)			(5,275)	
Net cash provided by (used for) operating activities	<u>125,863</u>	<u>8,264</u>	<u>29,273</u>	<u>62,914</u>	<u>1,969</u>	<u>228,283</u>	<u>3,520</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Cash received through transfers from other funds					2,531	2,531	518
Cash received for royalties					16	16	
Grants			33			33	
Cash received from electric excise tax			6,009			6,009	
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>6,042</u>	<u>-</u>	<u>2,547</u>	<u>8,589</u>	<u>518</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Cash receipts for passenger facility charges				19,915		19,915	
Proceeds from sale of revenue bonds, loans and notes	108,718	5,369		345,468		459,555	
Acquisition and construction of capital assets	(75,616)	(19,723)	(14,339)	(35,299)		(144,977)	(96)
Principal paid on long-term debt	(45,226)	(614)	(5,640)	(39,970)	(3,370)	(94,820)	
Interest paid on long-term debt	(20,567)	(766)	(7,270)	(28,240)	(760)	(57,603)	
Cash paid to escrow agent for refunding	(107,793)			(351,311)		(459,104)	
Capital grant proceeds		3,721		16,157		19,878	
Net cash provided by (used for) capital and related financing activities	<u>(140,484)</u>	<u>(12,013)</u>	<u>(27,249)</u>	<u>(73,280)</u>	<u>(4,130)</u>	<u>(257,156)</u>	<u>(96)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest received on investments	2,914	957	650	6,205	457	11,183	740
Net cash provided by (used for) investing activities	<u>2,914</u>	<u>957</u>	<u>650</u>	<u>6,205</u>	<u>457</u>	<u>11,183</u>	<u>740</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,707)	(2,792)	8,716	(4,161)	843	(9,101)	4,682
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	481,492	89,407	51,931	336,656	22,848	982,334	45,008
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 469,785	\$ 86,615	\$ 60,647	\$ 332,495	\$ 23,691	\$ 973,233	\$ 49,690

(Continued)

CITY OF CLEVELAND, OHIO

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control	Nonmajor Enterprise Funds	Total Enterprise Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:							
Operating income (loss)	\$ 30,178	\$ 1,921	\$ (5,408)	\$ 2,547	\$ (3,018)	\$ 26,220	\$ (2,891)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation	72,625	5,861	22,096	55,731	3,239	159,552	557
(Increase) Decrease in Assets:							
Receivables, net	2,543	(8,517)	6,462	(2,614)	(36)	(2,162)	9
Prepaid expenses and other assets	(1,656)	(3)	5	(139)	(1)	(1,794)	4
Due from other funds	(39)	(13)	337	(6)	17	296	(475)
Inventory of supplies	(540)	(68)	835	128		355	(30)
(Increase) Decrease in Deferred Outflows of Resources:							
Pension	(18,004)	(1,992)	(5,145)	(6,588)	(904)	(32,633)	(5,883)
OPEB	(525)	(32)	(93)	(155)	(21)	(826)	(141)
Increase (Decrease) in Liabilities:							
Accounts payable	(654)	978	(1,567)	1,787	626	1,170	(1,104)
Accrued wages and benefits	710	12	64	452	92	1,330	(195)
Net pension liability	48,470	5,730	14,565	19,102	2,388	90,255	15,999
Net OPEB liability	9,434	1,115	2,835	3,718	465	17,567	2,977
Claims payable						-	(235)
Due to other funds	217	103	(390)	593	(35)	488	(8)
Due to other governments		5,339		(4,654)	5	690	517
Accrued expenses and other liabilities	(36)		(274)	64		(246)	
Increase (Decrease) in Deferred Inflows of Resources:							
Pension	(13,854)	(1,791)	(4,095)	(5,826)	(697)	(26,263)	(4,613)
OPEB	(3,006)	(379)	(954)	(1,226)	(151)	(5,716)	(968)
Total adjustments	<u>95,685</u>	<u>6,343</u>	<u>34,681</u>	<u>60,367</u>	<u>4,987</u>	<u>202,063</u>	<u>6,411</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 125,863</u>	<u>\$ 8,264</u>	<u>\$ 29,273</u>	<u>\$ 62,914</u>	<u>\$ 1,969</u>	<u>\$ 228,283</u>	<u>\$ 3,520</u>
SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:							
Contributions and accounts payable related to capital assets	\$ 15,403	\$ 1,222	\$ 861	\$ 4,123	\$ 4,579	\$ 26,188	\$ 353

(Concluded)

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

CITY OF CLEVELAND, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

DECEMBER 31, 2019

(Amounts in Thousands)

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 25,290
Taxes receivable	27,550
Due from other governments	<u>2,222</u>
Total assets	<u>\$ 55,062</u>
LIABILITIES	
Due to other governments	\$ 37,321
Due to others	<u>17,741</u>
Total liabilities	<u>\$ 55,062</u>

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

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CITY OF CLEVELAND, OHIO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND REPORTING ENTITY

The City: The City of Cleveland, Ohio (the City) operates under an elected Mayor/Council (17 Council members) administrative/legislative form of government.

Reporting Entity: The accompanying financial statements as of December 31, 2019 and for the year then ended have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

In evaluating how to define the governmental reporting entity, the City complies with the provisions of GASB Statement No. 61, under which the financial statements include all the organizations, activities, functions and component units for which the City (primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

On this basis, the City's financial reporting entity has no component units but includes in its financial statements the financial activities of all departments, agencies, boards and commissions that are part of the primary government, including police and fire protection, waste collection, parks and recreation, health, certain social services and general administrative services. In addition, the City owns and operates several enterprise activities, the principal ones consisting of a water system, a sewer system, an electric distribution system and two airports.

The following entities are related organizations of the City of Cleveland; however, the City's accountability does not extend beyond its appointing authority:

Cuyahoga Metropolitan Housing Authority – Created under the Ohio Revised Code, the Cuyahoga Metropolitan Housing Authority provides public housing services. The five-member board consists of two appointed by the Mayor of the City of Cleveland, two appointed by Cleveland City Council and one appointed by the Mayor of the City of East Cleveland with approval from its City Council.

Cleveland-Cuyahoga County Port Authority – Created under the Ohio Revised Code, the Cleveland-Cuyahoga County Port Authority conducts port operations and economic development activities. The nine-member Board of Directors consists of three appointed by the Cuyahoga County Executive and six appointed by the City of Cleveland.

Cleveland Metropolitan School District (Schools) – In September of 1998, the Mayor of the City of Cleveland was given appointing authority for the Schools. As approved by the State Legislature, the Ohio Revised Code provides for the Mayor to appoint a Chief Executive Officer who must be approved by the Board of Education (the Board). The Board is comprised of nine-members. The members of the Board are appointed by the Mayor from a pool of candidates presented to the Mayor by an independent nominating panel. In November 2002, the voters of Cleveland elected to maintain the current governance structure.

The following entity is a jointly governed organization of the City; however, the City has no ongoing financial interest or responsibility:

Gateway Economic Development Corporation of Greater Cleveland (Gateway) – Gateway is responsible for the operations of a sports complex and related economic development. The five-member board consists of two members appointed by the City, two members appointed by Cuyahoga County and one joint appointment confirmed by both the City and Cuyahoga County.

The following entity is a blended component unit of the City:

Public Health Department - Beginning 2019, the Auditor of the State of Ohio determined that the City's Public Health Department was a legally separate entity. It is being reported as a blended component unit. Previously the City reported the Public Health Department activity in the General Fund and Special Revenue Funds. The City's Public Health Department is managed by the City's Director of Public Health, which is appointed by the Mayor. The City's Public Health Department is governed and budgeted just like all other Departments of the City. Since the City's Public Health Department provides services entirely and only to the City, it is reported as a blended component unit. It is included as a major fund in the governmental statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies:

The following is a summary of the more significant policies followed during the preparation of the accompanying financial statements.

A. *Government-Wide and Fund Financial Statements*

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, established requirements and a reporting model for the annual financial reports of state and local governments. GASB Statement No. 34 was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. Financial information of the City is presented in the following format:

Basic Financial Statements:

1. *Government-wide financial statements* consist of a statement of net position and a statement of activities. These statements report all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses of the City. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges for services and are usually intended by management to be financially self-sustaining. Fiduciary funds of the City are not included in these government-wide financial statements.

Interfund receivables and payables, bonds and notes issued and held by the City as investments within governmental and business-type activities have been eliminated in the government-wide statement of net position. Related interest amounts are eliminated in the government-wide statement of activities. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column.

Internal Service Fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown as governmental activities in the statement of activities, except for the Utilities Administration Fund which is shown in the business-type activities column.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. General revenues are considered unrestricted in nature.

Program revenues and expenses previously reported as “Other” program revenues and expenses in governmental activities on the statement of activities are now classified as General Government program revenues and expenses as appropriate.

Business-type activities on the government-wide statement of activities summarizes other Enterprise Funds as Nonmajor activities. These include Public Auditorium, West Side Market, East Side Market, Municipal Parking Lots, Cemeteries and Golf Courses.

2. *Fund financial statements* consist of a series of statements focusing on information about the City’s major governmental and enterprise funds. Separate statements are presented for the governmental, proprietary and fiduciary funds.

The City’s major Governmental Funds are the General and Public Health Funds. Of the City’s business-type activities, the Division of Water Fund, Division of Water Pollution Control, Cleveland Public Power Fund and Department of Port Control Fund are considered major Enterprise Funds.

The General Fund is the primary operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in other funds. Its revenues consist primarily of income and property taxes, investment earnings, other taxes, other shared revenues, charges for services, licenses and permits, fines forfeits and settlements.

General Fund expenditures represent costs of General Government; Public Works (including waste collection); Public Safety (including police and fire); Building and Housing; Community Development; and Economic Development. General Fund resources are also transferred annually to support other services which are accounted for in other separate funds.

Public Health Fund is for all public health activity for the City including operating and grant activity.

The Division of Water Fund is a segment of the Department of Public Utilities of the City. The Division of Water was created for the purpose of supplying water services to customers within the Cleveland Metropolitan Area.

The Cleveland Public Power Fund is a segment of the Department of Public Utilities of the City. The Cleveland Public Power Fund was established by the City to provide electrical services to customers within the City.

The Division of Water Pollution Control Fund is a segment of the Department of Public Utilities of the City. The Division of Water Pollution Control was created for the purpose of supplying sewer services to customers within the Cleveland metropolitan area.

The Department of Port Control Fund was established to account for the operations of the City’s airport facilities.

While not considered major funds, the City maintains Internal Service Funds used to account for the financing of goods or services provided by one department or division to another department, division or other government on a cost-reimbursement basis.

Also maintained by the City are fiduciary funds, such as Agency Funds, used to account for assets held by the City as an agent for individuals, private organizations or other governments.

3. The City’s General Fund budget to actual statement is presented as part of the basic financial statements.
4. Notes to financial statements provide information that is essential to a user’s understanding of the basic financial statements.
5. The Required Supplementary Information is essential to a user’s understanding of the City’s pension and other post-employment liabilities and contributions made to fund it.

B. ***Financial Reporting Presentation***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance (equity), revenues and expenditures (expenses). The fund types and classifications that the City reports are as follows:

GOVERNMENTAL FUNDS

1. **General Fund** – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
2. **Special Revenue Funds** – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures of specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.
3. **Debt Service Funds** – Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. Debt Service Funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.
4. **Capital Project Funds** – Capital Project Funds are used to account for and report financial resources that are restricted or committed to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital Project Funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

PROPRIETARY FUNDS

1. **Enterprise Funds** – The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
2. **Internal Service Funds** – The Internal Service Funds are used to account for the financing of goods or services provided by one department or division to other departments or divisions or to other governments on a cost-reimbursement basis. The City's most significant Internal Service Funds are used to account for Motor Vehicle Maintenance, Municipal Income Tax Administration, Workers' Compensation Reserve, Health Self Insurance Fund and Prescription Self Insurance Fund.

FIDUCIARY FUNDS

1. **Agency Funds** – Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations and other governments. The Agency Funds are custodial in nature (assets equal liabilities) and do not have a measurement focus. However, the accrual basis of accounting is used to recognize receivables and payables. The City's more significant Agency Funds are used to account for Municipal Court and income tax collections for other municipalities.

Fiduciary funds are not included in the government-wide statements.

C. ***Measurement Focus and Basis of Accounting***

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, property taxes, grants, unrestricted shared revenue and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the taxpayer's liability occurs and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. On an accrual basis, revenue in the form of unrestricted shared revenue is recognized when the provider government recognizes its liability to the City. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include: (1) timing requirements which specify the year when the resources are required to be used or the year when use is first permitted; (2) matching requirements, in which the City must provide local resources to be used for a specified purpose; and (3) expenditure requirements, in which the resources are provided to the City on a cost-reimbursement basis.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The City generally considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year end. Expenditures are generally recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

In applying the susceptible-to-accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within sixty days after year end and available to pay obligations of the current period): income taxes, investment earnings and other shared revenues. Reimbursements due for federal or state funded projects are accrued as revenue at the time the expenditures are made or, when received in advance, recorded as unearned revenue until expenditures are made. Property taxes and special assessments, though measurable, are not available to finance current period obligations. Therefore, property tax receivables are recorded and deferred until they become available. Other revenues, including licenses, fees, fines and forfeits and charges for services are recorded as revenue when received in cash because they are generally not measurable until actually received.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Non-operating revenues, such as investment income and passenger facility charges, result from non-exchange transactions or ancillary activities.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. The City uses unrestricted resources that are committed first, assigned second and unassigned last.

D. ***Budgetary Procedures***

The City is required by State law to adopt annual budgets for the General Fund, certain Special Revenue Funds (including the Division of Streets, Restricted Income Tax, Rainy Day Reserve, Schools Recreation and Cultural Activities and Cleveland Stadium Operations Funds), Debt Service Funds (except for Cleveland Stadium Debt Service, Urban Renewal and Urban Renewal Reserve Funds) and Proprietary

Operating Funds. Modifications to the original budget are approved by City Council throughout the year. The City maintains budgetary control by not permitting expenditures to exceed appropriations for personnel costs (including benefits) and other costs (including debt service and capital outlay), within a division of the City, without the approval of City Council. Adjustments to the budget can only be made within a division and then within each category. Further legislation is needed in order to move budget amounts from “personnel” to “other” or vice versa, or between divisions. City Council adopted two appropriation amendments during 2019 which reallocated appropriations and increased the budget by 3.17% from the original budget.

Unencumbered appropriations for annually budgeted funds lapse at year end.

The City’s budgetary process does not include annual budgeting for certain Special Revenue Funds, including the Public Health Fund, certain Debt Service Funds and Capital Project Funds. Appropriations in these funds remain open and carry over to succeeding years (i.e., multi-year) until the related expenditures are made or until they are modified or canceled. Appropriations for these funds are controlled on a project basis.

The City’s budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budget basis and the GAAP basis are that:

- Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- Encumbrances and pre-encumbrances are recorded as the equivalent of expenditures (budget) as opposed to being included in fund balances (GAAP).

A reconciliation of the General Fund’s results of operations for 2019 reported on the budget basis versus the GAAP basis is as follows:

		(Amounts in Thousands)
Excess (deficiency) of Revenues and Other Financing Sources over (under)		
Expenditures and Other Financing Uses (Budget Basis)	\$	(82)
Adjustments:		
Revenue Accruals		(37,379)
Expenditure and other financing sources (uses) Accruals		257
Encumbrances and Pre-Encumbrances		54,187
Net Change in Fund Balance	\$	16,983

E. ***Other Significant Accounting Policies***

Cash and Cash Equivalents: Cash resources of certain individual funds are combined to form a pool of cash and investments which is managed by the City Treasurer. Investments in the Pooled Cash and Segregated Accounts, consists of obligations of the U.S. Treasury, agencies and instrumentalities; State Treasurer Asset Reserve Fund (STAR Ohio); commercial paper; U.S. Government Money Market Mutual Funds; guaranteed investment contracts; manuscript debt; bonds and other State of Ohio obligations; certificates of deposit; and repurchase transactions are carried at fair value (see Note 4 – Pooled And Segregated Cash And Investments) based on quoted market values, where applicable. Interest earned on pooled cash and investments is distributed to the appropriate funds utilizing a formula based on the month-end balance of cash and investments of each fund. Cash equivalents are defined as highly liquid investments with a maturity of three months or less at the time they are purchased by the City.

Investments: The City follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which requires governmental entities to record their investments at fair value within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets. Level 2 inputs are significant other observable inputs valued by pricing sources used by the City’s investment managers. Level 3 inputs are significant unobservable inputs.

The City has invested funds in the STAR Ohio during 2019. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, for the purpose of measuring the value of shares in STAR Ohio. 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 share that approximates fair value.

Unbilled Revenue: Unbilled revenues are estimates for services rendered but not billed to customers at year end.

Recoverable Costs of Purchased Power: The City passes through certain power costs to the customer as Energy Adjustment Charges. The power costs related to recoverable costs of purchased power will be billed to customers in future billing periods.

Inventory of Supplies: Utility funds' inventory is valued at average cost. All other enterprise and internal service funds' inventory is valued at cost using the first in/first out method. Inventory generally consists of construction materials, utility plant supplies and parts inventory not yet placed into service. Inventory costs are charged to operations when consumed. Inventory purchased by governmental funds are treated as expenditures when acquired.

Prepaid Expenses and Other Assets: Payments made to vendors for services that benefit future periods are recorded as prepayments in both government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase and the expenditure is reported in the year in which services are consumed.

Restricted Assets: Issuance of debt and amounts set aside for payment of Enterprise Fund revenue bonds and construction loans are classified as restricted assets since their use is limited by applicable bond indentures. Passenger facility charges are restricted for capital expenditures or related debt. Construction loans are restricted to fund approved capital projects.

Capital Assets: Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements to the extent the City's capitalization threshold is met. The City defines capital assets as assets with an estimated useful life in excess of one year and an individual cost of more than \$5,000 for land, furniture, fixtures, equipment and vehicles; and \$10,000 for all other assets or projects. Assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Contributed capital assets are recorded at their acquisition value on the date contributed.

As permitted under the implementation provisions of GASB Statement No. 34, the historical cost of infrastructure assets acquired, significantly reconstructed or that received significant improvements prior to January 1, 1980 have not been included as part of governmental capital assets in the government-wide financial statements.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest is amortized on the straight-line basis over the estimated useful lives of such assets. The City applies guidance provided by the GASB. This guidance requires capitalization of the interest cost of the borrowings less interest earned on investment of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use. This guidance is applied to Waterworks Improvement Revenue Bonds, Public Power System Revenue Bonds, Water Pollution Control Revenue Bonds and Airport System Revenue Bonds.

Costs for maintenance and repairs are expensed when incurred. However, costs for repairs and upgrading that materially add to the value or life of an asset and meet the above criteria are capitalized.

The City depreciates capital assets on a straight-line basis using the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15-100
Utility plant	5-100
Buildings, structures and improvements	5-60
Furniture, fixtures, equipment and vehicles	3-60
Infrastructure	3-50

Compensated Absences: The City accrues for compensated absences such as vacation, sick leave and compensatory time using the termination payment method specified under GASB Statement No. 16, *Accounting for Compensated Absences*. In the government-wide and proprietary funds financial statements, the entire amount of unpaid compensated absences is reported as a liability. A liability for compensated absences is accrued in the governmental funds only if the amount is currently due and payable at year end. These amounts are recorded as accrued wages and benefits in the fund from which the employees who have accumulated leave are paid. The remaining portion of the liability is not reported in the governmental funds.

Normally, all vacation time is to be taken in the year available. The City allows employees to carryover vacation time from one year to the next. Sick days not taken may be accumulated until retirement. An employee is paid one-third of accumulated sick leave upon retirement, calculated at the average of the highest three years of pay, with the balance being forfeited.

Uniformed police and fire employees are eligible to defer earned vacation time and overtime, with the appropriate approvals, until retirement. Once deferred, the employee cannot use deferred time as vacation. Deferred vacation is paid to the employee upon retirement, calculated using their current hourly rate at the date of retirement. Deferred overtime is paid once a year upon request up to the amount budgeted for the year for such purpose. If requests exceed the budgeted amounts, the requests are to be paid on a pro-rata basis.

Long-Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities and proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Losses on refundings are deferred and amortized over the life of the new debt, or the life of the refunded debt, whichever is shorter. Bonds payable are reported net of the applicable unamortized bond premium or discount.

In the governmental fund financial statements, bond premiums and discounts are reported as other financing sources and uses during the period in which they are incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Swap Agreements: The City may enter into interest rate swap agreements to modify interest rates on outstanding debt. The City has accordingly recorded the fair value of each swap in the government-wide financial statements. As further described in Note 5 – Debt And Other Long-Term Obligations, the City has two swap agreements outstanding at December 31, 2019, one for its Subordinated Income Tax Variable Rate Refunding Bonds and one on the Parking Facilities Refunding Revenue Bonds.

Grants Revenues: Grants and assistance awards made on the basis of entitlement programs are recorded as grant receivables and revenues when entitlement occurs. Reimbursement-type grants are recorded as grant receivables and revenues when the related expenditures (expenses) are incurred. The City accounts for loans receivable related to the Economic Development Funds, Urban Development Action Funds, Community Development Block Grants, Neighborhood Development Investment Funds and Supplemental Empowerment Zone as restricted or committed fund balance in the fund financial statements as applicable to the extent that these loans do not have to be repaid to the Federal government. The loan proceeds are earmarked for future reprogramming under federal guidelines and are not available to fund current operating expenditures of the City.

Encumbrances and Pre-Encumbrances: Encumbrance accounting, under which purchase orders, requisitions, contracts and other commitments for expenditures are recorded as encumbrances or pre-encumbrances to reserve the applicable portion of the appropriation.

Interfund Transactions: During the course of normal operations, the City has numerous transactions between funds, including the allocation of centralized expenses and transfers of resources to provide services, construct assets and service debt. Such transactions are generally reflected as transfers or direct expenses of the fund that is ultimately charged for such costs.

Statement of Cash Flows: The City utilizes the direct method of reporting cash flows from operating activities in the Statement of Cash Flows as defined by the GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*. In the statement of cash flows, cash receipts and cash payments are classified according to operating, noncapital financing, capital and related financing and investing activities.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Pensions/OPEB Liabilities: For purposes of measuring the net pension/OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB and pension/OPEB expenses, 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 systems. 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 systems report investments at fair value.

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$951.8 million difference are as follows:

(Amounts in Thousands)		
Bonds and notes payable	\$	(781,679)
Other payable		(18,000)
Unamortized bond premium/discount		(62,446)
Accrued interest payable		(5,522)
Capital leases payable		(488)
Claims and adjustments		(18,551)
Loss on refunding		12,580
Compensated absences		(77,724)
Net adjustment to <i>fund balance - total governmental funds</i>		
to arrive at <i>net position - governmental activities</i>	\$	(951,830)

Another element of that reconciliation states that net pension/OPEB liabilities are not due and payable in the current period; therefore, the liabilities and the related deferred outflows of resources and deferred inflows of resources are not reported in the governmental funds. The details of differences are as follows:

	(Amounts in Thousands)	
Deferred outflows of resources - pension	\$	263,012
Deferred inflows of resources - pension		(20,797)
Net pension liability		<u>(908,442)</u>
Net adjustment to <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>(666,227)</u>

	(Amounts in Thousands)	
Deferred outflows of resources - OPEB	\$	55,083
Deferred inflows of resources - OPEB		(20,879)
Net OPEB liability		<u>(210,997)</u>
Net adjustment to <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>(176,793)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that 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 and reported as depreciation expense. The details of this \$16.6 million difference are as follows:

	(Amounts in Thousands)	
Capital outlay	\$	76,083
Contributed Capital		8,296
Depreciation expense		(67,340)
Capital asset disposal		<u>(403)</u>
Net adjustment to <i>changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$	<u>16,636</u>

Another element of that reconciliation states that revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements. The details of this \$4.9 million difference are as follows:

	(Amounts in Thousands)	
Reversal of prior year deferred inflows of resources	\$	(88,534)
Current year deferred inflows of resources		<u>93,424</u>
Net adjustment to <i>changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$	<u>4,890</u>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences, including accrued interest and in the treatment of long-term debt is \$3.9 million which is detailed as follows:

	(Amounts in Thousands)
Debt issued or incurred:	
Issuance of general obligation bonds and other obligations	\$ (51,616)
Accrued interest	5,868
Interest rate swap	6
Premium on debt	(5,740)
Principal repayments:	
General obligation debt and other obligations	54,037
Payment on capital lease	1,386
<hr/>	
Net adjustment to <i>changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ <u><u>3,941</u></u>

Another element of that reconciliation states that 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. The details of this \$7.7 million difference are as follows:

	(Amounts in Thousands)
Compensated absences	\$ 179
Claims judgements	(7,871)
<hr/>	
Net adjustment to <i>changes in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	\$ <u><u>(7,692)</u></u>

NOTE 4 – POOLED AND SEGREGATED CASH AND INVESTMENTS

Monies for the Debt Service Funds, certain Capital Project Funds, certain Agency Funds, Department of Port Control, Division of Water, Division of Water Pollution Control, Division of Cleveland Public Power, Division of Municipal Parking Lots, Cemeteries, Golf Courses, Public Auditorium and certain Special Revenue Funds are deposited or invested in individual segregated bank accounts.

Monies of all other funds of the City, including the accounts of the General Fund, Public Health Fund, other Special Revenue Funds, other Capital Project Funds, other Enterprise Funds, Internal Service Funds and other fiduciary funds are maintained or invested in a common group of bank accounts. Collectively these common bank accounts and investments represent the Pooled Cash Account (PCA). Each fund whose monies are included in the PCA has equity therein.

Certain funds have made disbursements from the PCA in excess of their individual equities in the PCA. Such amounts have been classified as due to other funds and due from other funds between the Restricted Income Tax Special Revenue Fund and the respective funds that have made disbursements in excess of their individual equities in the PCA.

The City has restrictive arrangements for certain segregated monies held in the banks' trust departments in which the City must act in conjunction with a trust officer in order to make investments. The City's role is that of investment manager and the trust officer's role is that of purchasing agent. For other segregated monies, the City acts alone in placing investments with the banks. Amounts held in escrow are designated for a special purpose and are entrusted to a third party to fulfill certain legal provisions.

Deposits: Ohio law requires that deposits be placed in eligible banks located in Ohio. The City’s policy is to place deposits only with major commercial banks having offices within the City of Cleveland. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation. Further, City ordinance requires such collateral amounts to exceed deposits by 10%. Collateral that may be pledged is limited to obligations of the following entities: the United States and its agencies, the State of Ohio, the Ohio Student Loan Commission and any legally constituted taxing subdivision within the State of Ohio. The City also requires that non-pooled securities pledged be held by either the Federal Reserve Bank or other trust institution, as designated by the City, as trustee. This collateral is held in joint custody with the financial institution pledging the collateral and cannot be sold or released without written consent from the City.

Monthly, the City determines that the collateral has a market value adequate to cover the deposits and that it has been segregated either physically or in book entry form. At year end, the carrying amount of the City’s deposits including certificates of deposit was \$124,767,000 and the actual bank balance totaled \$134,209,000. The difference represents outstanding warrants payable and normal reconciling items. Based on the criteria described in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements* and GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*, \$134,209,000 of the bank balance was insured or collateralized with securities held by the City or by its agent in the City’s name.

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 for securities that are in possession of an outside party. At year end, the City’s deposits were fully insured or collateralized. All deposits are collateralized with eligible securities pledged and deposited either with the City or with a qualified trustee by the financial institution as security for repayment of all public monies deposited in the financial institution whose market value at all times is equal to at least 110% of the carrying value of the deposits being secured.

Investments: The City’s investment policies are governed by State Statutes and City ordinances which authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities; State Treasurer Asset Reserve Fund (STAR Ohio); commercial paper; U.S. Government Money Market Mutual Funds; guaranteed investment contracts; manuscript debt; bonds and other State of Ohio obligations; certificates of deposit; and repurchase transactions. Such repurchase transactions must be purchased from financial institutions as previously discussed in “Deposits” or registered broker/dealers. Repurchase transactions are not to exceed a period of one year and confirmation of securities pledged must be obtained. Generally, investments are recorded in segregated accounts by way of book entry through the bank’s commercial or trust department and are kept at the Federal Reserve Bank in the depository institution’s separate custodial account for the City, apart from the assets of the depository institution. Ohio statute prohibits the use of reverse repurchase agreements.

Investment securities are exposed to various risks such as interest rate, market and credit. Fair values of securities fluctuate based on the magnitude of changing market conditions; therefore, significant changes in market conditions could materially affect portfolio value.

The following is a summary of the fair value hierarchy of the fair value of investments of the City (excluding STAR Ohio and money market mutual funds) as of December 31, 2019:

Type of Investment	Fair Value	Fair Value Measurements Using	
		Level 1	Level 2
(Amounts in Thousands)			
U.S. Treasury Bills	\$ 9,506	\$ 9,506	\$
U.S. Treasury Notes	207	207	
Commercial Paper	47,641		47,641
Manuscript Debt	5,078		5,078
Other	183		183
Total Investments	<u>\$ 62,615</u>	<u>\$ 9,713</u>	<u>\$ 52,902</u>

Interest Rate Risk: In accordance with its investment policy, the City limits its exposure to fair value losses caused by rising interest rates, investing primarily in short-term investments maturing within five years from the date of purchase. The intent is to avoid the need to sell securities prior to maturity.

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 the investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy dealing with investment custodial risk beyond the requirement in the State Statute.

Credit Risk: The City's investments as of December 31, 2019 include U.S. Treasury Bills, U.S. Treasury Notes STAR Ohio, commercial paper, money market mutual funds, manuscript debt and other investments. The City maintains the highest ratings for its investments. The investments in U.S. Treasury Bills carry a Moody's rating of Aaa, the highest rating given by Moody. Investments in the Dreyfus Government Cash Management Mutual Fund, First American Government Obligations Fund, Federated Government Obligations Fund, Government Obligations Fund, Morgan Stanley Government Institutional Mutual Funds, Zion Bank Federal Government Obligation Funds and STAR Ohio carry a rating of AAAM, which is the highest money market fund rating given by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Investments in U.S. Bank N.A. Open Commercial Paper carries a Standard & Poor's rating of A-1+. The City has no investment policy that would further limit its investment choices.

The City's investments shown in the following table include those which are classified as cash equivalents in accordance with the provisions of GASB Statement No. 9:

<u>Type of Investment</u>	<u>Value</u>	<u>Cost</u>	<u>Investment Maturities</u>	
			<u>Less than One Year</u>	<u>5 Years or More</u>
(Amounts in Thousands)				
U.S. Treasury Bills	\$ 9,506	\$ 9,506	\$ 9,506	\$
U.S. Treasury Notes	207	207	207	
STAR Ohio	840,729	840,729	840,729	
Commercial Paper	47,641	47,641	47,641	
Money Market Mutual Funds	682,747	682,747	682,747	
Manuscript Debt	5,078	5,078		5,078
Other	183	183	183	
Total Investments	<u>1,586,091</u>	<u>1,586,091</u>	<u>1,581,013</u>	<u>5,078</u>
Total Deposits	<u>124,767</u>	<u>124,767</u>	<u>124,767</u>	
Total Deposits and Investments	<u>\$ 1,710,858</u>	<u>\$ 1,710,858</u>	<u>\$ 1,705,780</u>	<u>\$ 5,078</u>

STAR Ohio is an investment pool created pursuant to Ohio statutes and managed by the Treasurer of the State of Ohio. The fair value of the City's position in STAR Ohio is equal to the value of the shares the City owns in the investment pool. Investment type "Other" consist of deposits into collective cash escrow pools managed by either Bank of New York, Huntington or U.S. Bank, as trustees.

Concentration of Credit Risk: The City places a limitation on the amount it may invest in any one issuer to help minimize the concentration of credit risk. As of December 31, 2019, the investments in U.S. Treasury Bills, U.S. Treasury Notes, STAR Ohio, commercial paper, money market mutual funds, manuscript debt and other are approximately 0.60%, 0.01%, 53.01%, 3.00%, 43.05%, 0.32%, and 0.01%, respectively, of the City's total investments.

Reconciliation to Financial Statements: Total cash and investments are reported as follows:

(Amounts in Thousands)

Government-Wide Financial Statements

Unrestricted:		
Cash and cash equivalents	\$	1,351,264
Investments		9,713
Restricted:		
Cash and cash equivalents		324,591
Total	\$	<u>1,685,568</u>

Fund Financial Statements

Balance Sheet – Governmental Funds:

Unrestricted:		
Cash and cash equivalents	\$	652,932
Investments		9,713
		<u>662,645</u>

Statement of Net Position – Proprietary Funds:

Enterprise Funds:

Unrestricted:		
Cash and cash equivalents		648,642
Restricted:		
Cash and cash equivalents		324,591

Internal Service Funds:

Unrestricted:		
Cash and cash equivalents		49,690
Subtotal		<u>1,022,923</u>

Statement of Fiduciary Assets and Liabilities:

Unrestricted:		
Cash and cash equivalents		25,290
		<u>25,290</u>
Total	\$	<u>1,710,858</u>

NOTE 5 – DEBT AND OTHER LONG-TERM OBLIGATIONS

A summary of the changes in long-term debt and other long-term obligations of the City during the year ended December 31, 2019, are as follows:

	<u>Balance</u> <u>January 1, 2019</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance</u> <u>December 31, 2019</u>	<u>Due Within</u> <u>One Year</u>
	(Amounts in Thousands)				
Governmental Long-Term Obligations and Notes					
General Obligation Bonds due through 2046	\$ 267,135	\$ 51,015	\$ (25,340)	\$ 292,810	\$ 25,590
<i>Other Obligations:</i>					
Subordinated Income Tax Refunding					
Bonds due through 2024, 5.00%	28,975		(4,245)	24,730	4,465
Subordinate Lien Income Tax Bonds					
due through 2046, 1.68% to 6.34%	339,690		(12,430)	327,260	12,685
<i>Non-Tax Revenue Bonds:</i>					
Stadium due through 2020, 5.00%	3,025		(1,475)	1,550	1,550
Taxable Economic and Community Dev. (Core City) due through 2033, 2.19% to 3.75%	44,650		(2,200)	42,450	2,280
Lower Euclid Ave. TIF 2003A due through 2032, 2.00% to 4.00%	5,296		(218)	5,078	226
Annual Appropriation Bonds - Flats East Bank due through 2035, 5.75% to 6.00%	9,145		(325)	8,820	345
Certificates of Participation-Stadium due through 2028, 1.67% to 5.00%	85,160		(7,445)	77,715	7,815
State Infrastructure Bank Loan	281		(281)	-	
West 150th Street Improvement Loan	728		(64)	664	63
Ohio Water Development Authority and Public Works					
Commission Loans due through 2028, 2.40%	15	601	(14)	602	15
Capital Lease Obligations, due through 2020, 1.39% to 1.41%	1,874		(1,386)	488	488
Cleveland Browns Stadium	20,000		(2,000)	18,000	2,000
Accrued wages and benefits	44,055	39,887	(39,789)	44,153	30,141
Net pension liability:					
Ohio Public Employees Retirement System	182,135	141,828		323,963	
Ohio Police and Fire Pension Fund	449,054	156,176		605,230	
Net OPEB liability:					
Ohio Public Employees Retirement System	125,828	27,698		153,526	
Ohio Police and Fire Pension Fund	414,550		(347,029)	67,521	
Police and fire overtime	41,671	10,444	(10,562)	41,553	4,854
Fire deferred vacation	2,254	121	(215)	2,160	138
Estimated claims payable	10,682	15,796	(7,890)	18,588	5,088
	<u>2,076,203</u>	<u>443,566</u>	<u>(462,908)</u>	<u>2,056,861</u>	<u>97,743</u>
Unamortized (discount)/premium - net	64,816	5,740	(8,110)	62,446	
Total Governmental Activities, Net	<u>\$ 2,141,019</u>	<u>\$ 449,306</u>	<u>\$ (471,018)</u>	<u>\$ 2,119,307</u>	<u>\$ 97,743</u>

(Continued)

	Balance January 1, 2019	Additions	(Reductions)	Balance December 31, 2019	Due Within One Year
Business-Type Activities (Enterprise Funds)					
(Amounts in Thousands)					
Airport System Revenue Bonds:					
Series 2006A due through 2021, 5.25%	\$ 32,195		\$ (9,660)	\$ 22,535	\$ 10,055
Series 2007B due through 2027, 5.0%	5,935		(730)	5,205	765
Series 2008D due through 2024, Variable Rate	5,975		(5,975)	-	
Series 2009C due through 2019, 4.00% to 5.00%	9,230		(9,230)	-	
Series 2009D due through 2024, Variable Rate	23,550		(23,550)	-	
Series 2011A due through 2024, 4.00% to 5.00%	34,360		(8,185)	26,175	8,575
Series 2012A due through 2031, 5.00%	235,150		(235,150)	-	
Series 2013A due through 2033, Variable Rate	54,120		(54,120)	-	
Series 2014A&B due through 2027, Variable Rate	23,635		(21,845)	1,790	1,790
Series 2016A due through 2031, 5.00%	105,185		(2,970)	102,215	3,295
Series 2016B due through 2024, 5.00%	36,235			36,235	
Series 2018A due through 2048, 5.00%	87,940			87,940	8,680
Series 2018B due through 2048, 3.50% to 5.00%	21,745			21,745	
Series 2019A due through 2033, 2.18% to 2.98%		301,665		301,665	2,940
Series 2019B due through 2027, 5.00%		34,605		34,605	5,485
Series 2019C due through 2024, 5.00%		5,405		5,405	
	<u>675,255</u>	<u>341,675</u>	<u>(371,415)</u>	<u>645,515</u>	<u>41,585</u>
Public Power System Revenue Bonds:					
Series 2008 due through 2038, 5.13% to 5.40%	27,903			27,903	
Series 2008 Accreted Interest Payable	20,937	2,626		23,563	
Series 2014 due through 2038, 5.50%	76,885			76,885	
Series 2016 due through 2024, 5.00%	37,245		(4,640)	32,605	4,860
Series 2018 due through 2038, 5.00%	47,245		(1,000)	46,245	1,065
	<u>210,215</u>	<u>2,626</u>	<u>(5,640)</u>	<u>207,201</u>	<u>5,925</u>
Water Revenue Bonds:					
Series G 1993 due through 2021, 5.50%	35,550		(11,225)	24,325	11,840
Series T 2009 due through 2021, 5.00%	37,065		(37,065)	-	
Series U 2010 due through 2033, Variable Rate	54,935		(54,935)	-	
Series V 2010 due through 2033, Variable Rate	26,495		(26,495)	-	
Series W 2011 due through 2026, 2.00% to 4.00%	1,380		(1,380)	-	
Series X 2012 due through 2042, 3.63% to 5.00%	27,575			27,575	
Series Y 2015 due through 2037, 4.00% to 5.00%	116,205			116,205	1,245
Series Z 2015 due through 2019, 5.00%	995		(995)	-	
Series AA 2015 due through 2033, Variable Rate	90,800			90,800	
Series BB 2017 due through 2032, 5.00%	15,715			15,715	
Series CC 2017 due through 2028, 5.00%	54,730		(5,780)	48,950	6,070
Series DD 2019 due through 2033, 2.00% to 5.00%		97,160		97,160	8,385
Series A Sec. Lien 2012 due through 2022, 4.00% to 5.00%	24,755		(6,420)	18,335	6,745
Series B Sub. Lien 2017 due through 2027, 5.00%	42,495			42,495	
	<u>528,695</u>	<u>97,160</u>	<u>(144,295)</u>	<u>481,560</u>	<u>34,285</u>
Water Pollution Control Revenue Bonds:					
Series 2016 due through 2045, 4.00% to 5.00%	31,270		(590)	30,680	610
Ohio Water Development Authority and Public Works					
Commission loans due through 2032, 0.00% to 3.00%	75,545	5,395	(8,190)	72,750	8,635
Parking Facilities Refunding Revenue Bonds:					
Series 2006 due through 2022, 5.25%	14,570		(3,370)	11,200	3,540
Public Power System Other (See Note 7)	2,021	58	(398)	1,681	250
Accrued Wages and Benefits	11,410	12,593	(12,082)	11,921	8,927
Net pension liability:					
Ohio Public Employees Retirement System	127,074	96,941		224,015	
Net OPEB liability:					
Ohio Public Employees Retirement System	86,570	18,777		105,347	
Estimated claims payable	496	532	(941)	87	87
	<u>1,763,121</u>	<u>575,757</u>	<u>(546,921)</u>	<u>1,791,957</u>	<u>103,844</u>
Unamortized (discount)/premium - net	<u>86,282</u>	<u>15,351</u>	<u>(24,475)</u>	<u>77,158</u>	
Total Business-Type Activities, Net	<u>\$ 1,849,403</u>	<u>\$ 591,108</u>	<u>\$ (571,396)</u>	<u>\$ 1,869,115</u>	<u>\$ 103,844</u>
Total Debt and Other Long-Term Obligations	<u>\$ 3,990,422</u>	<u>\$ 1,040,414</u>	<u>\$(1,042,414)</u>	<u>\$ 3,988,422</u>	<u>\$ 201,587</u>

(Concluded)

Internal Service Funds predominantly serve the governmental funds, except the Utilities Administration Fund, which serves only business-type activity funds. Long-term liabilities for all Internal Service Funds, except the Utilities Administration Fund, are included as part of the totals for governmental activities in the government-wide statement of net position. At December 31, 2019, \$1,572,000, \$20,751,000 and \$10,050,000 of the Internal Service Funds, except for Utilities Administration Fund, compensated absences, net pension and net OPEB liabilities, respectively, were included in the governmental activities. Long-term liabilities for the Utilities Administration Fund are included as part of the totals for business-type activities in the government-wide statements. At December 31, 2019, \$1,040,000, \$12,970,000 and \$6,731,000 of the Utilities Administration Fund compensated absences, net pension and net OPEB liabilities, respectively, were included in business-type activities

The Subordinated Income Tax Refunding Bonds were issued initially to fund the City's obligation for the employer's accrued liability to the Police and Firemen's Disability and Pension Fund of the State of Ohio. All other bonds were issued to fund capital related activities.

The accrued wages and benefits, net pension and net OPEB liabilities will be paid from the fund from which the employees' salaries are paid. The estimated claims payable liability will be paid from the fund that incurred the liability or from Judgment Bond proceeds.

A detailed summary of principal due for General Obligation Bonds and business-type activities debt by purpose is as follows for 2019:

	<u>Original Issue Amount</u>	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance December 31, 2019</u>
	(Amounts in Thousands)				
Governmental Activities Obligations:					
General Obligation Bonds					
Public Facilities	\$ 55,390	\$ 21,620	\$ 17,350	\$ (2,140)	\$ 36,830
Bridges and Roadways	138,675	96,800	22,480	(4,100)	115,180
Parks & Recreation	35,510	21,435	11,185	(605)	32,015
Refunding Bonds	<u>214,655</u>	<u>127,280</u>	<u> </u>	<u>(18,495)</u>	<u>108,785</u>
Total Governmental Activities	<u>\$ 444,230</u>	<u>\$ 267,135</u>	<u>\$ 51,015</u>	<u>\$ (25,340)</u>	<u>\$ 292,810</u>
Business-Type Activities Obligations:					
Revenue Bonds / Notes					
Airports	\$ 1,492,180	\$ 675,255	\$ 341,675	\$ (371,415)	\$ 645,515
Public Power	194,058	189,278		(5,640)	183,638
Waterworks	1,031,115	528,695	97,160	(144,295)	481,560
Parking Facilities	57,520	14,570		(3,370)	11,200
Water Pollution Control	32,390	31,270		(590)	30,680
Loans					
Waterworks	152,767	75,475		(8,166)	67,309
Water Pollution Control	<u>16,319</u>	<u>70</u>	<u>5,395</u>	<u>(24)</u>	<u>5,441</u>
Total Business-Type Activities	<u>\$ 2,976,349</u>	<u>\$ 1,514,613</u>	<u>\$ 444,230</u>	<u>\$ (533,500)</u>	<u>\$ 1,425,343</u>

The following is a summary of the City's future debt service requirements as of December 31, 2019:

Year Ending December 31	Governmental Activities					
	General Obligation Bonds		Construction Loan		Subordinated Income Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	(Amounts in Thousands)					
2020	\$ 25,590	\$ 13,178	\$ 15	\$ 14	\$ 17,150	\$ 16,539
2021	22,680	11,998	15	14	16,210	15,817
2022	21,645	10,999	15	14	18,300	15,118
2023	21,845	10,006	16	13	19,075	14,245
2024	19,505	8,952	16	13	19,695	13,313
2025-2029	84,225	31,583	525	48	101,145	53,850
2030-2034	46,155	15,856			81,200	29,308
2035-2039	28,275	8,373			51,620	13,059
2040-2044	20,945	2,950			25,595	3,414
2045-2046	1,945	106			2,000	121
	<u>\$ 292,810</u>	<u>\$ 114,001</u>	<u>\$ 602</u>	<u>\$ 116</u>	<u>\$ 351,990</u>	<u>\$ 174,784</u>
Year Ending December 31	Non-Tax Revenue Bonds		City Annual Appropriation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
	(Amounts in Thousands)					
2020	\$ 4,056	\$ 1,765	\$ 345	\$ 528	\$ 7,815	\$ 2,468
2021	4,934	1,606	365	508	8,035	2,097
2022	5,140	1,451	385	487	8,275	1,856
2023	5,303	1,296	410	463	8,520	1,608
2024	5,493	1,113	435	439	8,780	1,352
2025-2029	13,799	3,277	2,590	1,771	36,290	2,695
2030-2034	10,353	1,059	3,465	896		
2035-2039			825	50		
2040-2044						
2045-2046						
	<u>\$ 49,078</u>	<u>\$ 11,567</u>	<u>\$ 8,820</u>	<u>\$ 5,142</u>	<u>\$ 77,715</u>	<u>\$ 12,076</u>
Year Ending December 31	Capital Lease Obligations		Note/Loans Payable		Governmental Activities Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	(Amounts in Thousands)					
2020	\$ 488	\$ 2	\$ 63	\$ -	\$ 55,522	\$ 34,494
2021			63		52,302	32,040
2022			63		53,823	29,925
2023			63		55,232	27,631
2024			63		53,987	25,182
2025-2029			315		238,889	93,224
2030-2034			34		141,207	47,119
2035-2039					80,720	21,482
2040-2044					46,540	6,364
2045-2046					3,945	227
	<u>\$ 488</u>	<u>\$ 2</u>	<u>\$ 664</u>	<u>\$ -</u>	<u>\$ 782,167</u>	<u>\$ 317,688</u>

Business-Type Activities

<u>Year Ending</u> <u>December 31</u>	<u>Revenue Bonds</u>		<u>Construction Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	(Amounts in Thousands)			
2020	\$ 85,945	\$ 53,256	\$ 8,635	\$ 1,937
2021	93,055	51,464	8,577	1,892
2022	94,255	46,917	8,849	1,653
2023	91,400	42,336	9,120	1,407
2024	96,130	37,865	8,995	1,153
2025-2029	467,585	150,610	24,325	2,977
2030-2034	279,718	79,231	5,075	1,417
2035-2039	100,240	43,106	2,712	1,040
2040-2044	30,210	7,015	3,067	686
2045-2049	14,055	1,341	3,467	286
2050			371	4
	<u>\$ 1,352,593</u>	<u>\$ 513,141</u>	<u>\$ 83,193</u>	<u>\$ 14,452</u>

<u>Year Ending</u> <u>December 31</u>	<u>Business-Type</u> <u>Activities Total</u>	
	<u>Principal</u>	<u>Interest</u>
	(Amounts in Thousands)	
2020	\$ 94,580	\$ 55,193
2021	101,632	53,356
2022	103,104	48,570
2023	100,520	43,743
2024	105,125	39,018
2025-2029	491,910	153,587
2030-2034	284,793	80,648
2035-2039	102,952	44,146
2040-2044	33,277	7,701
2045-2049	17,522	1,627
2050	371	4
	<u>\$ 1,435,786</u>	<u>\$ 527,593</u>

OWDA completed an interest rate buy-down in 2015 which resulted in interest rate savings on the current loans. Market rate loans with interest rates higher than 4.0% saw a reduction in rates to 4.0% while rates over 3.0% on OWDA loans were reduced to 3.0%. The buy-down commenced retroactively to the January 1, 2016 payment.

The schedule of principal and interest payments for construction loans above includes the amortization for a loan provided by the Ohio Water Development Authority to the Division of Water Pollution Control in 2019. This amortization is based upon the full amount expected to be financed, regardless of whether the City has received all the loan proceeds. At December 31, 2019, the amount financed on the loan, which is reflected in the amortization schedule, exceeds the actual loan balance shown on long-term debt outstanding and changes in long-term debt obligations by \$10,443,000.

General Obligation Bonds

General Obligation Bonds: General Obligation Bonds are backed by the full faith and credit of the City. Such bonds are payable from ad valorem property taxes levied within the limitations provided by law, irrespective of whether such bonds are secured by other receipts of the City in addition to such ad valorem property taxes.

Effective June 19, 2019, the City issued \$51,015,000 Various Purpose General Obligation Bonds, Series 2019A. The proceeds of these bonds will be used to pay costs of permanent improvements to roads and bridges, to parks and recreation facilities and to various other public facilities.

Under the direct debt limitation imposed by the Ohio Revised Code, the City had the capacity to issue \$289,480,986 of additional unvoted debt at December 31, 2019.

Other Governmental Obligations

Subordinated Income Tax Variable Rate Refunding Bonds: Effective June 1, 1994, the City issued \$74,700,000 of Subordinated Income Tax Variable Rate Refunding Bonds, Series 1994. The proceeds were used to fund the City's obligation for the employer's accrued liability to the Ohio Police and Fire Pension Fund (the Fund). The principal use of the proceeds was the current refunding of the City's obligation to the Fund for the employer's accrued liability in the amount of \$104,686,400, which was payable in semi-annual installments of \$2,696,243 through May 15, 2035. Pursuant to Section 742.30 (C) of the Ohio Revised Code, the City and the Fund entered into an agreement that permitted the City to make a one-time payment to the Fund to extinguish the City's obligation. The payment amount of \$70,493,204 was calculated by applying a 35% discount factor to the \$104,686,400 accrued liability plus adding accrued interest of \$2,447,044.

On November 18, 2015, the City issued \$28,975,000 Subordinate Lien Unrestricted Income Tax Refunding Bonds, Series 2015 (Police & Fire Pension Payment). The City issued these bonds in order to refund \$30,310,000 of the outstanding Series 2008 Subordinate Lien Unrestricted Income Tax Bonds (Police & Fire Pension). Proceeds of the Series 2015 Bonds in the amount of \$33,492,387 were placed in an irrevocable escrow account to pay the principal and interest on the refunded bonds on the call date. As a result, the refunded bonds were defeased and the liability for those bonds was removed from long-term debt. The City completed the refunding in order to achieve debt service savings of \$1,867,000 and an economic gain (the difference between the present values of the old and new debt service) of \$1,809,000 or 5.97%.

The Series 2015 Bonds are unvoted special obligations secured by a pledge of and a lien on the unrestricted municipal income taxes of the City, to the extent that such income taxes are not needed to pay debt service on the City's currently outstanding unvoted General Obligation Bonds or unvoted General Obligation Bonds issued in the future.

Interest Rate Swap Transaction:

Terms: On February 7, 2003, the City sold an option to JPMorgan Chase Bank (JPM) that gives JPM the right to execute an interest rate swap at its discretion at any time until the option expires on May 15, 2024 on a declining notional amount equal to the outstanding principal amount of the City's Subordinated Income Tax Variable Rate Refunding Bonds, Series 1994. The swaption is now associated with portions of the Series 2015 Bonds. Under the swap agreement, the City will be the fixed rate receiver, receiving the fixed rate of 4.88% and JPM will be the floating rate receiver, receiving interest on what would have been the outstanding notional amount of the original 1994 Bonds of \$24,500,000 at December 31, 2019, at a rate equal to the weekly Securities Industry and Financial Markets Association (SIFMA) index. If the option is exercised, the stated termination date under the swap agreement with JPM will be May 15, 2024. The obligation of the City under the swap agreement to make periodic floating rate payments (but not any termination payment) is secured by a subordinate pledge of the income tax receipts, subordinate to the pledge of the income tax receipts made under the "General Bond Ordinance" securing the City's General Obligation Bonds. The payment of any termination payment is subordinate to the payment of debt service on the Subordinate Lien Unrestricted Income Tax Bonds, Series 2015, and the periodic floating rate payments under the swap agreement.

Objective: The City entered into the swaption in order to potentially capture in the future the savings which could be derived from converting these bonds back to a variable rate if or when the option is exercised. In exchange for selling the option to JPM, the City received a premium payment of \$1,700,000.

Basis Risk: There is no basis risk for the City associated with this transaction with the exception of the risk inherent in all variable rate debt. If the option is exercised, the City will receive a fixed rate of 4.88% which is 12 basis points less than the fixed rate being paid on the Series 2015 Bonds. This transaction would leave the City paying the weekly SIFMA rate plus 12 basis points.

Counterparty Risk: The City selected JPM as a counterparty partly due to its credit strength. Over the long-term, it is possible that the credit strength of JPM could change and this event could trigger a termination payment on the part of the City.

Termination Risk: The swap agreement may be terminated prior to its stated termination date under certain circumstances. Upon termination, a payment may be owed by the City to JPM, or by JPM to the City, depending upon the prevailing economic circumstances at the time of the termination.

Fair Value: The fair value of the swaption at December 31, 2019 as reported by JPM was approximately \$250 which would be payable by the City.

Subordinate Lien Income Tax Bonds: Effective July 19, 2018, the City issued \$55,245,000 Subordinate Lien Income Tax Bonds, Series 2018A. These bonds were issued for public facility improvements and specifically for the purchase and rehabilitation or construction of a new police headquarters.

These bonds are special obligations of the City and are not general obligation debt and are not secured by a pledge of the full faith and credit of the City. The bonds are payable from the City's municipal income tax revenues to the extent those revenues are not needed to pay debt service charges on the City's unvoted general obligation debt or unvoted general obligation debt issued in the future. It is the City's intention to continue paying the debt service on the Subordinate Lien Income Tax Bonds from the Restricted Income Tax collections to the extent that funds are available from that portion of income tax receipts. The portion of the debt service not covered by the Restricted Income Tax, if any, will be paid from the unrestricted General Fund portion of income tax receipts.

Non-Tax Revenue Bonds – Stadium: On September 4, 2014, the City issued \$7,745,000 Non-Tax Revenue Refunding Bonds, Series 2014 for the Cleveland Stadium Project. These bonds refunded \$8,275,000 of the outstanding 2004 Non-Tax Revenue Refunding Bonds (Cleveland Stadium Project). Net proceeds of the Series 2014 Bonds in the amount of \$8,478,644 were placed in an irrevocable escrow account to pay the principal and interest on the refunded bonds on December 1, 2014. As a result, the refunded bonds were defeased and the liability for the Series 2004 Bonds was removed from long-term debt. The City completed the refunding in order to achieve debt service savings of \$854,000 and an economic gain (the difference between the present values of the old and new debt service) of \$842,000 or 10.2%. These bonds do not represent a general obligation debt or pledge of the full faith and credit or taxing power of the City and are payable solely from non-tax revenues of the City.

Non-Tax Revenue Bonds – Economic Development Bonds Series 2003A and Series 2003B (Lower Euclid Avenue Project): In November 2003, the City issued \$7,200,000 Economic Development Revenue Bonds, Series 2003A and \$1,000,000 Economic Development Revenue Bonds, Series 2003B-1 for the Lower Euclid Avenue Project. In November 2004, the final \$1,000,000 Economic Development Revenue Bonds, Series 2003B-2 were issued. The proceeds of these bonds were made available to the owners of certain properties on Euclid Avenue for the construction and renovation of commercial restaurant and retail facilities and the construction of a parking garage. These Tax Increment Financing (TIF) Bonds are secured by a pledge of (a) service payments in lieu of taxes received by the City from the owners of certain properties located within a tax increment financing district, (b) loan payments payable to the City and (c) by a pledge of certain non-tax revenues of the City, subject to the prior pledge by the City of such non-tax revenues to secure other obligations of the City. Only the Series 2003A Bonds remain outstanding.

Non-Tax Revenue Bonds – Taxable Economic and Community Development Revenue Bonds (Core City): Effective April 9, 2015, the City issued \$15,280,000 Taxable Economic and Community Development Revenue Bonds, Series 2015 (Core City Fund). The proceeds of these bonds will be used to provide funds for eligible projects, including, but not limited to, the acquisition, construction, equipping or improvement of multi-unit housing and commercial development and the preparation or remediation of sites for these purposes. The principal and interest on these bonds are to be paid from non-tax revenues of the City and net project revenues.

On September 4, 2014, the City issued \$12,365,000 Taxable Economic and Community Development Refunding Revenue Bonds, Series 2014 (Core City Fund). The City issued these bonds in order to refund \$11,845,000 of the outstanding Taxable Economic and Community Development Bonds, Series 2004. This refunding resulted in \$1,248,000 of debt service savings and an economic gain of \$1,219,000 or 10.3%. The Series 2014 Bonds were issued as fixed rate securities and are special obligations of the City, payable from non-tax revenues and net project revenues.

Effective July 24, 2008, the City issued \$28,160,000 Taxable Economic and Community Development Refunding Revenue Bonds, Series 2008 (Core City Fund). The Series 2008 Bonds, which were special obligations of the City, were issued as variable rate demand obligations secured by a letter of credit provided by Citizens Bank. Upon the expiration of the letter of credit in 2011, the City obtained a new letter of credit for the Series 2008 Bonds from PNC Bank. At the expiration of the PNC Bank letter of credit, the City elected to refund the outstanding \$25,360,000 Series 2008 Bonds with \$25,360,000 Taxable Economic and Community Development Bonds, Series 2013A, effective May 30, 2013. The bonds remained variable rate bonds and were privately placed with KeyBank National Association for a period of five years. In May 2018, the City entered into a new three year direct placement on the Series 2013A Bonds with PNC Bank, National Association upon the expiration of the old direct placement. The Bonds are payable from the City's non-tax revenues and net project revenues.

Annual Appropriation Bonds – Flats East Bank: On December 21, 2010, the City issued \$11,000,000 City Annual Appropriation Bonds through the Cleveland-Cuyahoga County Port Authority. The proceeds of the bonds were used to provide funds for land purchase and public improvements in the area of the Flats East Development Project. The bonds are special obligations of the Port Authority payable from appropriation payments made by the City under a cooperative agreement. The City's obligation to make payments is subject to and dependent upon annual appropriations being made by the City. The City intends to make these debt service payments from the Restricted Income Tax collections.

Certificates of Participation (COPS) - Stadium: In June 1997, Certificates of Participation (COPS) in the amount of \$139,345,000 were issued to assist in the construction of an open-air stadium for the play of professional football and other events. The City makes lease payments subject to annual appropriation by City Council and certification by the Director of Finance as to the availability of funds from those appropriations. These obligations do not constitute a debt or pledge of the full faith and credit of the City.

Effective April 22, 2010, the City issued \$63,225,000 COPS, Series 2010A and \$69,900,000 COPS, Series 2010B to refund all of the outstanding \$108,390,000 COPS, Series 2007. Proceeds of the COPS, Series 2010, were used to currently refund the COPS, Series 2007, on the day of closing, to fund a required debt service reserve fund deposit in the amount of \$8,324,045, to make a termination payment on the existing hedge agreement with UBS in the amount of \$17,322,000 and to pay costs of issuing the COPS. The COPS, Series 2010A, were issued as fixed rate obligations. The COPS, Series 2010B, were purchased by Wells Fargo Bank, National Association, as floating rate obligations for a period of three years, the interest on which is reset weekly based on the SIFMA index plus a spread. As a result of this refunding, the City achieved an economic gain (the difference between the present values of the old and new debt service) of approximately \$3,461,000 or 3.19%.

Effective March 21, 2013, the City completed a conversion and remarketing of the COPS, Series 2010B. This was done in order to change the index rate being charged on the bonds as well as to extend the interest rate period until March 2018. The COPS, Series 2010B, were again purchased by Wells Fargo Bank, National Association. Effective March 1, 2018, the City entered into an amended and restated Continuing Covenants Agreement with Wells Fargo Municipal Capital Strategies, LLC on the 2010B Stadium COPS. The agreement extended to March 2021 the period of time during which Wells Fargo Municipal Capital Strategies, LLC will be the owner of the COPS.

Capital Lease Arrangements: The City has entered into various agreements to lease equipment. Such agreements are treated as lease purchases (Capital Leases) and are classified as long-term lease obligations in the financial statements. The lease contracts contain annual one-year renewal options that can be exercised by the City if sufficient funds are appropriated by City Council. Upon the exercise of each annual one-year renewal option and satisfaction of the lease obligations related thereto, title to the equipment will pass to the City.

On June 5, 2012, the City entered into a vehicle lease agreement with PNC Equipment Finance LLC in the amount of \$6,507,400. The funds were used to purchase a variety of vehicles including police cars, EMS ambulances and waste collection equipment. The final lease payment on the 2012 agreement was made in May 2019. Effective June 20, 2013, the City entered into a \$6,535,000 vehicle lease agreement with Huntington Public Capital Corporation. The funds were again used to purchase a variety of vehicles including police cars, EMS ambulances and waste collection equipment. Payments on these equipment leases are made over a period of seven years from issuance from the Restricted Income Tax Fund.

The assets recorded by the City under Capital Leases were as follows as of December 31, 2019:

		Governmental Activities
		(Amounts in Thousands)
Furniture, fixtures and equipment	\$	42,022
Less – accumulated depreciation		(34,282)
Net book value	\$	7,740

State Infrastructure Bank Loan: The Ohio Department of Transportation provided the City with a 3% loan for the construction of the Fulton Road Bridge. The amount of the loan was \$2,100,000. The loan was payable over 10 years to the Ohio Treasurer of State on a bi-annual basis. The final payment on the loan was made in 2019.

West 150th Street Improvement Loan: The Ohio Public Works Commission (OPWC) approved a loan to the City to finance a portion of the West 150th Street Improvement project. OPWC committed up to \$1,949,332 at a 0% interest rate for 20 years. The City and the City of Brook Park have an agreement to share the debt service requirements of the OPWC loan. The City of Brook Park will pay 100% of the annual debt service requirements and the City will reimburse the City of Brook Park 65% of the annual debt service requirement.

Cleveland Browns Stadium Obligation: Pursuant to an agreement entered into in 2014 between the City and Cleveland Browns Stadium Company LLC (Browns), the City has agreed to pay the Browns \$2,000,000 per year on or before June 1 for fifteen years. This period of time coincides with the years remaining on the lease. These payments are to offset the capital improvements made by the Browns. The Browns may use this annual payment as they deem appropriate, including for operations and maintenance expenses. This payment is subject to annual appropriation by the City.

Ohio Water Development Authority Loan: This loan is payable from Economic Development revenues secured by a separate loan agreement, a promissory note and loan guarantee, as well as other departmental resources.

Accrued Wages and Benefits: Accrued wages and benefits, included in long-term obligations, consist of the non-current portion of vacation and sick pay benefits earned by employees of the City. The City accrues vacation and sick pay benefits when earned and future compensation is likely.

Police and Fire Overtime and Deferred Vacation Pay: Uniformed employees of the Police and Fire Divisions accumulate overtime compensation in accordance with the union contracts and the requirements of the Fair Labor Standards Act. In addition, uniformed employees may defer earned vacation time, with the appropriate approvals, until retirement. The liabilities for overtime and deferred vacation time, at current pay rates including their related fringe benefits and converted to straight time hours, at December 31, 2019, follow:

<u>Division</u>	<u>Overtime</u>		<u>Deferred Vacation</u>	
	<u>Hours</u>	<u>Dollars</u>	<u>Hours</u>	<u>Dollars</u>
(Amounts in Thousands)				
Police	1,042	\$ 37,188		\$
Fire	119	4,365	58	2,160
Total	1,161	\$ 41,553	58	\$ 2,160

Business-Type (Enterprise Fund) Obligations

Airport System Revenue Bonds: These bonds are secured by the pledge of airport revenues and moneys in the special funds which include, among others, the bond service fund, bond service reserve fund, the renewal and replacement fund and the airport development fund, as defined in the revenue bond indenture. Further, the City has assigned to the trustee all its interests in and rights to the airline use agreements under the revenue bond indenture.

On October 1, 2019, the City issued \$341,675,000 Airport System Revenue Bonds, Series 2019A-C. The \$301,665,000 Series 2019A Taxable Bonds were issued to advance refund the \$235,150,000 Series 2012A Bonds and to currently refund the outstanding \$52,050,000 of Series 2013A Bonds. Bond proceeds in the amount of \$248,355,650 along with \$3,694,402 released from the debt service reserve fund and \$2,965,914 released from the Series 2012A Bond Fund, were placed in an irrevocable escrow account for the payment of the principal and interest on the Series 2012A Bonds. The \$34,605,000 Series 2019B AMT Bonds currently refunded the variable rate \$20,100,000 Series 2009D Bonds and the \$18,170,000 Series 2014A Bonds. Finally, the \$5,405,000 Series 2019C Non-AMT Bonds currently refunded the outstanding variable rate \$5,975,000 Series 2008D Bonds. As a result of this refunding, the City achieved an economic gain (the difference between the present values of the old and new debt service) of \$22,494,000 of net present value debt service savings or 6.8% while also eliminating all of Port Control's remaining variable rate bonds and terminating its letters of credit and direct placements on those bonds.

Effective March 1, 2019, the Airport System Revenue Bonds, Series 2013A, which had been directly purchased by PNC Bank National Association in 2016 were again purchased by PNC. The bonds remained in a variable rate mode with the Airport System again paying on a monthly basis an amount equal to one month LIBOR plus a spread. The Series 2013A Bonds were refunded by the Series 2019A Bonds.

Effective February 1, 2017, the City entered into an amendment to extend the period of time during which U.S. Bank National Association will be the holder of the Airport System Revenue Bonds, Series 2014A & 2014B. The bonds remained in a variable rate mode with the Airport System again paying on a monthly basis an amount equal to SIFMA plus a spread on the 2014A Bonds and an amount equal to one month LIBOR plus a spread on the 2014B Bonds. The Series 2014A Bonds were refunded by the Series 2019B Bonds.

Public Power System Revenue Bonds: These bonds are payable from the net revenues derived from the Public Power System and are secured by a pledge of and lien on such net revenues.

On June 27, 2018, the City issued \$47,245,000 Public Power System Revenue Refunding Bonds, Series 2018. These bonds were issued to currently refund \$14,860,000 of outstanding Series 2008A Public Power System Bonds and \$37,575,000 of outstanding Series 2008B-1 Public Power System Bonds. Bond proceeds in the amount of \$52,923,299 were placed in an irrevocable escrow account to pay the principal and interest on the refunded bonds on July 27, 2018. The refunded bonds are considered to be defeased and the liability for those bonds has been removed from long-term debt. The City completed the refunding in order to achieve debt service savings of approximately \$5,323,000 and an economic gain (the difference between the present values of the old and new debt service) of \$5,039,000 or 9.6%.

Waterworks Improvement Revenue Bonds: These bonds are payable from the revenues derived from operation of the Waterworks System after the payment of all operating and maintenance expenses (net revenue) and from monies and investments on deposit in the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Contingency Fund and the Additions and Improvements Fund.

Effective April 25, 2019, Water Revenue Bonds, Series DD, 2019, were issued in the amount of \$97,160,000. The bonds were issued to currently refund \$24,575,000 of outstanding Series T Bonds, \$54,935,000 of Series U Bonds, \$26,495,000 of Series V Bonds and \$1,230,000 of Series W Bonds. As part of this bond deal, the City also terminated all interest rate swaps entered into with Morgan Stanley and JP Morgan and made a termination payment of \$7,328,000 on the Series U and Series V swaps from the proceeds of the bonds. In addition, the Division used cash on hand in the amount of \$570,500 to terminate the swaps associated with the Series AA Bonds. Through this refunding, the City was able to eliminate the risk associated with most of the Division's variable rate debt by refunding them with fixed rate bonds and by terminating all existing swaps. Additionally, the Division achieved present value debt service savings of \$995,000.

Upon the mandatory tender by the direct purchasers of the Water Revenue Bonds, Series U, 2010 and the Water Revenue Bonds, Series V, 2010, the City entered into new direct purchase agreements on both series of bonds. Effective December 1, 2016, the \$54,935,000 Water Series U Bonds and the \$26,495,000 Water Series V Bonds were directly purchased by PNC Bank, National Association. The City paid an interest rate equal to

65.001% of one month LIBOR plus a spread for three years ending December 1, 2019. The Series U and Series V Bonds were refunded in 2019 by the Water Series DD Bonds.

In conjunction with the issuance of the Water Revenue Bonds, Second Lien Series A 2012, the City established a Subordinate Bonds indenture for the Division of Water. Bonds issued under this indenture are special obligations of the City payable solely from and secured solely by a pledge of and lien on the Subordinate Pledged Revenues and the Subordinate Pledged funds. The Subordinate Pledged Revenues generally consist of the net revenues of the Division which remain after the payment of all operating expenses and the deposit of all funds required to be made on behalf of the Senior Lien bonds. Bonds issued under this indenture are subordinate to those issued as senior lien bonds under the Division of Water's Amended and Restated Indenture.

Interest Rate Swap Transactions:

In conjunction with the issuance of the Water Revenue Bonds, Series DD, described above, the City terminated all the Division's swaps with JPMorgan Chase Bank, N.A. and Morgan Stanley Capital Services Inc., which were associated with the Series U, Series V and Series AA Bonds. Bond proceeds in the amount of \$7,328,000 and cash on hand of \$570,000 were used to make termination payments to the counterparties.

Water Pollution Control Revenue Bonds: On April 14, 2016, the City issued \$32,390,000 Water Pollution Control Revenue Bonds, Series 2016 (Green Bonds). This was the first series of revenue bonds issued by the Division, with the bonds being issued under and secured by a newly created Master Trust Agreement. The proceeds of these bonds have been used to pay capital costs related to the acquisition, construction and improvement of the system along with funding the debt service reserve requirement and paying the costs of issuing the bonds.

In conjunction with the issuance of the Series 2016 Water Pollution Control Revenue Bonds, the City entered into a Master Trust Agreement for the Series 2016 Bonds and any future series of revenue bonds. Under the terms of the Trust Agreement, the Bonds are special obligations payable solely from and secured by a pledge of and lien on the net revenues of the Division and the Special Funds. The Special Funds include the construction fund, the debt service fund, the debt service reserve fund, the rate stabilization fund, the contingency fund and the balance subfund.

Ohio Water Development Authority and Ohio Public Works Commission Loans: These loans are payable from net revenues derived from the Waterworks and Water Pollution Control Systems. These obligations do not have a lien on revenues of the Divisions.

Parking Facilities Refunding Revenue Bonds: These bonds are payable from net revenues generated from certain parking facilities and other operating revenues of the Division of Parking Facilities, including parking meter revenue. In addition, the City has pledged other non-tax revenue to meet debt service requirements. The City has pledged and assigned to the trustee a first lien on pledged revenues consisting of fines and penalties collected as a result of the violation of municipal parking ordinances and fines, waivers and costs relating to citations for misdemeanor offenses and the special funds as defined within the bond indenture.

Effective October 6, 2011, the City completed the sale of the City-owned Gateway North Parking Garage to Rock Ohio Caesars Gateway LLC. The garage is now used by the purchaser in conjunction with a casino constructed in the Higbee Building adjacent to the garage. The net proceeds of the sale of the garage received by the City totaled \$20,915,504. Of this amount, \$19,578,288 was placed into an irrevocable escrow fund, along with \$1,967,425 released from the debt service reserve fund as a result of the transaction, to be used to pay the principal and interest as it comes due on \$16,145,000 Parking Facilities Refunding Revenue Bonds, Series 2006. As a result, these bonds were considered to be defeased and the liability for the bonds was removed from long-term debt. In addition, \$480,000 of the sale proceeds was used to terminate the portion of an existing basis swap which was associated with the bonds being defeased. Sale proceeds were also utilized to pay costs of the transaction. As a result of this transaction, the City expects to save approximately \$600,000 annually through 2022.

Effective August 15, 2006, the City issued \$57,520,000 of Parking Facilities Refunding Revenue Bonds, Series 2006. The bonds were issued to currently refund \$56,300,000 of the outstanding Parking Facilities Refunding Revenue Bonds, Series 1996. In addition, proceeds were also used to fund a portion of a payment owed by the City upon early termination under an interest rate swaption agreement entered into in 2003. At the time of the issuance of the Series 2006 Bonds, the City entered into a basis swap agreement with UBS, AG (UBS) which is described below.

On April 16, 2013, the City entered into a novation agreement with UBS and PNC Bank, National Association (PNC) under which the basis swap was transferred from UBS to PNC effective March 15, 2013. All of the terms of the original basis swap remain the same. The City agreed to transfer the swap to PNC based upon UBS' mandate to downsize its swap portfolio.

Interest Rate Swap Transaction:

Terms: Simultaneously with the issuance of the City's \$57,520,000 Parking Facilities Refunding Revenue Bonds, Series 2006 on August 15, 2006, the City entered into a floating-to-floating rate basis swap agreement with a notional amount equal to the total declining balance of the Series 2006 Bonds. UBS was the counterparty on the transaction. As stated above, the basis swap was transferred to PNC Bank, National Association in 2013. Under the swap agreement for the Series 2006 Bonds, the City is a floating rate payor, paying a floating rate based on the SIFMA index. The counterparty is also a floating rate payor, paying the City 67% of one month LIBOR. The City also received an upfront payment in the amount of \$1,606,000. Net payments are exchanged semi-annually each March 15 and September 15. The obligation of the City to make periodic payments (but not any termination payment) is secured by a pledge of and lien on the parking revenues and additional pledged revenues as defined in the trust indenture securing the Parking Facilities Refunding Revenue Bonds, Series 2006, on parity with the pledge and lien securing the payment of debt service on the bonds.

Objective: The City entered into the swap in order to maximize the savings associated with the refunding of the bonds and to reduce the City's risk exposure. The actual overall savings to be realized by the City will depend upon the net payments received under the swap agreement.

Basis Risk: By entering into a swap based upon the 30 day LIBOR rate of interest, the City has undertaken basis risk associated with a change in tax rates and structure. While the average relationship between the SIFMA (tax-exempt) and LIBOR (taxable) interest rates has been 67%, this relationship may not always apply. Since late 2008, this relationship has been significantly higher or lower for various periods of time due to disruptions in the financial markets. The payments received from the counterparty may be less than the amount owed to the counterparty, resulting in a net increase in debt service. From 2013 to early 2016, the SIFMA/LIBOR relationship was significantly lower than 67%. In this case, payments received from the counterparty were greater than the amount owed to the counterparty which resulted in a net decrease in debt service. In addition, a reduction in federal income tax rates, such as the one that was approved in late 2017, might increase the percentage relationship between SIFMA and LIBOR and may potentially increase the cost of the financing. However, in 2019, payments received from the counterparty exceeded payments owed by the City to the counterparty.

Counterparty Risk: The City selected a highly rated counterparty in order to minimize this risk. However, over the long-term it is possible that the credit strength of PNC could change and this event could trigger a termination payment on part of the City.

Termination Risk: The swap agreement may be terminated prior to its stated termination date under certain circumstances. Upon termination, a payment may be owed by the City to PNC or by PNC to the City, depending upon the prevailing economic circumstances at the time of the termination. The City obtained insurance to mitigate much of the risk associated with termination due to the event of a downgrade of the City's bond rating. An amount due by the City to PNC upon early termination of the agreement is insured by FSA (now Assured Guaranty Municipal Corp.) up to a maximum amount of \$8,000,000.

Fair Value: The fair value of the swap at December 31, 2019 as reported by PNC totaled \$14,000, which would be payable by the City.

Debt Covenants: The Enterprise Funds' bond agreements have certain restrictive covenants and principally require that bond reserve funds be maintained for most series of bonds and that fees charged to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal and maintenance of properties in good condition.

Defeasance of Debt

The City has defeased certain debt by placing cash or the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and defeased bonds are not recorded in the City's financial statements.

The aggregate amount of defeased debt outstanding at December 31, 2019 is as follows:

<u>Bond Issue</u>	(Amounts in Thousands)	<u>Bond Issue</u>	
<u>Parking Facilities Bonds:</u>		<u>Subordinate Lien Income Tax Bonds:</u>	
Series 2006	\$ 5,305	Series 2012	\$ 2,915
		Series 2013A	12,745
<u>Water Revenue Bonds:</u>		Series 2014A	10,040
Series X, 2012	\$ 16,835	Series 2014B	17,055
Second Lien Series A, 2012	45,850	Series 2015A	40,490

Airport Special Facilities Revenue Bonds

Airport Special Facilities Revenue Bonds, Series 1990, totaling \$76,320,000 were issued to finance the acquisition and construction of a terminal, hangar and other support facilities leased to Continental Airlines (now United Continental Holdings, Inc.) at Cleveland Hopkins International Airport. These bonds were refunded in 1999 by the issuance of Airport Special Revenue Refunding Bonds, Series 1999 totaling \$71,440,000. In January 2016, United Airlines deposited funds with the trustee sufficient to pay off the Airport Special Revenue Refunding Bonds, Series 1999. Additional Airport Special Facilities Revenue Bonds, Series 1998, totaling \$75,120,000, were issued in 1998 to finance the design and construction of certain airport facilities leased to Continental Airlines, including a new regional jet concourse. Because principal and interest on these bonds are unconditionally guaranteed by Continental Airlines (now United Continental Holdings, Inc.) and paid directly by Continental Airlines, these bonds do not constitute a debt, liability or general obligation of the City or a pledge of the City's revenues. As such, no liabilities relating to these bonds are included in the accompanying financial statements.

Pledges of Future Revenues

The City has pledged future airport revenues to repay \$645,515,000 in various Airport System Revenue Bonds issued in various years since 2006. Proceeds from the bonds provided financing for airport operations. The bonds are payable from airport net revenues and are payable through 2048. Annual principal and interest payments on the bonds are expected to require less than 60% of net revenues. The total principal and interest remaining to be paid on the various Airport System Revenue Bonds is \$821,835,000. Principal and interest funded in the current year and total net revenues (including other available funds) were \$64,848,000 and \$108,093,000 respectively.

The City has pledged future power system revenues, net of specified operating expenses, to repay \$183,638,000 in Public Power System Revenue Bonds issued in various years since 2008. Proceeds from the bonds provided financing for Public Power System improvements. The bonds are payable from Public Power System net revenues and are payable through 2038. Annual principal and interest payments on the bonds are expected to require less than 58% of net revenues. The total principal and interest remaining to be paid on the various Public Power System Revenue Bonds is \$336,486,000. Principal and interest paid for the current year and total net revenues were \$14,093,000 and \$24,309,000, respectively.

The City has pledged future water system revenues, net of specified operating expenses, to repay \$481,560,000 in various Senior Lien Water Revenue Bonds and Subordinate Lien Bonds issued in various years since 1993. Proceeds from the bonds provided financing for Water System improvements. The bonds are payable from Water System net revenues and are payable through 2042. Annual principal and interest payments on the bonds are expected to require less than 44% of net revenues. The total principal and interest remaining to be paid on the various Senior and Subordinate Lien Water Revenue Bonds is \$639,557,000. Amounts deposited for principal and interest in the current year on the Senior Lien Bonds and total net revenues were \$44,670,000 and \$105,691,000, respectively.

The City has pledged future water pollution control revenues to repay \$30,680,000 in Water Pollution Control Revenue Bonds issued in 2016. Proceeds from the bonds were used to pay capital costs relating to the acquisition, construction and improvement of the system. The bonds are payable from water pollution control net revenues and are payable through 2045. Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues. The total principal and interest remaining to be paid on the Water Pollution Control Revenue Bonds is \$55,459,000. Principal and interest funded in the current year and total net revenues (including other available funds) were \$2,135,000 and \$11,214,000 respectively.

The City has pledged future revenues from certain parking facilities, net of specified operating expenses and other operating revenues to repay \$11,200,000 of Parking Facilities Refunding Revenue Bonds issued in 2006. Proceeds from the bonds initially issued provided financing for the construction of parking facilities. The bonds are payable from parking facilities net revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require the full amount of net operating revenues. The total principal and interest remaining to be paid on the Parking Facilities Refunding Revenue Bonds is \$12,396,000. Principal and interest paid for the current year (including net swap payments) and total net revenues were \$4,131,000 and \$5,227,000, respectively.

In 2019, no additional pledged revenue was required to meet the debt service on the Parking Facilities Refunding Revenue Bonds. The trust indenture requires, among other things, that the Division will fix parking rates and will charge and collect fees for the use of the parking facilities and will restrict operating expenses. As of December 31, 2019, the Division was in compliance with the terms and requirements of the trust indenture.

Derivative Instruments

Derivative instruments are contracts, the value of which depends on, or derives from, the value of an underlying asset, index or rate. The most common types of derivatives used by governments are interest rate swaps and interest rate locks. The City has entered into various derivative or hedging agreements since 1999. A detailed description of each outstanding derivative, including its terms, objectives, risks and fair value, can be found in the section discussing the bonds to which the derivative relates.

The derivative instruments are classified as Level 2 inputs of the fair value hierarchy and are considered to be significant other observable inputs. The derivative instruments are calculated using the zero-coupon discounting method which takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and assumes that the current forward rate implied by the yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the swaps, where future amounts are converted to a single current (discounted) amount, using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and time value of money.

The table below presents the fair value balances and notional amounts of the City's derivative instruments outstanding at December 31, 2019, classified by type and the changes in fair value of these derivatives during fiscal year 2019 as reported in the 2019 financial statements. The fair values of the interest rate swaps, which reflect the prevailing interest rate environment at December 31, 2019 and the specific terms and conditions of each swap, have been provided by the respective counterparty for each swap and confirmed by the City's financial advisor. In 2019, the City terminated its swaps associated with the Division of Water's Series U, Series V and Series AA Bonds.

	<u>Changes in Fair Value</u>		<u>Fair Value at December 31, 2019</u>		
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
(Amounts in Thousands)					
Investment Derivatives:					
Governmental Activities:					
Fixed to floating interest rate swap					
2003 Subordinated Income Tax Swaption	Investment Revenue	\$ 6	Debt	\$	\$ 24,500
Business-Type Activities:					
Floating to floating interest rate swap					
2006 Parking Basis Swap	Investment Revenue	22	Debt	(14)	11,200

The table below presents the objective and significant terms of the City's derivative instruments at December 31, 2019, along with the credit rating of each swap counterparty.

<u>Bonds</u>	<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
Subordinated Income Tax Bonds	Receive Fixed Interest Rate Swaption	Hedge of changes in fair value of Series 1994 Subordinated Income Tax Bonds	\$ 24,500,000	2/7/2003	5/15/2024	If option is exercised, Receive 4.88% pay SIFMA	Aa2/A+/AA
2006 Parking Bonds	Basis Swap - Pay Floating/Receive Floating	Exchange floating rate payments on Series 2006	\$ 11,200,000	8/15/2006	9/15/2022	Pay SIFMA, receive 67% of LIBOR	A2/A/A+

NOTE 6 – RISK MANAGEMENT

Self Insurance: The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City does not carry commercial insurance for such risks, except for certain proprietary funds and the football stadium. In accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims that meet this criteria are reported as liabilities of either governmental or business-type activities in the government-wide statement of net position. In the fund financial statements, claims liabilities that relate to proprietary funds are reported. The current portion of claims is reported as a fund liability in governmental funds; however, the long-term portion of claims liabilities is not reported.

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses, regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the estimated claims payable for all funds during the years ended December 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
	(Amounts in Thousands)	
Estimated claims payable, January 1	\$ 11,178	\$ 11,535
Current year claims (including IBNRs) and changes in estimates	16,328	4,044
Claim payments	<u>(8,831)</u>	<u>(4,401)</u>
Estimated claims payable, December 31	<u>\$ 18,675</u>	<u>\$ 11,178</u>

The estimated claims liabilities are based on the estimated cost of settling claims (including incremental claim adjustment expenses) through a case-by-case review of all outstanding claims and by using historical experience. Claims payable are included as accounts payable on the modified accrual financial statements and are reclassified to long-term obligations as due within one year or due in more than one year on the statement of net position.

Insurance: Certain proprietary funds carry insurance to cover particular liability risks and property protection. Otherwise, the City is generally self-insured. No material losses, including incurred but not reported losses, occurred in 2019. There was no significant decrease in any insurance coverage in 2019. In addition, there were no insurance settlements in excess of insurance coverage during the past three years.

The City provides the choice of two separate health insurance plans to its employees. The operating funds are charged a monthly rate per employee by type of coverage.

Expenses for claims are recorded on a current basis. Claims are accrued based upon an actuarially estimated claims liability IBNR. These estimates are based on past experience and current claims outstanding. Actual claims may differ from the estimates. This claims liability is recorded in the Internal Service Fund and the government-wide statements as claims payable.

Changes in the estimated claims payable for the Health and Prescription Self Insurance Funds during the year ended December 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
	(Amounts in Thousands)	
Estimated claims payable, January 1	\$ 9,701	\$ 8,805
Current year claims (including IBNRs) and changes in estimates	97,099	96,248
Claim payments	<u>(97,334)</u>	<u>(95,352)</u>
Estimated claims payable, December 31	<u>\$ 9,466</u>	<u>\$ 9,701</u>

In January of 2003, the City exercised the option of retrospective rating as the premium rating mechanism for its workers' compensation program. The total estimated claims liability outstanding at December 31, 2019 was \$14,424,000. Of this amount, \$5,268,000 was recorded as a fund liability within each respective fund. The remaining \$9,156,000 is due in future years and is recorded as a liability in the Workers' Compensation Reserve Internal Service Fund. This liability is funded by charging the appropriate funds their proportionate share of this liability and recording the associated due to or due from as appropriate.

NOTE 7 – CONTINGENCIES

General Contingencies: Various claims and lawsuits are pending against the City. In accordance with GASB Statement No. 10, those claims which are considered “probable” are accrued (see Note 6 – Risk Management), while those claims that are considered “reasonably possible” are disclosed but not accrued.

As of December 31, 2019, the City had \$10,921,200 in claims for which an unfavorable outcome is deemed to be reasonably possible.

These estimates were based on a case-by-case review of outstanding claims by the City's in-house legal department.

Contingent Liabilities: The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 80,000 kilowatts of a total 771,281 kilowatts, giving the City a 10.37% share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel Corporation (Bechtel). As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs is \$13,813,694. The City received a credit of \$6,447,719 related to their participation in the AMP Fremont Energy Center (AFEC) Project and another credit of \$3,617,994, related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving a net impaired cost estimate of \$3,747,981. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a settlement in the Bechtel litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share. Since March 31, 2014, the City has made payments of \$2,106,620 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$167,972 and interest expense incurred on AMP's line-of-credit of \$266,199. As part of the Bechtel Settlement, the City received a credit of \$394,149 against its stranded cost liability, resulting in a net impaired cost estimate at December 31, 2019, of \$1,681,383.

The City does have a potential PHFU liability of \$4,017,584 resulting in a net total potential liability of \$5,698,967, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) has no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include negative items such as property taxes as well as positive items like revenue from leases or sale of all or a portion of the Meigs County site property.

The City intends to recover these costs and repay AMP over the next 10 years through a power cost adjustment, thus this incurred cost has been capitalized and reported as a regulated asset, as allowed by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The City intends to recover 50% of these costs from the customers through the Energy Adjustment Charge passed along to customer's monthly bills.

Contingencies Under Grant Programs: The City participates in a number of federally assisted Investment Act Grant Programs, principal of which are Community Development Block Grants, the Healthy Start Initiative, Federal HOME Program, Youth Opportunity Area Grant, Workforce Innovation and Opportunity Act (WIOA) Grant, Empowerment Zone and Federal Aviation Administration Airport Improvement Grant Programs. These programs are subject to financial and compliance audits by the grantors or their representatives.

In addition to the federally assisted Investment Act Grant Programs, the City received a portion of the American Recovery and Reinvestment Act (ARRA) funds. These funds were funded through existing programs. The ARRA funds are subject to financial and compliance audits by the grantor or their representative and are subject to availability.

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES

Interfund Transactions: During the course of normal operations, the City records numerous transactions between funds including expenditures and transfers of resources to provide services, subsidize operations and service debt.

The City has the following types of transactions among funds:

Nonreciprocal interfund transfers – Flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. This includes transfers to subsidize various funds.

For the year ended December 31, 2019, transfers consisted of the following:

Transfers Out	Transfers In					
	Public Health Funds	Other Governmental Funds	Total Governmental Funds	Enterprise Funds	Internal Service Funds	
	Total	Fund	Funds	Funds	Funds	Funds
(Amounts in Thousands)						
Governmental Funds:						
General	\$ 66,529	\$ 6,895	\$ 56,585	\$ 63,480	\$ 2,531	\$ 518
Other Governmental	60,200		60,200	60,200		
Total Governmental Funds	126,729	6,895	116,785	123,680	2,531	518
Total	\$ 126,729	\$ 6,895	\$ 116,785	\$ 123,680	\$ 2,531	\$ 518

Interfund Balances: Interfund balances at December 31, 2019 represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records and (3) payments between funds are made. All are expected to be paid within one year.

Reciprocal interfund services provided and used – Purchases and sales of goods and services between funds for a price approximating their external exchange value.

Interfund receivable and payable balances as of December 31, 2019 are as follows:

Due To	Total	Due From										
		General Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds	Division of Water Fund	Division of Water Pollution Control Fund	Cleveland Public Power Fund	Department of Port Control Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
(Amounts in Thousands)												
Governmental Funds:												
General	\$ 3,820	\$	\$ 4	\$ 112	\$ 116	\$	\$ 2	\$ 1,520	\$ 14	\$ 9	\$ 1,545	\$ 2,159
Public Health	58	26		11	37		1	14			15	6
Other Governmental	9,591	1,406	226	7,666	9,298			4			4	289
Total Governmental	\$ 13,469											
Enterprise Funds:												
Division of Water	\$ 1,958	8			8		7	1,416			1,423	527
Division of Water Pollution Control	2,688					2,637	2	12			2,651	37
Cleveland Public Power	130	7			7	33	24				57	66
Department of Port Control	1,725	1,503			1,503			22			22	200
Other Enterprise	180	56			56		4	75		1	80	44
Total Enterprise	\$ 6,681											
Internal Service Funds	45	2			2			7		2	9	34
Total Due To/Due From	\$ 20,195	\$ 3,008	\$ 230	\$ 7,789	\$ 11,027	\$ 2,670	\$ 40	\$ 3,070	\$ 14	\$ 12	\$ 5,806	\$ 3,362

NOTE 9 – INCOME TAXES

Effective January 1, 2017, the City income tax rate increased to 2.5% from 2.0% and the credit provided to City residents for income taxes paid to other municipalities increased to 100% with a maximum credit limited to 2.5%. A portion of the City income tax is restricted in its use to capital expenditures and debt service and is included in the Restricted Income Tax Special Revenue Fund. All other income tax proceeds are included in the General Fund.

Employers within the City are required to withhold income taxes on employee compensation and remit withholdings to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE 10 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. The 2018 levy for collection in 2019 was based upon an assessed valuation of approximately \$5.3 billion. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Under current procedures, the City's share is 4.4 mills, of which 4.35 mills is dedicated to debt service and .05 mills is dedicated to the payment of fire pension obligations. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. The last update was completed in 2018. Assessed values are established by the Cuyahoga County (County) Fiscal Officer. The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City.

Real property taxes, excluding public utility property, are assessed at 35% of appraised market value. Pertinent real property tax dates are:

- Collection Dates January 24 and July 15 of the current year
- Lien Date January 1 of the year preceding the collection year
- Levy Date October 1 of the year preceding the collection year

An electric company’s taxable utility production equipment is assessed at 25% of true value, while all of its other taxable property is assessed at 88% of true value. Pertinent public utility tangible personal property tax dates are:

- Collection Dates January 24 and July 15 of the current year

- Lien Date January 1 of the year preceding the collection year

- Levy Date October 1 of the year preceding the collection year

NOTE 11 – DEFERRED INFLOWS / DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

On the modified accrual basis of accounting, the City has recorded certain receivables relating to property taxes and unavailable revenue. Unavailable revenues and property taxes levied to finance 2019 operations have been reported as deferred inflows of resources in the governmental fund balance sheet for the following:

	<u>Governmental Type Funds</u>			
	<u>General</u>	<u>Public Health Funds</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
	(Amounts in Thousands)			
Income taxes receivable	\$ 27,816	\$	\$ 3,475	\$ 31,291
Property taxes receivable	54,107		28,187	82,294
Special assessments receivable	7,219		20,616	27,835
Local government receivable	8,947			8,947
Homestead rollback	3,267		1,702	4,969
Emergency medical service receivable	934			934
Motor vehicle taxes receivable			1,528	1,528
Municipal gas tax receivable			1,046	1,046
State gasoline tax receivable			3,466	3,466
Due from other governments	3,203	3	414	3,620
Accounts receivable	<u>661</u>			<u>661</u>
Total deferred inflows of resources	<u>\$ 106,154</u>	<u>\$ 3</u>	<u>\$ 60,434</u>	<u>\$ 166,591</u>

NOTE 12 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability: 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 (COLA) and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The ORC 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 Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State Statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State Statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Ohio Public Employees Retirement System (OPERS): City employees, other than full-time police and firefighters, participate in OPERS. OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Plan; therefore, the following disclosure focuses on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits and annual COLA to members of the Traditional Plan. Authority to establish and amend benefits is provided by Chapter 145 of the ORC. 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 OPERS, 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 57 with 25 years of service credit or Age 62 with 5 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

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.

When a benefit recipient has received benefits for 12 months, an annual 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 3.0% 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 (CPI), capped at 3.0%.

Funding Policy: The ORC provides statutory authority for member and employer contributions. For 2019, member contribution rates were 10.0% of salary and employer contribution rates were 14.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$41,346,000 for 2019. All required payments have been made.

Ohio Police & Fire Pension Fund (OP&F): City full-time police and firefighters participate in OP&F, a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual COLA 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 ORC. 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 that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the OP&F Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72.0% 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 COLA. 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 retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.0% or the percent increase, if any, in the CPI over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.0% of their base pension or disability benefit.

Funding Policy: The ORC provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25	12.25
2019 Actual Contribution Rates		
Employer:		
Pension	19.00	23.50
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$37,704,000 for 2019. All required payments have been made.

Pension Liabilities, Pension Expense, 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
	(Amounts in Thousands)		
Proportionate Share of the Net Pension Liability	\$ 547,978	\$ 605,230	\$ 1,153,208
Proportion of the Net Pension Liability	2.008996%	7.414638%	
Change in Proportion	0.020762%	0.098010%	
Pension Expense	\$ 126,190	\$ 79,172	\$ 205,362

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

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
	(Amounts in Thousands)		
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 25	\$ 24,867	\$ 24,892
Net difference between projected and actual earnings on pension plan investments	75,135	74,564	149,699
Change in assumptions	48,374	16,045	64,419
Change in City's proportionate share and difference in employer contributions	9,039	13,186	22,225
Contributions subsequent to the measurement date	41,346	37,704	79,050
Total Deferred Outflows of Resources	<u>\$ 173,919</u>	<u>\$ 166,366</u>	<u>\$ 340,285</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 8,106	\$ 565	\$ 8,671
Change in City's proportionate share and difference in employer contributions	1,607	14,247	15,854
Total Deferred Inflows of Resources	<u>\$ 9,713</u>	<u>\$ 14,812</u>	<u>\$ 24,525</u>

The \$79,050,000 reported as deferred outflows of resources related to pension resulting from City 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
	(Amounts in Thousands)		
Year Ending December 31:			
2020	\$ 56,348	\$ 34,538	\$ 90,886
2021	25,789	18,233	44,022
2022	6,760	25,058	31,818
2023	34,705	34,154	68,859
2024	(213)	1,867	1,654
Thereafter	(529)		(529)
Total	<u>\$ 122,860</u>	<u>\$ 113,850</u>	<u>\$ 236,710</u>

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2018
Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25 to 10.75%
COLA or Ad Hoc COLA	3.25%, simple
	Pre 1/7/2013 retirees: 3%, simple
	Post 1/7/2013 retirees: 3%, simple
	through 2018, then 2.15%, simple
Investment Rate of Return	7.2%
Actuarial Cost Method	Individual Entry Age
Mortality Tables	RP-2014

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 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.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit Portfolio, the Health Care Portfolio and the Defined Contribution Portfolio. The Defined Benefit Portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and 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 Defined Benefit 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 Defined Benefit Portfolio was 2.94% for 2018.

The allocation of investment assets with the Defined Benefit Portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other Investments	18.00	5.50
Total	100.00 %	5.95 %

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2%, 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%) or one-percentage-point higher (8.2%) than the current rate:

	<u>1% Decrease</u> <u>6.2%</u>	<u>Current Discount Rate</u> <u>7.2%</u>	<u>1% Increase</u> <u>8.2%</u>
	(Amounts in Thousands)		
City's proportionate share of the net pension liability	\$ 811,999	\$ 547,978	\$ 328,731

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, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, 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.

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
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75%-10.50%
Payroll Increases	3.25%
Inflation Assumptions	2.75%
Cost of Living Adjustments	2.20% and 3.00%

The most recent experience study was completed January 1, 2018.

Health Mortality: 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 120.0%.

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

Disabled Mortality: Mortality for disabled retirees is based on the RP-2014 Disabled Morality Tables rolled back to 2006, adjusted according to the rates in the following table, 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 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 below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	%	0.80 %
Domestic Equity	16	5.50
Non-US Equity	16	5.90
Private Markets	8	8.40
Core Fixed Income *	23	2.60
High Yield Fixed Income	7	4.80
Private Credit	5	7.50
U.S. Inflation Linked Bonds *	17	2.30
Master Limited Partnerships	8	6.40
Real Assets	8	7.00
Private Real Estate	12	6.10
Total	<u>120 %</u>	

* levered 2x

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 8.0%. 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 earnings were calculated using the long-term assumed investment rate of return 8.0%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: Net pension liability is sensitive to changes in the discount rate and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0%), or one percentage point higher (9.0%) than the current rate.

	1% Decrease 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
	(Amounts in Thousands)		
City's proportionate share of the net pension liability	\$ 795,534	\$ 605,230	\$ 446,205

NOTE 13 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability: The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. OPEB is 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.

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

GASB Statement No. 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 ORC permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – OPERS: 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 OPEB as described in GASB Statement No. 75. See OPERS' CAFR referenced below for additional information.

The ORC 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 ORC.

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 800-222-7377.

Funding Policy: The ORC provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by the OPERS Board, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

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% of earnable salary. This is the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund health care.

Each year, the 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 0.0% for both plans. The 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 2018 was 4.0%.

For the year ended December 31, 2019, OPERS did not allocate any employer contributions to the OPEB plan.

Plan Description – OP&F: The City contributes to the 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 OPEB as described in GASB Statement No. 75.

The ORC 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 ORC.

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 writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. The report is also available on the OP&F's website at www.op-f.org.

Funding Policy: The ORC 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% and 24.0% of covered payroll for police and fire employer units, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% 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 2018, the portion of employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$929,000 for 2019. All required payments have been made.

OPEB Liabilities, OPEB Expense, 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 as 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. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	1.985567 %	7.414638 %	
Prior Measurement Date	<u>1.955919</u>	<u>7.316628</u>	
Change in Proportionate Share	<u>0.029648 %</u>	<u>0.098010 %</u>	
			Total
Proportionate Share of the Net	(Amounts in Thousands)		
OPEB Liability	\$ 258,873	\$ 67,521	\$ 326,394
OPEB Expense	\$ 29,166	\$ (337,099)	\$ (307,933)

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>
	(Amounts in Thousands)		
Deferred Outflows of Resources			
Differences between expected and actual economic experience	\$ 88	\$	\$ 88
Changes in assumptions	8,346	35,000	43,346
Net difference between projected and actual earnings on pension plan investments	11,868	2,286	14,154
Changes in proportion and differences between City contributions and proportionate share of contributions	2,159	4,355	6,514
Contributions subsequent to the measurement date		929	929
Total Deferred Outflows of Resources	<u>\$ 22,461</u>	<u>\$ 42,570</u>	<u>\$ 65,031</u>
Deferred Inflows of Resources			
Differences between expected and actual economic experience	\$ 703	\$ 1,809	\$ 2,512
Changes of assumptions		18,693	18,693
Total Deferred Inflows of Resources	<u>\$ 703</u>	<u>\$ 20,502</u>	<u>\$ 21,205</u>

The \$929,000 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. 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:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
	(Amounts in Thousands)		
2020	\$ 10,341	\$ 3,716	\$ 14,057
2021	3,451	3,716	7,167
2022	1,987	3,716	5,703
2023	5,979	4,407	10,386
2024		3,318	3,318
Thereafter		2,266	2,266
Total	<u>\$ 21,758</u>	<u>\$ 21,139</u>	<u>\$ 42,897</u>

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date as 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 Statement No. 74, *Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans*:

Wage Inflation	3.25%
Projected Salary Increases Including Inflation	3.25% to 10.75%
Single Discount Rate:	
Current Measurement Date	3.96%
Prior Measurement Date	3.85%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10.00%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees Mortality Table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. 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 Health Care 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 was a loss of 5.60% for 2018.

The allocation of investment assets with the Health Care Portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

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

Discount Rate: A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date as of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. 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%, 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%) or one-percentage-point higher (4.96%) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(2.96%)</u>	<u>Discount Rate</u>	<u>(4.96%)</u>
	<u>(Amounts in Thousands)</u>		
City's proportionate share of the net OPEB liability	\$ 331,183	\$ 258,873	\$ 201,351

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 one-percentage-point lower or one-percentage-point 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%. 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% in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
	(2.25%)	(3.25%)	(4.25%)
City's proportionate share of the net OPEB liability	\$ 248,824	\$ 258,873	\$ 270,427

(Amounts in Thousands)

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. 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	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	Inflation rate of 2.75% plus productivity increase rate of 0.50%
Single Discount Rate:	
Current Measurement Date	4.66%
Prior Measurement Date	3.24%
Cost of Living Adjustments	3.00%; 2.20% Simple for increased based on the lesser of the increase in CPI and 3.00%

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 120.0%.

<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.

<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 for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	%	0.80 %
Domestic Equity	16	5.50
Non-US Equity	16	5.90
Private Markets	8	8.40
Core Fixed Income *	23	2.60
High Yield Fixed Income	7	4.80
Private Credit	5	7.50
U.S. Inflation Lined Bonds *	17	2.30
Master Limited Partnerships	8	6.40
Real Assets	8	7.00
Private Real Estate	12	6.10
Total	<u>120 %</u>	

* levered 2x

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%. 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 8.0%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13% at December 31, 2018 and 3.16% at December 31, 2017, was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 4.66%. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index.

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%, 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%), or one-percentage-point higher (5.66%) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
	(Amounts in Thousands)		
City's proportionate share of the net OPEB liability	\$ 82,259	\$ 67,521	\$ 55,150

NOTE 14 – CAPITAL ASSETS

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

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
		(Amounts in Thousands)		
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 67,996	\$ 617	\$ (100)	\$ 68,513
Construction in progress	<u>238,492</u>	<u>61,197</u>	<u>(37,071)</u>	<u>262,618</u>
Total capital assets, not being depreciated	<u>306,488</u>	<u>61,814</u>	<u>(37,171)</u>	<u>331,131</u>
Capital assets, being depreciated:				
Land improvements	215,281	12,994	(148)	228,127
Buildings, structures and improvements	691,408	22,568		713,976
Furniture, fixtures, equipment and vehicles	274,417	13,426	(6,319)	281,524
Infrastructure	<u>818,443</u>	<u>11,559</u>	<u>(791)</u>	<u>829,211</u>
Total capital assets, being depreciated	<u>1,999,549</u>	<u>60,547</u>	<u>(7,258)</u>	<u>2,052,838</u>
Less accumulated depreciation for:				
Land improvements	(144,737)	(8,355)	133	(152,959)
Buildings, structures and improvements	(345,522)	(16,486)		(362,008)
Furniture, fixtures, equipment and vehicles	(192,229)	(15,164)	6,250	(201,143)
Infrastructure	<u>(385,897)</u>	<u>(30,469)</u>	<u>779</u>	<u>(415,587)</u>
Total accumulated depreciation	<u>(1,068,385)</u>	<u>(70,474)</u>	<u>7,162</u>	<u>(1,131,697)</u>
Total capital assets being depreciated, net	<u>931,164</u>	<u>(9,927)</u>	<u>(96)</u>	<u>921,141</u>
Governmental activities capital assets, net	<u>\$ 1,237,652</u>	<u>\$ 51,887</u>	<u>\$ (37,267)</u>	<u>\$ 1,252,272</u>
	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
		(Amounts in Thousands)		
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 192,202	\$	\$ (577)	\$ 191,625
Construction in progress	<u>303,028</u>	<u>137,736</u>	<u>(82,093)</u>	<u>358,671</u>
Total capital assets, not being depreciated	<u>495,230</u>	<u>137,736</u>	<u>(82,670)</u>	<u>550,296</u>
Capital assets, being depreciated:				
Land improvements	125,052	4,165		129,217
Utility plant	2,751,725	42,814	(7,244)	2,787,295
Buildings, structures and improvements	754,118	30,816		784,934
Furniture, fixtures, equipment and vehicles	806,902	23,711	(14,444)	816,169
Infrastructure	<u>1,016,148</u>	<u>1,980</u>		<u>1,018,128</u>
Total capital assets, being depreciated	<u>5,453,945</u>	<u>103,486</u>	<u>(21,688)</u>	<u>5,535,743</u>
Less accumulated depreciation for:				
Land improvements	(59,047)	(3,322)		(62,369)
Utility plant	(1,062,784)	(72,348)	7,222	(1,127,910)
Buildings, structures and improvements	(465,426)	(15,840)		(481,266)
Furniture, fixtures, equipment and vehicles	(615,634)	(31,955)	14,406	(633,183)
Infrastructure	<u>(707,083)</u>	<u>(41,232)</u>		<u>(748,315)</u>
Total accumulated depreciation	<u>(2,909,974)</u>	<u>(164,697)</u>	<u>21,628</u>	<u>(3,053,043)</u>
Total capital assets being depreciated, net	<u>2,543,971</u>	<u>(61,211)</u>	<u>(60)</u>	<u>2,482,700</u>
Business-Type activities capital assets, net	<u>\$ 3,039,201</u>	<u>\$ 76,525</u>	<u>\$ (82,730)</u>	<u>\$ 3,032,996</u>

The additions to accumulated depreciation may not match depreciation expense due to assets transferred between Business-Type Activities and Governmental Activities, if the transferred assets have been depreciated prior to this year.

Depreciation: Depreciation expense was charged to functions/programs of the City as follows:

	<u>(Amounts in Thousands)</u>	
Governmental Activities:		
General Government	\$	26,903
Public Works		29,862
Public Safety		8,477
Building and Housing		97
Community Development		1,517
Public Health		356
Economic Development		128
Depreciation expense on capital assets held by the City's internal service funds that is charged to the various functions based on their usage of the assets		443
Total depreciation expense charged to governmental activities	\$	67,783
Business-Type Activities:		
Water	\$	72,625
Sewer		5,861
Electricity		22,096
Airport Facilities		55,731
Nonmajor activities		3,239
Depreciation expense on capital assets held by the City's internal service funds that is charged to the various functions based on their usage of the assets		114
Total depreciation expense charged to business-type activities	\$	159,666

Capital Commitments: Significant commitments of the City as of December 31, 2019 are composed of the following:

<u>Project Description</u>	<u>Spent-to-Date</u> (Amounts in Thousands)	<u>Remaining Commitment</u>
Governmental Activities:		
Police Headquarters Building	\$ 115	\$ 54,885
LED Lighting	9,999	18,401
East 105 SR 10 Quebec to Chester	8,286	17,566
Ward 1 Recreation Center	555	15,580
Demo 2020		14,000
Demo 2018	4,554	9,446
Pedestrian Bridge		9,363
Vehicles 2020		8,470
Vehicles 2019	3,061	6,939
Kovacic Roof and Locker Room	816	6,656
Northcoast Pedestrian Bridge	7,605	5,471

<u>Project Description</u>	<u>Spent-to-Date</u> (Amounts in Thousands)	<u>Remaining Commitment</u>
Business-Type Activities:		
Nottingham Sedimentation Basins	\$	\$ 18,656
North Airfield Construction Phase II	2,657	18,009
East 185 and Marcella Road	5,459	9,090
Trunk Main Renewal 2016	1,172	7,828
Secondary Site Improvements	5,650	7,100
Suburban Water Main Renewal	7,995	7,005
Sanitary Sewer System Relocation		7,000
Kirtland Crib	106	6,894
Post PEP	255	6,703
Secondary Station Improvements Cycle H		6,420
Crown Residuals	598	5,947
Post PEP Plant	7,798	5,690
Watermain Renewal	3,940	5,087
Billing Upgrades 2018	1,988	4,830

Capital Grant Programs: The City participates in the State Issue 2 program and the Local Transportation Improvement Program. Through these programs, the State of Ohio (State) provides financial assistance to the City for its various road and bridge improvements and storm water detention facilities. The Ohio Public Works Commission (OPWC) is the State agency which oversees the allocation of State bond proceeds and tax revenue to selected projects which have met funding requirements. Upon approval of the OPWC, the City and the State create project agreements establishing each entity's financial contribution toward each project. During 2019, the State funded \$6,871,937 of road and bridge improvement projects.

Capitalized Interest: Interest expense incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest income earned on invested debt proceeds. For 2019, interest expense incurred for the Enterprise Funds was \$63,986,000 of which \$3,755,000 was capitalized net of \$352,000 of interest income capitalized.

NOTE 15 – SERVICE CONCESSION ARRANGEMENTS

In 2010, the City entered into an agreement with Cleveland Metropolitan Park District (Cleveland Metroparks) under which Cleveland Metroparks will operate and collect user fees from Seneca Golf Course for 99 years. Cleveland Metroparks has paid the City \$99 for this agreement. They have agreed to complete at least \$4,000,000 of capital improvements. As completed, all capital improvements performed by Cleveland Metroparks will become an asset of Seneca Golf Course and the City. Upon expiration of the agreement, all improvements will vest in the City. Cleveland Metroparks is required to operate and maintain the golf course in accordance with the City Contract.

The City reports the golf courses and related equipment as a capital asset with a carrying amount of \$2,793,000 at year end.

NOTE 16 – SEGMENT INFORMATION

The City has issued revenue bonds and construction loans to finance the activities accounted for in the following Enterprise Funds:

- Division of Water
- Cleveland Public Power
- Department of Port Control
- Water Pollution Control
- Municipal Parking Lots

Investors in the revenue bonds rely solely on the revenues generated from the specific enterprise activity to which the debt obligations pertain for repayment.

Shown below is summarized financial information for the City's enterprise activity that has issued long-term obligations and is not reported as a major fund in the proprietary funds financial statements:

Condensed Statement of Net Position Information

	<u>Municipal Parking Lots</u>
Assets:	
Current assets	\$ 7,705
Restricted assets	8,919
Capital assets, net	<u>37,557</u>
Total assets	54,181
Deferred outflows of resources	853
Liabilities:	
Current liabilities	4,699
Long-term liabilities	<u>10,243</u>
Total liabilities	14,942
Deferred inflows of resources	42
Net position:	
Net investment in capital assets	29,601
Restricted for debt service	5,776
Unrestricted	<u>4,673</u>
Total net position	<u>\$ 40,050</u>

Condensed Statement of Revenues, Expenses and Changes in Net Position Information

	<u>Municipal Parking Lots</u>
Charges for services	\$ 9,621
Depreciation (expense)	(1,581)
Other operating (expenses)	<u>(5,079)</u>
Operating income (loss)	2,961
Non-operating revenues (expenses):	
Investment income (loss)	331
Interest expense	(788)
Capital contributions	<u>463</u>
Change in net position	2,967
Net position at beginning of year	<u>37,083</u>
Net position at end of year	<u>\$ 40,050</u>

Condensed Statement of Cash Flows Information

	<u>Municipal Parking Lots</u>	
Net cash provided by (used for):		
Operating activities	\$	5,466
Capital and related financing activities		(4,130)
Investing activities		309
Net increase (decrease) in cash and cash equivalents		<u>1,645</u>
Beginning cash and cash equivalents		<u>14,927</u>
Ending cash and cash equivalents	\$	<u><u>16,572</u></u>

The balances of the restricted asset accounts in the enterprise funds are as follows:

<u>Purpose</u>	<u>Division of Water</u>	<u>Cleveland Public Power</u>	<u>Department of Port Control</u>	<u>Municipal Parking Lots</u>	<u>Cemeteries</u>	<u>Water Pollution Control</u>
			(Amounts in Thousands)			
Construction activities	\$ 7,462	\$ 2,546	\$ 43,681	\$ 3,132	\$	\$ 4,428
Debt retirement	57,321	2,445	121,026	5,776		2,657
Accrued passenger facility charges			17,839			
Other	<u>65</u>	<u>4</u>	<u>53,559</u>	<u>11</u>	<u>5,361</u>	<u>6</u>
Total	<u>\$ 64,848</u>	<u>\$ 4,995</u>	<u>\$ 236,105</u>	<u>\$ 8,919</u>	<u>\$ 5,361</u>	<u>\$ 7,091</u>

NOTE 17 – FUND BALANCES / NET POSITION

Fund Balance Classifications: Fund balance is classified in five categories (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned and (5) Unassigned. Nonspendable fund balances include amounts that are not in spendable form or are legally required to remain intact. Restricted fund balances include amounts that have external restrictions by either grantors, debt covenants, laws or other governments. Committed fund balances include amounts that are committed to a specific purpose. To establish, modify or rescind committed fund balances legislation must go before administration with passage by council ordinance. Per City policy, assigned fund balances include amounts that have an intended use by the Mayor and/or the Director of Finance to be used for a specific purpose. Unassigned fund balances include amounts that have not been assigned to any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance. Fund expenditures and encumbrances are from restricted resources to the extent of the restricted fund reserve and followed by committed then assigned and unassigned resources.

Below are the fund balance classifications for the governmental funds by category with specific purpose information at December 31, 2019:

	<u>General Fund</u>	<u>Public Health</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
	(Amounts in Thousands)			
Fund Balances				
Nonspendable				
Prepaid expenses and other assets	\$ 3,069	\$ 32	\$ 138	\$ 3,239
Nonspendable Total	3,069	32	138	3,239
Restricted				
Debt Service			103,220	103,220
Recreation capital expenditures			45,914	45,914
Public Facilities capital expenditures			79,259	79,259
Road & Bridges capital expenditures			93,379	93,379
Cemetery capital expenditures			106	106
Stadium capital expenditures			7,859	7,859
Other capital expenditures			6,899	6,899
Repair & building of streets			17,799	17,799
Health & wellness		1,446		1,446
Protection & enforcement			3,927	3,927
Housing, community & economic development			53,636	53,636
Parks, properties & recreational services			488	488
Municipal Court			7,072	7,072
Casino			4,971	4,971
Neighborhood & sidewalk maintenance			2,168	2,168
Utilities programs			69	69
General governance			297	297
Restricted Total	-	1,446	427,063	428,509
Committed				
Health & wellness		387		387
Protection & enforcement			1,210	1,210
Parks, properties & recreational services			759	759
Housing, community & economic development			53,747	53,747
Municipal Court			1,480	1,480
Neighborhood & sidewalk maintenance			4,094	4,094
Lakefront management			2,754	2,754
Utilities programs			90	90
General governance			679	679
Committed Total	-	387	64,813	65,200
Assigned				
Debt Service			11	11
General governance	8,746			8,746
Protection & enforcement	6,072			6,072
Parks, properties & recreational services	1,724			1,724
Housing, community & economic development	1,925			1,925
Other purpose	67,486			67,486
Assigned Total	85,953	-	11	85,964
Unassigned	114,870			114,870
Total Fund Balances	<u>\$ 203,892</u>	<u>\$ 1,865</u>	<u>\$ 492,025</u>	<u>\$ 697,782</u>

Net Position: Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings issued to acquire, construct or improve 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 when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Net position is restricted for debt service, loans and other purposes. Other purposes include street construction and maintenance, grant programs and debt or capital funding from restricted income tax.

Rainy Day Reserve Fund: The City, in accordance with Section 5705.13(A), Revised Code, has established by ordinance the Rainy Day Reserve Fund (Rainy Day). The Rainy Day’s goal is to accumulate at least 5% for budget stabilization and up to 5% for self-insurance claims liabilities. The City funds the Rainy Day through transfers from the General Fund, when funds become available. In order to use the Rainy Day, the City must pass an ordinance. The amount of the Rainy Day is reported within the unassigned fund balance classification in the City’s General Fund.

NOTE 18 – GATEWAY ECONOMIC DEVELOPMENT CORPORATION

In accordance with an agreement with Gateway Economic Development Corporation (Gateway), Gateway is required to reimburse the City for the excess of the debt service requirements of the Parking Facilities Refunding Revenue Bonds attributed to the two Gateway garages over the net revenues generated by the two Gateway garages. In October 2011, the City sold one of the Gateway garages and defeased the applicable bonds. Going forward the amounts required to be reimbursed will be calculated based upon the net revenues of the remaining garage and remaining applicable bonds outstanding.

The first garage on the Gateway site was completed in January 1994. The second garage was completed in August 1994.

In 2019, net revenues generated by the remaining Gateway garage were less than the debt service payments attributed to that garage by \$896,000. Cumulative debt service payments funded by the City that are due from Gateway totaled \$54,286,000 at December 31, 2019. Due to the uncertainty of collecting such amounts, an allowance has been recorded to offset the amounts in full; therefore, these amounts do not appear in the accompanying financial statements.

To enhance the security of the bonds issued by the County for the construction of facilities at Gateway, the City has agreed to pledge annually a percentage of admissions taxes on all events held at the arena to pay debt service if other revenue sources are not sufficient. Any exempted admissions tax not required for debt service will be reimbursed to the City. The City’s current admissions tax rate is 8%. For the year ended December 31, 2019, the City pledged \$3,316,553.

NOTE 19 – COMPLIANCE AND ACCOUNTABILITY

At December 31, 2019, the following funds had a net position deficiency. These deficiencies are the result of changes in accounting for net pension and net OPEB liabilities for which there are no repayment schedules.

	<u>Amount</u>	
	(Amounts in Thousands)	
Utilities Administration	\$	14,212
Sinking Fund Administration		592
Municipal Income Tax Administration		10,118
Telephone Exchange		716

NOTE 20 – TAX ABATEMENTS

Pursuant to Governmental Accounting Standards Board Statement No. 77, the City is required to disclose certain information about tax abatements as defined in the Statement. For purposes of GASB Statement No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promise to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the City or the citizens of the City. The City has entered into such agreements. A description of each of the City’s abatement programs where the City has promised to forgo taxes follows:

Community Reinvestment Area (CRA)

Pursuant to Ohio Revised Code 3735, the City established a Community Reinvestment Area which includes all land within the boundaries of the City. The City authorizes abatements through passage of public ordinances, based on residential investment criteria and through an application process, including proof that the improvements have been

made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill.

The establishment of the Community Reinvestment Area gave the City the ability to provide incentives for the development of safe and affordable housing in Cleveland's neighborhoods. The City's tax abatement program provides incentives for current residents to rehabilitate their homes and to attract new residents into the City.

Taxes are abated on the improved value of a parcel, where new construction occurs, or on the structure where remodeling applies. The collection of taxes continues on the land and unimproved portion of a remodeled structure. The tax abatement is revoked when the tax abated property has code violations and the property is not maintained and/or when the portion of taxes on a property or parcel that was not abated becomes delinquent.

Ohio Enterprise Zone Program

Pursuant to Ohio Revised Code 5709, the City established an Enterprise Zone in 1995, which included all land within the boundaries of the City. The City authorizes incentives through passage of public ordinances, based upon each project's criteria and through a contractual application process with each business, including proof that the improvements have been made. The abatement equals a percentage of the additional real property tax resulting from the increase in real property tax bill. Abated taxes may be recouped if the project is not completed and/or required job creation is not met. The establishment of the Enterprise Zone gave the City the ability to retain and expand businesses located in the City and create new jobs by partially abating real property taxes of new or improved business real estate including mixed-use and commercial improvements.

The City has offered tax incentives including Enterprise Zone tax abatements of up to 60% for a period of ten years to businesses making a substantial investment in the City with new development or redevelopment of commercial real property. To qualify, the City considers projects where the enterprise must meet one of the following conditions:

- An investment in an expansion must equal at least 10% of the market value of the facility prior to the expenditure.
- The renovation of an existing facility requires expenditures totaling at least 50% of the market value of the subject facility.
- When occupying a vacant facility or site an enterprise must incur expenditures to renovate or expand the facility equal to at least 20% of the market value of the subject facility.
- Establishing a new facility in an Enterprise Zone.

Businesses which submit applications for tax abatement must be willing and able to attest that without abatement, the proposed investment would not take place in the City. The business must justify this statement documenting that the investment would not be cost effective without abatement or that they are considering a more economically advantageous location outside the City. Additionally, to address the existence of food deserts, the City recertified its Enterprise Zone to extend the term of the tax abatement to the maximum allowable amount. Accordingly and pursuant to Ohio Revised Code 5709.62, the City offers a 15-year, 75% tax abatement to business improving real property with a grocery store.

Tax Increment Financing (TIF)

The City uses tax increment financing authorized by the Ohio Revised Code (ORC) Chapter 5709 as a tool to support development in the City and are often used to support financing to close project funding gaps, without which the project would not be able to move forward. TIFs are analyzed by Department of Economic Development staff to ensure that the project meets a "but-for" test, confirming that the development would not proceed without the incentive, as well as to determine that the City receives an adequate return on its investment in the form of other taxes or policy goals.

A TIF works by locking in the taxable worth of real property at the value it holds at the time the authorizing legislation was approved by City Council. Payments derived from a percentage of the increased assessed value of any improvement to real property beyond that amount are directed towards a separate fund to finance construction of

public infrastructure defined within the TIF legislation. While the property holders continue to pay their full property taxes, the incremental payments above the base value are called paid-in-lieu of taxes (PILOT).

Most TIFs authorized by the City are “Non-School” TIFs, providing that the Cleveland Metropolitan School District receives its share of the tax revenues generated by the development, approximately 60% of the total taxes.

TIFs authorized within the last ten years have leveraged over \$2.0 billion in investment in the City. As a result of these projects, thousands of jobs have been created, adding millions of dollars to the City in total payroll and income tax revenue generated annually. In addition, TIF projects have resulted in the development of 1,387 hotel rooms in the City, helping to support the City’s tourist and convention industries and generating bed and sales tax revenues.

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

<u>Tax Abatement Program</u>	<u>Total Amount of Taxes Abated For the year 2019</u> (Amounts in Thousands)
Community Reinvestment Area (CRA)	\$ 4,830
Enterprise Zone Program	174
Tax Increment Financing (TIF)	2,700

NOTE 21 – SUBSEQUENT EVENTS

Effective February 19, 2020, the City issued \$83,580,000 of Public Power System Revenue Refunding Bonds, Series 2020, to refund \$83,395,000 of outstanding Series 2014 and Series 2016 Public Power System Bonds series 2014. The City issued the \$63,100,000 Series 2020A Bonds as tax exempt bonds and the \$20,470,000 Series 2020B Bonds as federally taxable bonds. As a result of this refunding, the City achieved net present value debt service savings of approximately \$11,900,000 or 14.3%.

On February 26, 2020 the City issued \$69,820,000 of Subordinate Lien Income Tax Refunding Bonds, Series 2020A, to refund \$61,885,000 of various series of outstanding Subordinate Lien Income Tax Bonds. These bonds were issued on a federally taxable basis. As a result of this refunding, the City achieved \$8.5 million of net present value debt service savings or 13.7%.

In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. The financial impact of the pandemic and the ensuing emergency measures will impact subsequent periods of the City. 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 revenues, expenses, and any recovery from emergency funding cannot be estimated.

On June 3, 2020, City Council approved legislation authorizing the issuance of not to exceed \$64,050,000 of General Obligation Bonds. These bonds will be issued to fund park and recreation improvements, public facility improvements, road and bridge improvements and housing and neighborhood improvements.

Also on June 3, 2020 City Council approved legislation in an amount not to exceed \$2,500,000 for the issuance of Economic and Community Development Bonds (Core City Fund). These bonds will be paid with non-tax revenues of the City and will fund loans for the acquisition, construction, equipping or improvement of multi-unit housing and commercial development for creating or preserving jobs.

Effective June 10, 2020, the City issued \$15,815,000 Water Revenue Bonds, Series EE, 2020. These bonds were issued to refund \$14,565,000 of outstanding Water Revenue Bonds, Series X, 2012. As a result of this refunding, the City achieved net present value debt service savings of \$2.725 million or 18.7%. The Series EE Bonds were issued as federally taxable bonds. On June 11, 2020, the City issued \$70,270,000 Water Revenue Bonds, Series FF, 2020. These tax-exempt bonds refunded the variable rate \$90,800,000 Water Revenue Bonds, Series AA, 2015. The bonds were refunded as fixed rate bonds to take advantage of low interest rates. The Series FF Bonds were issued at a rate of 1.54%.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF CLEVELAND, OHIO

Required Supplementary Information

**Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Six Measurement Years (1), (2)**

	2019	2018	2017	2016	2015	2014
	(Amounts in Thousands)					
City's Proportion of the Net Pension Liability	2.008996%	1.988234%	1.918603%	1.991565%	2.005665%	2.005665%
City's Proportionate Share of the Net Pension Liability	\$ 547,978	\$ 309,209	\$ 434,615	\$ 343,995	\$ 241,132	\$ 236,084
City's Covered Payroll	\$ 287,186	\$ 265,054	\$ 254,500	\$ 253,925	\$ 250,992	\$ 227,331
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.81%	116.66%	170.77%	135.47%	96.07%	103.85%
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 presented for each year was determined as of the City's measurement date, which is the prior year end.

(2) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

Note to Schedule:

Change in assumptions. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.0% down to 7.5% (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.5% down to 7.2%.

CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

**Schedule of Contributions - Net Pension Liability
Ohio Public Employees Retirement System
Last Seven Years (1)**

	2019	2018	2017	2016	2015	2014	2013
	(Amounts in Thousands)						
Contractually Required Contributions	\$ 41,346	\$ 40,206	\$ 34,457	\$ 30,540	\$ 30,471	\$ 30,119	\$ 29,553
Contributions in Relation to the Contractually Required Contributions	<u>(41,346)</u>	<u>(40,206)</u>	<u>(34,457)</u>	<u>(30,540)</u>	<u>(30,471)</u>	<u>(30,119)</u>	<u>(29,553)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 295,329	\$ 287,186	\$ 265,054	\$ 254,500	\$ 253,925	\$ 250,992	\$ 227,331
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Represents City's calendar year. Information prior to 2013 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

**Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Six Measurement Years (1), (2)**

	2019	2018	2017	2016	2015	2014
	(Amounts in Thousands)					
City's Proportion of the Net Pension Liability	7.414638%	7.316628%	7.413054%	7.121475%	7.672388%	7.672388%
City's Proportionate Share of the Net Pension Liability	\$ 605,230	\$ 449,054	\$ 469,535	\$ 458,129	\$ 397,462	\$ 373,669
City's Covered Payroll	\$ 168,650	\$ 156,994	\$ 157,731	\$ 160,828	\$ 154,514	\$ 187,096
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	358.87%	286.03%	297.68%	284.86%	257.23%	199.72%
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 presented for each year was determined as of the City's measurement date, which is the prior year end.

(2) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

Note to Schedule:

Change in assumptions. In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ending December 31, 2016. Significant changes included a reduction of the discount rate from 8.25% to 8.00%, a reduction in the wage inflation rate from 3.75% to 3.25% and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

**Schedule of Contributions - Net Pension Liability
Ohio Police and Fire Pension Fund
Last Seven Years (1)**

	2019	2018	2017	2016	2015	2014	2013
	(Amounts in Thousands)						
Contractually Required Contributions	\$ 37,704	\$ 34,978	\$ 32,482	\$ 32,808	\$ 33,420	\$ 32,108	\$ 31,956
Contributions in Relation to the Contractually Required Contributions	<u>(37,704)</u>	<u>(34,978)</u>	<u>(32,482)</u>	<u>(32,808)</u>	<u>(33,420)</u>	<u>(32,108)</u>	<u>(31,956)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 182,586	\$ 168,650	\$ 156,994	\$ 157,731	\$ 160,828	\$ 154,514	\$ 187,096
Contributions as a Percentage of Covered Payroll	20.65%	20.74%	20.69%	20.80%	20.78%	20.78%	17.08%

(1) Represents City's calendar year. Information prior to 2013 was not available. The City will continue to present information for years available until a full ten-year trend is compiled.

CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

**Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Three Measurement Years (1), (2)**

	2019	2018	2017
	(Amounts in Thousands)		
City's Proportion of the Net OPEB Liability	1.985567%	1.955919%	1.884621%
City's Proportionate Share of the Net OPEB Liability	\$ 258,873	\$ 212,398	\$ 190,355
City's Covered Payroll	\$ 287,186	\$ 287,186	\$ 265,054
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	90.14%	73.96%	71.82%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) Information presented for each year was determined as of the City's measurement date, which is the prior year end.

(2) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

Note to Schedule:

For 2019, the single discount rate changed from 3.85% to 3.96%.

CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

**Schedule of Contributions - Net OPEB Liability
Ohio Public Employees Retirement System
Last Four Years (1), (2), (3)**

	2019	2018	2017	2016
	(Amounts in Thousands)			
Contractually Required Contributions	\$	\$	\$ 2,651	\$ 5,090
Contributions in Relation to the Contractually Required Contributions	_____	_____	<u>(2,651)</u>	<u>(5,090)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 295,329	\$ 287,186	\$ 265,054	\$ 254,500
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	1.00%	2.00%

(1) Beginning in 2016, OPERS used one trust as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(2) The OPEB plan includes the members from the Traditional Plan, the Combined Plan and the Member Directed Plan.

(3) Represents City's calendar year. Information prior to 2016 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

**Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Three Measurement Years (1), (2)**

	2019	2018	2017
	(Amounts in Thousands)		
City's Proportion of the Net OPEB Liability	7.414638%	7.316628%	7.413054%
City's Proportionate Share of the Net OPEB Liability	\$ 67,521	\$ 414,550	\$ 351,881
City's Covered Payroll	\$ 168,650	\$ 168,650	\$ 156,994
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.04%	245.80%	224.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

(1) Information presented for each year was determined as of the City's measurement date, which is the prior year end.

(2) Information prior to 2017 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

Note to Schedule:

For 2019, the single discount rate changed from 3.24% to 4.66%

CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

**Schedule of Contributions - Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Four Years (1)**

	2019	2018	2017	2016
	(Amounts in Thousands)			
Contractually Required Contributions	\$ 929	\$ 866	\$ 801	\$ 789
Contributions in Relation to the Contractually Required Contributions	<u>(929)</u>	<u>(866)</u>	<u>(801)</u>	<u>(789)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 182,586	\$ 168,650	\$ 156,994	\$ 157,731
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

(1) Represents City's calendar year. Information prior to 2016 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

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SUPPLEMENTARY INFORMATION

CITY OF CLEVELAND, OHIO

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

(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
REVENUES:				
Income taxes	\$ 424,869	\$ 430,869	\$ 441,754	\$ 10,885
Property taxes	37,973	37,973	37,905	(68)
State local government funds	26,165	26,165	26,073	(92)
Other taxes	40,014	40,014	44,823	4,809
Other shared revenues	13,346	13,346	13,441	95
Licenses and permits	18,154	18,154	19,519	1,365
Charges for services	36,415	36,415	38,601	2,186
Fines, forfeits and settlements	10,936	10,936	11,015	79
Investment earnings	3,500	3,500	5,495	1,995
Grants	417	417	913	496
Miscellaneous	<u>27,636</u>	<u>27,636</u>	<u>42,382</u>	<u>14,746</u>
TOTAL REVENUES	<u>639,425</u>	<u>645,425</u>	<u>681,921</u>	<u>36,496</u>
EXPENDITURES:				
Current:				
General Government:				
Council and clerk of council:				
Personnel	5,545	5,545	5,433	112
Other	<u>2,232</u>	<u>2,232</u>	<u>1,617</u>	<u>615</u>
Total council and clerk of council	<u>7,777</u>	<u>7,777</u>	<u>7,050</u>	<u>727</u>
Municipal court-judicial division:				
Personnel	21,515	19,516	18,693	823
Other	<u>3,753</u>	<u>3,953</u>	<u>3,840</u>	<u>113</u>
Total municipal court-judicial division	<u>25,268</u>	<u>23,469</u>	<u>22,533</u>	<u>936</u>
Municipal court-clerks division:				
Personnel	10,797	10,397	9,927	470
Other	<u>1,779</u>	<u>1,779</u>	<u>1,779</u>	<u>-</u>
Total municipal court-clerks division	<u>12,576</u>	<u>12,176</u>	<u>11,706</u>	<u>470</u>
Municipal court-housing division:				
Personnel	4,520	4,520	4,181	339
Other	<u>324</u>	<u>324</u>	<u>315</u>	<u>9</u>
Total municipal court-housing division	<u>4,844</u>	<u>4,844</u>	<u>4,496</u>	<u>348</u>
Office of the mayor:				
Personnel	3,549	2,399	2,071	328
Other	<u>121</u>	<u>121</u>	<u>86</u>	<u>35</u>
Total office of the mayor	<u>3,670</u>	<u>2,520</u>	<u>2,157</u>	<u>363</u>
Office of capital projects:				
Personnel	6,421	5,771	5,574	197
Other	<u>648</u>	<u>648</u>	<u>497</u>	<u>151</u>
Total office of capital projects	<u>7,069</u>	<u>6,419</u>	<u>6,071</u>	<u>348</u>

CITY OF CLEVELAND, OHIO

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

(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Office of quality control and performance management:				
Personnel	\$ 1,137	\$ 836	\$ 755	\$ 81
Other	<u>194</u>	<u>194</u>	<u>45</u>	<u>149</u>
Total office of quality control and performance management	<u>1,331</u>	<u>1,030</u>	<u>800</u>	<u>230</u>
Landmarks commission:				
Personnel	198	198	197	1
Other	<u>12</u>	<u>12</u>	<u>6</u>	<u>6</u>
Total landmarks commission	<u>210</u>	<u>210</u>	<u>203</u>	<u>7</u>
Board of building standards and appeals:				
Personnel	140	140	133	7
Other	<u>25</u>	<u>25</u>	<u>15</u>	<u>10</u>
Total board of building standards and appeals	<u>165</u>	<u>165</u>	<u>148</u>	<u>17</u>
Board of zoning appeals:				
Personnel	225	225	205	20
Other	<u>23</u>	<u>23</u>	<u>18</u>	<u>5</u>
Total board of zoning appeals	<u>248</u>	<u>248</u>	<u>223</u>	<u>25</u>
Civil service commission:				
Personnel	805	655	568	87
Other	<u>995</u>	<u>995</u>	<u>920</u>	<u>75</u>
Total civil service commission	<u>1,800</u>	<u>1,650</u>	<u>1,488</u>	<u>162</u>
Community relations board:				
Personnel	1,658	1,533	1,492	41
Other	<u>63</u>	<u>63</u>	<u>36</u>	<u>27</u>
Total community relations board	<u>1,721</u>	<u>1,596</u>	<u>1,528</u>	<u>68</u>
City planning commission:				
Personnel	2,088	1,738	1,550	188
Other	<u>342</u>	<u>217</u>	<u>125</u>	<u>92</u>
Total city planning commission	<u>2,430</u>	<u>1,955</u>	<u>1,675</u>	<u>280</u>
Boxing and wrestling commission:				
Personnel	<u>26</u>	<u>26</u>	<u>17</u>	<u>9</u>
Total boxing and wrestling commission	<u>26</u>	<u>26</u>	<u>17</u>	<u>9</u>
Office of sustainability:				
Personnel	664	664	584	80
Other	<u>403</u>	<u>303</u>	<u>283</u>	<u>20</u>
Total office of sustainability	<u>1,067</u>	<u>967</u>	<u>867</u>	<u>100</u>

(Continued)

CITY OF CLEVELAND, OHIO

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

(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Office of equal opportunity:				
Personnel	\$ 743	\$ 743	\$ 635	\$ 108
Other	<u>148</u>	<u>148</u>	<u>17</u>	<u>131</u>
Total office of equal opportunity	<u>891</u>	<u>891</u>	<u>652</u>	<u>239</u>
Office of budget and management:				
Personnel	845	745	718	27
Other	<u>51</u>	<u>51</u>	<u>11</u>	<u>40</u>
Total office of budget and management	<u>896</u>	<u>796</u>	<u>729</u>	<u>67</u>
Department of aging:				
Personnel	1,246	1,246	1,101	145
Other	<u>319</u>	<u>344</u>	<u>321</u>	<u>23</u>
Total department of aging	<u>1,565</u>	<u>1,590</u>	<u>1,422</u>	<u>168</u>
Office of personnel:				
Personnel	1,633	1,483	1,413	70
Other	<u>1,579</u>	<u>1,579</u>	<u>1,564</u>	<u>15</u>
Total office of personnel	<u>3,212</u>	<u>3,062</u>	<u>2,977</u>	<u>85</u>
Department of law:				
Personnel	7,744	7,094	6,876	218
Other	<u>6,060</u>	<u>11,560</u>	<u>11,177</u>	<u>383</u>
Total department of law	<u>13,804</u>	<u>18,654</u>	<u>18,053</u>	<u>601</u>
Finance administration:				
Personnel	1,162	987	900	87
Other	<u>3,531</u>	<u>3,556</u>	<u>3,555</u>	<u>1</u>
Total finance administration	<u>4,693</u>	<u>4,543</u>	<u>4,455</u>	<u>88</u>
Division of accounts:				
Personnel	1,367	1,367	1,292	75
Other	<u>849</u>	<u>849</u>	<u>841</u>	<u>8</u>
Total division of accounts	<u>2,216</u>	<u>2,216</u>	<u>2,133</u>	<u>83</u>
Division of assessments and licenses:				
Personnel	3,624	3,074	2,991	83
Other	<u>1,456</u>	<u>956</u>	<u>814</u>	<u>142</u>
Total division of assessments and licenses	<u>5,080</u>	<u>4,030</u>	<u>3,805</u>	<u>225</u>
Division of treasury:				
Personnel	813	713	649	64
Other	<u>123</u>	<u>123</u>	<u>119</u>	<u>4</u>
Total division of treasury	<u>936</u>	<u>836</u>	<u>768</u>	<u>68</u>

CITY OF CLEVELAND, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Division of purchases and supplies:				
Personnel	\$ 732	\$ 732	\$ 644	\$ 88
Other	<u>32</u>	<u>32</u>	<u>19</u>	<u>13</u>
Total division of purchases and supplies	<u>764</u>	<u>764</u>	<u>663</u>	<u>101</u>
Bureau of internal audit:				
Personnel	789	664	590	74
Other	<u>685</u>	<u>285</u>	<u>243</u>	<u>42</u>
Total bureau of internal audit	<u>1,474</u>	<u>949</u>	<u>833</u>	<u>116</u>
Division of financial reporting and control:				
Personnel	1,548	1,248	1,154	94
Other	<u>27</u>	<u>32</u>	<u>27</u>	<u>5</u>
Total division of financial reporting and control	<u>1,575</u>	<u>1,280</u>	<u>1,181</u>	<u>99</u>
Division of information system services:				
Personnel	3,292	2,992	2,756	236
Other	<u>3,379</u>	<u>3,379</u>	<u>3,059</u>	<u>320</u>
Total division of information system services	<u>6,671</u>	<u>6,371</u>	<u>5,815</u>	<u>556</u>
 TOTAL GENERAL GOVERNMENT	 <u>113,979</u>	 <u>111,034</u>	 <u>104,448</u>	 <u>6,586</u>
Public Health:				
Public health administration:				
Personnel	1,203	1,203	1,098	105
Other	<u>425</u>	<u>425</u>	<u>413</u>	<u>12</u>
Total public health administration	<u>1,628</u>	<u>1,628</u>	<u>1,511</u>	<u>117</u>
Division of health:				
Personnel	2,696	2,446	2,319	127
Other	<u>2,452</u>	<u>2,452</u>	<u>2,409</u>	<u>43</u>
Total division of health	<u>5,148</u>	<u>4,898</u>	<u>4,728</u>	<u>170</u>
Division of environment:				
Personnel	1,636	1,536	1,498	38
Other	<u>484</u>	<u>484</u>	<u>353</u>	<u>131</u>
Total division of environment	<u>2,120</u>	<u>2,020</u>	<u>1,851</u>	<u>169</u>
Division of air quality:				
Personnel	584	484	482	2
Other	<u>334</u>	<u>334</u>	<u>325</u>	<u>9</u>
Total division of air quality	<u>918</u>	<u>818</u>	<u>807</u>	<u>11</u>
 TOTAL PUBLIC HEALTH	 <u>9,814</u>	 <u>9,364</u>	 <u>8,897</u>	 <u>467</u>

CITY OF CLEVELAND, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Public Safety:				
Public safety administration:				
Personnel	\$ 3,849	\$ 3,749	\$ 3,630	\$ 119
Other	<u>2,697</u>	<u>2,397</u>	<u>2,255</u>	<u>142</u>
Total public safety administration	<u>6,546</u>	<u>6,146</u>	<u>5,885</u>	<u>261</u>
Division of police:				
Personnel	195,433	198,433	194,637	3,796
Other	<u>12,201</u>	<u>12,651</u>	<u>11,930</u>	<u>721</u>
Total division of police	<u>207,634</u>	<u>211,084</u>	<u>206,567</u>	<u>4,517</u>
Division of fire:				
Personnel	97,298	96,548	95,267	1,281
Other	<u>4,329</u>	<u>4,579</u>	<u>4,346</u>	<u>233</u>
Total division of fire	<u>101,627</u>	<u>101,127</u>	<u>99,613</u>	<u>1,514</u>
Division of emergency medical services:				
Personnel	29,036	26,036	24,694	1,342
Other	<u>3,702</u>	<u>3,927</u>	<u>3,827</u>	<u>100</u>
Total division of emergency medical services	<u>32,738</u>	<u>29,963</u>	<u>28,521</u>	<u>1,442</u>
Division of animal control services:				
Personnel	2,209	2,209	2,071	138
Other	<u>662</u>	<u>837</u>	<u>780</u>	<u>57</u>
Total division of animal control services	<u>2,871</u>	<u>3,046</u>	<u>2,851</u>	<u>195</u>
Division of correction:				
Personnel	662	537	309	228
Other	<u>7,806</u>	<u>5,306</u>	<u>4,891</u>	<u>415</u>
Total division of correction	<u>8,468</u>	<u>5,843</u>	<u>5,200</u>	<u>643</u>
Office of Professional Standards:				
Personnel	1,229	1,229	1,145	84
Other	<u>466</u>	<u>466</u>	<u>292</u>	<u>174</u>
Total office of professional standards	<u>1,695</u>	<u>1,695</u>	<u>1,437</u>	<u>258</u>
Police Review Board:				
Personnel	147	158	153	5
Other	<u>12</u>	<u>12</u>	<u>3</u>	<u>9</u>
Total police review board	<u>159</u>	<u>170</u>	<u>156</u>	<u>14</u>
Community Police Commission:				
Personnel	417	417	322	95
Other	<u>342</u>	<u>167</u>	<u>71</u>	<u>96</u>
Total community police commission	<u>759</u>	<u>584</u>	<u>393</u>	<u>191</u>

CITY OF CLEVELAND, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Police Inspector General:				
Personnel	\$ 223	\$ 98	\$ 41	\$ 57
Other	<u>11</u>	<u>11</u>	<u>4</u>	<u>7</u>
Total police inspector general	<u>234</u>	<u>109</u>	<u>45</u>	<u>64</u>
Department of Justice:				
Personnel	2,225	1,724	1,490	234
Other	<u>2,181</u>	<u>1,981</u>	<u>1,640</u>	<u>341</u>
Total department of justice	<u>4,406</u>	<u>3,705</u>	<u>3,130</u>	<u>575</u>
TOTAL PUBLIC SAFETY	<u>367,137</u>	<u>363,472</u>	<u>353,798</u>	<u>9,674</u>
Public Works:				
Division of public works administration:				
Personnel	3,153	3,053	3,003	50
Other	<u>204</u>	<u>204</u>	<u>197</u>	<u>7</u>
Total division of public works administration	<u>3,357</u>	<u>3,257</u>	<u>3,200</u>	<u>57</u>
Division of recreation:				
Personnel	10,552	10,277	10,197	80
Other	<u>4,650</u>	<u>4,650</u>	<u>4,628</u>	<u>22</u>
Total division of recreation	<u>15,202</u>	<u>14,927</u>	<u>14,825</u>	<u>102</u>
Division of parking facilities:				
Personnel	1,168	1,168	1,108	60
Other	<u>75</u>	<u>100</u>	<u>90</u>	<u>10</u>
Total division of parking facilities	<u>1,243</u>	<u>1,268</u>	<u>1,198</u>	<u>70</u>
Division of property management:				
Personnel	6,030	6,130	6,129	1
Other	<u>2,237</u>	<u>2,137</u>	<u>2,136</u>	<u>1</u>
Total division of property management	<u>8,267</u>	<u>8,267</u>	<u>8,265</u>	<u>2</u>
Division of park maintenance and properties:				
Personnel	10,529	10,829	10,718	111
Other	<u>5,987</u>	<u>6,487</u>	<u>6,440</u>	<u>47</u>
Total division of park maintenance and properties	<u>16,516</u>	<u>17,316</u>	<u>17,158</u>	<u>158</u>
Division of waste collection and disposal:				
Personnel	17,299	16,899	16,701	198
Other	<u>12,947</u>	<u>14,447</u>	<u>13,741</u>	<u>706</u>
Total division of waste collection and disposal	<u>30,246</u>	<u>31,346</u>	<u>30,442</u>	<u>904</u>

(Continued)

CITY OF CLEVELAND, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)- GENERAL FUND-LEGAL APPROPRIATION LEVEL FOR THE YEAR ENDED DECEMBER 31, 2019 (Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Division of traffic engineering:				
Personnel	\$ 3,003	\$ 3,003	\$ 2,953	\$ 50
Other	<u>1,002</u>	<u>952</u>	<u>884</u>	<u>68</u>
Total division of traffic engineering	<u>4,005</u>	<u>3,955</u>	<u>3,837</u>	<u>118</u>
TOTAL PUBLIC WORKS	<u>78,836</u>	<u>80,336</u>	<u>78,925</u>	<u>1,411</u>
Community Development:				
Director's office:				
Personnel	645	395	315	80
Other	<u>1,531</u>	<u>1,536</u>	<u>1,528</u>	<u>8</u>
Total director's office	<u>2,176</u>	<u>1,931</u>	<u>1,843</u>	<u>88</u>
TOTAL COMMUNITY DEVELOPMENT	<u>2,176</u>	<u>1,931</u>	<u>1,843</u>	<u>88</u>
Building and Housing:				
Director's office:				
Personnel	1,992	1,992	1,969	23
Other	<u>711</u>	<u>961</u>	<u>960</u>	<u>1</u>
Total director's office	<u>2,703</u>	<u>2,953</u>	<u>2,929</u>	<u>24</u>
Division of code enforcement:				
Personnel	8,382	7,957	7,780	177
Other	<u>310</u>	<u>310</u>	<u>310</u>	<u>-</u>
Total division of code enforcement	<u>8,692</u>	<u>8,267</u>	<u>8,090</u>	<u>177</u>
Division of construction permitting:				
Personnel	1,793	1,543	1,441	102
Other	<u>25</u>	<u>25</u>	<u>25</u>	<u>-</u>
Total division of construction permitting	<u>1,818</u>	<u>1,568</u>	<u>1,466</u>	<u>102</u>
TOTAL BUILDING AND HOUSING	<u>13,213</u>	<u>12,788</u>	<u>12,485</u>	<u>303</u>
Economic Development:				
Economic development administration:				
Personnel	1,888	1,738	1,683	55
Other	<u>19</u>	<u>19</u>	<u>14</u>	<u>5</u>
Total economic development administration	<u>1,907</u>	<u>1,757</u>	<u>1,697</u>	<u>60</u>
TOTAL ECONOMIC DEVELOPMENT	<u>1,907</u>	<u>1,757</u>	<u>1,697</u>	<u>60</u>

CITY OF CLEVELAND, OHIO

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

(Amounts in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Non-Departmental Expenditures:				
Other	\$ 19,932	\$ 28,132	\$ 27,336	\$ 796
TOTAL NON-DEPARTMENTAL EXPENDITURES	<u>19,932</u>	<u>28,132</u>	<u>27,336</u>	<u>796</u>
Capital outlay	<u>2,550</u>	<u>30,450</u>	<u>30,450</u>	<u>-</u>
TOTAL EXPENDITURES	<u>609,544</u>	<u>639,264</u>	<u>619,879</u>	<u>19,385</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 29,881	 6,161	 62,042	 55,881
 OTHER FINANCING SOURCES (USES):				
Transfers in	10,217	19,432	3,731	(15,701)
Transfers out	(41,591)	(66,300)	(65,855)	445
Sale of City assets	<u>1,600</u>	<u>1,600</u>	<u> </u>	<u>(1,600)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,774)</u>	<u>(45,268)</u>	<u>(62,124)</u>	<u>(16,856)</u>
 DECERTIFICATION OF PRIOR YEAR ENCUMBRANCES AND PRE-ENCUMBRANCES	 <u> </u>	 <u> </u>	 <u>571</u>	 <u>571</u>
 NET CHANGE IN FUND BALANCE	 107	 (39,107)	 489	 39,596
 FUND BALANCE AT BEGINNING OF YEAR	 <u>43,313</u>	 <u>43,313</u>	 <u>43,313</u>	 <u>-</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 43,420</u>	 <u>\$ 4,206</u>	 <u>\$ 43,802</u>	 <u>\$ 39,596</u>

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CITY OF CLEVELAND, OHIO

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted or committed by the City to expenditures for particular purposes. The City's Special Revenue Funds are described below:

Division of Streets	To account for motor vehicle license tax and gasoline excise tax used for the repair and building of streets.
Restricted Income Tax	To account for one-ninth of the City's income tax collections. Monies are to be used for capital improvement purposes, repayment of debt and elimination of any deficit balance in any fund of the City.
Cleveland Stadium Operations	To account for the operating activities of Cleveland Browns Stadium.
Community Development Block Grants	To account for revenue from the federal government and expenditures as prescribed under the Community Development Block Grant Program.
Community Development Funds	To account for revenue earmarked for citywide development.
Building and Housing Funds	To account for revenue earmarked to administer and enforce the provisions of the Cleveland building, housing and zoning codes plus the national electrical code and state building, plumbing and elevator codes.
Urban Development Action Funds	To account for revenue from the federal government under the Urban Development Action Grant Program.
Economic Development Funds	To account for revenue earmarked to revitalize distressed cities by stimulating economic development.
Workforce Innovation and Opportunity Act (WIOA)	To account for revenue and expenditures from the State of Ohio under the Workforce Innovation and Opportunity Act.
General Government Funds	To account for revenue earmarked for general government activities.
Public Works Funds	To account for specific revenue earmarked for the public works activity.
Public Safety Funds	To account for revenue earmarked for public safety activities.

SPECIAL REVENUE FUNDS (Continued)

Gateway Shared Income Tax Funds	To account for municipal income tax revenue derived from persons employed at the Arena and Progressive Field with 50% of the revenues shared with the other taxing districts in the City.
Neighborhood Development Investment Fund	To account for revenue earmarked for the Neighborhood Development Investment Fund.
Core City Program Funds	To account for revenue earmarked for certain economic and community development projects.
Supplemental Empowerment Zone	To account for revenue from the U.S. Department of Housing and Urban Development Program designed to help rebuild specified urban communities.

SPECIAL REVENUE FUNDS (for budgetary purposes only)

These funds are rolled into the General Fund for Modified Accrual Financial Statements.

Rainy Day Reserve Fund	To account for revenue which is eligible to be used during significant periods of economic downturn.
Schools Recreation and Cultural Activities Fund	To account for revenue from special taxes earmarked for Cleveland Municipal Schools for recreation and cultural activities.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of financial resources for and the payment of, general long-term debt principal, interest and related costs. The City's Debt Service Funds are described below:

Unvoted Tax Supported Obligations Fund	To account for the accumulation of resources for the payment of General Obligation Bonds of the City. These bonds do not require a vote of the electors, other than self-supporting obligations. They are payable from ad valorem property taxes levied within the limitations provided by law.
Stadium Bond Fund	To account for the accumulation of resources for the payment of nontax revenue bonds pertaining to the Stadium.
Subordinated Income Tax Fund	To account for the accumulation of resources for the payment of Subordinated Income Tax Variable Rate Refunding Bonds payable from pledged income taxes.
Lower Euclid Avenue TIF	To account for the accumulation of resources for the payment of Economic Development Bonds payable from tax increment financing revenues and a pledge of the non-tax revenue of the City.
Core City Bonds	To account for the accumulation of resources for the payment of taxable Economic and Community Development Bonds payable from non-tax and net project revenues.

DEBT SERVICE FUNDS (Continued)

Subordinate Lien Income Tax Fund	To account for the accumulation of resources for the payment of Subordinate Lien Income Tax Bonds payable from pledged income taxes.
Cleveland Stadium Debt Service Fund	To account for the accumulation of resources earmarked for the repayment of debt related to Cleveland Browns Stadium.
Urban Renewal Fund	To account for the accumulation of resources for the payment of tax increment Urban Renewal Bonds payable from deposits made in lieu of taxes.
Urban Renewal Reserve Fund	The account is to be maintained at an amount equal to one year's maximum annual debt service on certain Urban Renewal Bonds and can be used to cover any debt insufficiency payable from certain urban renewal bonds.

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The City's Capital Project Funds are described below:

Capital/Urban Renewal Bond Construction	To account for all bond proceeds and capital projects costs of bond-funded capital acquisitions, tax increment Urban Renewal Bond issues and construction within the City.
Grant Improvement	To account for capital grant revenues which fund Capital Improvement Projects within the City.
Capital Improvement	To account for miscellaneous revenues which fund capital projects.
Cleveland Stadium Construction	To account for bond proceeds and capital projects costs of the Cleveland Browns Stadium.

CITY OF CLEVELAND, OHIO

COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019
(Amounts in Thousands)

	Special Revenue Funds - Budgeted			
	<u>Division of Streets</u>	<u>Restricted Income Tax</u>	<u>Cleveland Stadium Operations</u>	<u>Total Budgeted Funds</u>
ASSETS				
Cash and cash equivalents	\$ 17,302	\$ 24,370	\$ 29,760	\$ 71,432
Investments				-
Receivables:				
Taxes		8,192		8,192
Accounts	2			2
Grants				-
Loans				-
Accrued interest			34	34
Assessments				-
Receivables, net	<u>2</u>	<u>8,192</u>	<u>34</u>	<u>8,228</u>
Due from other funds		2,277		2,277
Due from other governments	8,858			8,858
Prepaid expenditures and other assets	<u>128</u>			<u>128</u>
TOTAL ASSETS	<u>\$ 26,290</u>	<u>\$ 34,839</u>	<u>\$ 29,794</u>	<u>\$ 90,923</u>
LIABILITIES				
Accounts payable	\$ 943	\$ 423	\$ -	\$ 1,366
Accrued wages and benefits	1,098			1,098
Due to other governments			782	782
Unearned revenue				-
Due to other funds	<u>282</u>			<u>282</u>
Total liabilities	<u>2,323</u>	<u>423</u>	<u>782</u>	<u>3,528</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow	<u>6,040</u>	<u>3,475</u>		<u>9,515</u>
Total deferred inflows of resources	<u>6,040</u>	<u>3,475</u>	<u>-</u>	<u>9,515</u>
FUND BALANCES				
Nonspendable	128			128
Restricted	17,799	30,941	29,012	77,752
Committed				-
Assigned				-
Total fund balances	<u>17,927</u>	<u>30,941</u>	<u>29,012</u>	<u>77,880</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 26,290</u>	<u>\$ 34,839</u>	<u>\$ 29,794</u>	<u>\$ 90,923</u>

Special Revenue Funds - Non-Budgeted

Community Development Block Grants	Community Development Funds	Building and Housing Funds	Urban Development Action Funds	Economic Development Funds	WIOA Grants	General Government Funds
\$	\$ 2,535	\$ 698	\$ 16,523	\$ 18,273	\$	\$ 24,629
	2,422	331		206	227	213
5,895	6,955		16,352	58,528		
<u>1,703</u>	<u>1,015</u>	<u>3,325</u>				<u>29</u>
<u>7,598</u>	<u>10,392</u>	<u>3,656</u>	<u>16,352</u>	<u>58,734</u>	<u>227</u>	<u>242</u>
598	295	567				156
				14,506		857
	<u>2</u>					<u>6</u>
<u>\$ 8,196</u>	<u>\$ 13,224</u>	<u>\$ 4,921</u>	<u>\$ 32,875</u>	<u>\$ 91,513</u>	<u>\$ 227</u>	<u>\$ 25,890</u>
\$ 54	\$ 62	\$ 501	\$ 1	\$ 33	\$ 14	\$ 1,029
255	13				20	50
51	345			53,459	94	287
3,856	363	277		1,032		215
<u>2,384</u>	<u>392</u>	<u>868</u>	<u>2,455</u>	<u>1,048</u>	<u>99</u>	<u>181</u>
<u>6,600</u>	<u>1,175</u>	<u>1,646</u>	<u>2,456</u>	<u>55,572</u>	<u>227</u>	<u>1,762</u>
<u>1,596</u>	<u>999</u>	<u>3,261</u>		<u>14,506</u>		<u>448</u>
<u>1,596</u>	<u>999</u>	<u>3,261</u>	<u>-</u>	<u>14,506</u>	<u>-</u>	<u>448</u>
	2					6
	9,375	2		18,806		14,577
	1,673	12	30,419	2,629		9,097
<u>-</u>	<u>11,050</u>	<u>14</u>	<u>30,419</u>	<u>21,435</u>	<u>-</u>	<u>23,680</u>
<u>\$ 8,196</u>	<u>\$ 13,224</u>	<u>\$ 4,921</u>	<u>\$ 32,875</u>	<u>\$ 91,513</u>	<u>\$ 227</u>	<u>\$ 25,890</u>

(Continued)

CITY OF CLEVELAND, OHIO

**COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(Amounts in Thousands)**

	<u>Special Revenue Funds - Non-Budgeted</u>		
	<u>Public Works Funds</u>	<u>Public Safety Funds</u>	<u>Gateway Shared Income Tax Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,155	\$ 4,668	\$ 3,196
Investments			
Receivables:			
Taxes			
Accounts			
Grants		726	
Loans			
Accrued interest			
Assessments			
Receivables, net	<u>-</u>	<u>726</u>	<u>-</u>
Due from other funds	356	31	
Due from other governments			299
Prepaid expenditures and other assets		<u>2</u>	
TOTAL ASSETS	<u>\$ 1,511</u>	<u>\$ 5,427</u>	<u>\$ 3,495</u>
LIABILITIES			
Accounts payable	\$ 124	\$ 121	\$
Accrued wages and benefits		16	
Due to other governments	122	11	1,877
Unearned revenue	18	122	
Due to other funds		<u>18</u>	<u>1,398</u>
Total liabilities	<u>264</u>	<u>288</u>	<u>3,275</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow			220
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>220</u>
FUND BALANCE			
Nonspendable		2	
Restricted	488	3,927	
Committed	759	1,210	
Assigned			
Total fund balances	<u>1,247</u>	<u>5,139</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,511</u>	<u>\$ 5,427</u>	<u>\$ 3,495</u>

Special Revenue Funds - Non-Budgeted

Neighborhood Development Investment Fund	Core City Program Funds	Supplemental Empowerment Zone	Total Non-Budgeted Funds	Total Special Revenue Funds
\$ 3,761	\$ 18,703	\$ 9,766	\$ 103,907	\$ 175,339
			-	-
			-	8,192
			-	2
			4,125	4,125
2,499	14,617	10,572	115,418	115,418
	19		19	53
			6,072	6,072
<u>2,499</u>	<u>14,636</u>	<u>10,572</u>	<u>125,634</u>	<u>133,862</u>
		3,503	5,506	7,783
			15,662	24,520
			10	138
<u>\$ 6,260</u>	<u>\$ 33,339</u>	<u>\$ 23,841</u>	<u>\$ 250,719</u>	<u>\$ 341,642</u>
\$	\$	\$	\$ 1,939	\$ 3,305
			354	1,452
		23,841	80,087	80,869
			5,883	5,883
			8,843	9,125
<u>-</u>	<u>-</u>	<u>23,841</u>	<u>97,106</u>	<u>100,634</u>
			21,030	30,545
<u>-</u>	<u>-</u>	<u>-</u>	<u>21,030</u>	<u>30,545</u>
			10	138
	20,585		67,760	145,512
6,260	12,754		64,813	64,813
			-	-
<u>6,260</u>	<u>33,339</u>	<u>-</u>	<u>132,583</u>	<u>210,463</u>
<u>\$ 6,260</u>	<u>\$ 33,339</u>	<u>\$ 23,841</u>	<u>\$ 250,719</u>	<u>\$ 341,642</u>

(Continued)

CITY OF CLEVELAND, OHIO

**COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(Amounts in Thousands)**

	Debt Service Funds - Budgeted				
	Unvoted Tax Supported Obligations <u>Fund</u>	Stadium Bond <u>Fund</u>	Subordinated Income Tax <u>Fund</u>	Lower Euclid Avenue TIF <u>TIF</u>	Core City Bonds <u>Bonds</u>
ASSETS					
Cash and cash equivalents	\$ 3,451	\$ 11	\$ 3,262	\$ 1,800	\$ 3,518
Investments	9,713				
Receivables:					
Taxes	28,187				
Accounts					
Grants					
Loans					
Accrued interest	17		4	2	3
Assessments					
Receivables, net	<u>28,204</u>	<u>-</u>	<u>4</u>	<u>2</u>	<u>3</u>
Due from other funds					
Due from other governments	1,701				
Prepaid expenditures and other assets					
TOTAL ASSETS	<u>\$ 43,069</u>	<u>\$ 11</u>	<u>\$ 3,266</u>	<u>\$ 1,802</u>	<u>\$ 3,521</u>
LIABILITIES					
Accounts payable	\$	\$	\$	\$	\$
Accrued wages and benefits					
Due to other governments					
Unearned revenue					
Due to other funds					
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflow	<u>29,889</u>				
Total deferred inflows of resources	<u>29,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Nonspendable					
Restricted	13,180		3,266	1,802	3,521
Committed					
Assigned		11			
Total fund balances	<u>13,180</u>	<u>11</u>	<u>3,266</u>	<u>1,802</u>	<u>3,521</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 43,069</u>	<u>\$ 11</u>	<u>\$ 3,266</u>	<u>\$ 1,802</u>	<u>\$ 3,521</u>

Debt Service Funds						
Non-Budgeted						
Subordinate Lien Income Tax Fund	Total Budgeted Funds	Cleveland Stadium Debt Service Fund	Urban Renewal Fund	Urban Renewal Reserve Fund	Total Non- Budgeted Funds	Total Debt Service Funds
\$ 12,443	\$ 24,485 9,713	\$ 9,030	\$	\$	\$ 9,030	\$ 33,515 9,713
	28,187				-	28,187
	-				-	-
	-				-	-
	-				-	-
13	39	12			12	51
	-				-	-
<u>13</u>	<u>28,226</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>28,238</u>
	-				-	-
	1,701				-	1,701
	-				-	-
<u>\$ 12,456</u>	<u>\$ 64,125</u>	<u>\$ 9,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,042</u>	<u>\$ 73,167</u>
\$	\$ -	\$	\$	\$	\$ -	\$ -
	-				-	-
	-				-	-
	-				-	-
	-				-	-
	-				-	-
	-				-	-
	29,889				-	29,889
	29,889				-	29,889
	-				-	-
12,456	34,225	9,042			9,042	43,267
	-				-	-
	11				-	11
<u>12,456</u>	<u>34,236</u>	<u>9,042</u>	<u>-</u>	<u>-</u>	<u>9,042</u>	<u>43,278</u>
<u>\$ 12,456</u>	<u>\$ 64,125</u>	<u>\$ 9,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,042</u>	<u>\$ 73,167</u>

CITY OF CLEVELAND, OHIO

COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019

(Amounts in Thousands)

	Capital Projects Funds Non-Budgeted			
	Capital/ Urban Renewal Bond Construction	Grant Improvement	Capital Improvement	Cleveland Stadium Construction
ASSETS				
Cash and cash equivalents	\$ 228,070	\$	\$ 14,671	\$ 7,858
Investments				
Receivables:				
Taxes				
Accounts				
Grants		655		
Loans				
Accrued interest	291			5
Assessments				
Receivables, net	<u>291</u>	<u>655</u>	<u>-</u>	<u>5</u>
Due from other funds		6		
Due from other governments				
Prepaid expenditures and other assets				
TOTAL ASSETS	<u>\$ 228,361</u>	<u>\$ 661</u>	<u>\$ 14,671</u>	<u>\$ 7,863</u>
LIABILITIES				
Accounts payable	\$ 7,687	\$ 47	\$ 3,588	\$ 1,330
Accrued wages and benefits				
Due to other governments				
Unearned revenue		154		
Due to other funds	6	460		
Total liabilities	<u>7,693</u>	<u>661</u>	<u>3,588</u>	<u>1,330</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable				
Restricted	220,668		11,083	6,533
Committed				
Assigned				
Total fund balances	<u>220,668</u>	<u>-</u>	<u>11,083</u>	<u>6,533</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 228,361</u>	<u>\$ 661</u>	<u>\$ 14,671</u>	<u>\$ 7,863</u>

Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 250,599	\$ 459,453
-	9,713
-	36,379
-	2
655	4,780
-	115,418
296	400
-	6,072
<u>951</u>	<u>163,051</u>
6	7,789
-	26,221
<u>-</u>	<u>138</u>
<u>\$ 251,556</u>	<u>\$ 666,365</u>
\$ 12,652	\$ 15,957
-	1,452
-	80,869
154	6,037
466	9,591
<u>13,272</u>	<u>113,906</u>
<u>-</u>	<u>60,434</u>
<u>-</u>	<u>60,434</u>
-	138
238,284	427,063
-	64,813
-	11
<u>238,284</u>	<u>492,025</u>
<u>\$ 251,556</u>	<u>\$ 666,365</u>

(Concluded)

CITY OF CLEVELAND, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands)**

	Special Revenue Funds - Budgeted			
	Division of Streets	Restricted Income Tax	Cleveland Stadium Operations	Total Budgeted Funds
REVENUES:				
Income taxes	\$	\$ 54,088	\$	\$ 54,088
Property taxes				-
Other shared revenues	15,871		4,699	20,570
Licenses and permits	1,048			1,048
Charges for services	41		250	291
Fines, forfeits and settlements				-
Investment earnings	43	442	505	990
Grants				-
Contributions				-
Miscellaneous	166			166
Total revenues	<u>17,169</u>	<u>54,530</u>	<u>5,454</u>	<u>77,153</u>
EXPENDITURES:				
Current:				
General Government				-
Public Works	28,253		963	29,216
Public Safety				-
Community Development				-
Building and Housing				-
Economic Development				-
Capital outlay	5,553	6,923		12,476
Debt service:				
Principal retirement		2,056		2,056
Interest		600		600
General Government				-
Other		1,080		1,080
Total expenditures	<u>33,806</u>	<u>10,659</u>	<u>963</u>	<u>45,428</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,637)</u>	<u>43,871</u>	<u>4,491</u>	<u>31,725</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	27,675		10,598	38,273
Transfers out		(36,507)	(12,859)	(49,366)
Issuance of bonds				-
Premium on bonds				-
Sale of City assets				-
Issuance of Loans				-
Total other financing sources (uses)	<u>27,675</u>	<u>(36,507)</u>	<u>(2,261)</u>	<u>(11,093)</u>
NET CHANGE IN FUND BALANCES	11,038	7,364	2,230	20,632
FUND BALANCES AT BEGINNING OF YEAR	<u>6,889</u>	<u>23,577</u>	<u>26,782</u>	<u>57,248</u>
FUND BALANCES AT END OF YEAR	<u>\$ 17,927</u>	<u>\$ 30,941</u>	<u>\$ 29,012</u>	<u>\$ 77,880</u>

Special Revenue Funds - Non-Budgeted						
Community Development Block Grants	Community Development Funds	Building and Housing Funds	Urban Development Action Funds	Economic Development Funds	WIOA Grants	General Government Funds
\$	\$	\$	\$	\$	\$	\$
				13,143		1,670
						2
450	191	333				1,772
144						2,086
7	49			17		240
19,864	8,517	1,416	271	810	1,371	1,029
						2
176	3		79	669	7	758
<u>20,641</u>	<u>8,760</u>	<u>1,749</u>	<u>350</u>	<u>14,639</u>	<u>1,378</u>	<u>7,559</u>
					1,378	4,118
20,581	6,987					
		1,749				
			5,034	17,503		
60						3,087
				14		
				15		
<u>20,641</u>	<u>6,987</u>	<u>1,749</u>	<u>5,034</u>	<u>17,532</u>	<u>1,378</u>	<u>7,205</u>
-	1,773		(4,684)	(2,893)	-	354
	170		6,000	1,805		133
			(866)	(560)		
				1,185		
				601		
-	170	-	5,134	3,031	-	133
-	1,943	-	450	138	-	487
	9,107	14	29,969	21,297		23,193
<u>\$ -</u>	<u>\$ 11,050</u>	<u>\$ 14</u>	<u>\$ 30,419</u>	<u>\$ 21,435</u>	<u>\$ -</u>	<u>\$ 23,680</u>

(Continued)

CITY OF CLEVELAND, OHIO

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

(Amounts in Thousands)

	<u>Special Revenue Funds - Non-Budgeted</u>		
	<u>Public Works Funds</u>	<u>Public Safety Funds</u>	<u>Gateway Shared Income Tax Funds</u>
REVENUES:			
Income taxes	\$	\$	\$
Property taxes			
Other shared revenues			
Licenses and permits	20		
Charges for services	139		
Fines, forfeits and settlements		1,153	
Investment earnings	12	92	
Grants	191	2,354	
Contributions		12	
Miscellaneous		57	
Total revenues	<u>362</u>	<u>3,668</u>	<u>-</u>
EXPENDITURES:			
Current:			
General Government			
Public Works	209		
Public Safety		4,452	
Community Development			
Building and Housing			
Economic Development			
Capital outlay		719	
Debt service:			
Principal retirement			
Interest			
General Government			
Other			
Total expenditures	<u>209</u>	<u>5,171</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>153</u>	<u>(1,503)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfers in			
Transfers out			
Issuance of bonds			
Premium on bonds			
Sale of City assets			
Issuance of Loans			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	153	(1,503)	-
FUND BALANCES AT BEGINNING OF YEAR	<u>1,094</u>	<u>6,642</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,247</u>	<u>\$ 5,139</u>	<u>\$ -</u>

Special Revenue Funds - Non-Budgeted				
Neighborhood Development Investment Fund	Core City Program Funds	Supplemental Empowerment Zone	Total Non- Budgeted Funds	Total Special Revenue Funds
\$	\$	\$	\$	\$
			-	54,088
			-	-
56	165	16	15,050	35,620
			22	1,070
			2,885	3,176
			3,383	3,383
	426	43	886	1,876
		728	36,551	36,551
			14	14
2,160	100	1,342	5,351	5,517
2,216	691	2,129	64,142	141,295
			5,496	5,496
			209	29,425
			4,452	4,452
			27,568	27,568
			1,749	1,749
1,043	311	2,129	26,020	26,020
			3,866	16,342
			-	-
			14	2,070
			15	615
			-	-
			-	1,080
1,043	311	2,129	69,389	114,817
1,173	380	-	(5,247)	26,478
			8,108	46,381
(1,109)	(2,078)		(4,613)	(53,979)
			-	-
			-	-
			1,185	1,185
			601	601
(1,109)	(2,078)	-	5,281	(5,812)
64	(1,698)	-	34	20,666
6,196	35,037		132,549	189,797
\$ 6,260	\$ 33,339	\$ -	\$ 132,583	\$ 210,463

(Continued)

CITY OF CLEVELAND, OHIO

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

(Amounts in Thousands)

	Debt Service Funds - Budgeted				
	Unvoted Tax Supported Obligations Fund	Stadium Bond Fund	Subordinated Income Tax Fund	Lower Euclid Avenue TIF	Core City Bonds
REVENUES:					
Income taxes	\$	\$	\$	\$	\$
Property taxes	19,675				
Other shared revenues	1,663				
Licenses and permits					
Charges for services					
Fines, forfeits and settlements					
Investment earnings	573	13	56	31	80
Grants					
Contributions					
Miscellaneous					
Total revenues	<u>21,911</u>	<u>13</u>	<u>56</u>	<u>31</u>	<u>80</u>
EXPENDITURES:					
Current:					
General Government					
Public Works					
Public Safety					
Community Development					
Building and Housing					
Economic Development					
Capital outlay					
Debt service:					
Principal retirement	25,340	1,475	4,245	218	2,200
Interest	13,311	151	1,343	145	1,356
General Government					
Other					
Total expenditures	<u>38,651</u>	<u>1,626</u>	<u>5,588</u>	<u>363</u>	<u>3,556</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,740)</u>	<u>(1,613)</u>	<u>(5,532)</u>	<u>(332)</u>	<u>(3,476)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	18,280	1,615	5,679	560	4,113
Transfers out					
Issuance of bonds					
Premium on bonds					
Sale of City assets					
Issuance of Loans					
Total other financing sources (uses)	<u>18,280</u>	<u>1,615</u>	<u>5,679</u>	<u>560</u>	<u>4,113</u>
NET CHANGE IN FUND BALANCES	1,540	2	147	228	637
FUND BALANCES AT BEGINNING OF YEAR	<u>11,640</u>	<u>9</u>	<u>3,119</u>	<u>1,574</u>	<u>2,884</u>
FUND BALANCES AT END OF YEAR	<u>\$ 13,180</u>	<u>\$ 11</u>	<u>\$ 3,266</u>	<u>\$ 1,802</u>	<u>\$ 3,521</u>

Debt Service Funds						
Non-Budgeted						
Subordinate Lien Income Tax Fund	Total Budgeted Funds	Cleveland Stadium Debt Service Fund	Urban Renewal Fund	Urban Renewal Reserve Fund	Total Non- Budgeted Funds	Total Debt Service Funds
\$	\$ -	\$	\$	\$	\$ -	\$ -
	19,675				-	19,675
	1,663				-	1,663
	-				-	-
	-				-	-
	-				-	-
359	1,112	190	4		194	1,306
	-				-	-
	-				-	-
456	456				-	456
<u>815</u>	<u>22,906</u>	<u>190</u>	<u>4</u>	<u>-</u>	<u>194</u>	<u>23,100</u>
	-				-	-
	-				-	-
	-				-	-
	-				-	-
	-				-	-
	-				-	-
	-				-	-
12,430	45,908	7,445			7,445	53,353
15,837	32,143	2,210			2,210	34,353
	-			1	1	1
	-				-	-
<u>28,267</u>	<u>78,051</u>	<u>9,655</u>	<u>-</u>	<u>1</u>	<u>9,656</u>	<u>87,707</u>
<u>(27,452)</u>	<u>(55,145)</u>	<u>(9,465)</u>	<u>4</u>	<u>(1)</u>	<u>(9,462)</u>	<u>(64,607)</u>
23,507	53,754	9,869			9,869	63,623
	-		(735)	(206)	(941)	(941)
	-				-	-
	-				-	-
	-				-	-
<u>23,507</u>	<u>53,754</u>	<u>9,869</u>	<u>(735)</u>	<u>(206)</u>	<u>8,928</u>	<u>62,682</u>
(3,945)	(1,391)	404	(731)	(207)	(534)	(1,925)
<u>16,401</u>	<u>35,627</u>	<u>8,638</u>	<u>731</u>	<u>207</u>	<u>9,576</u>	<u>45,203</u>
<u>\$ 12,456</u>	<u>\$ 34,236</u>	<u>\$ 9,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,042</u>	<u>\$ 43,278</u>

CITY OF CLEVELAND, OHIO

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

(Amounts in Thousands)

	Capital Projects Funds		
	Non-Budgeted		
	<u>Capital/ Urban Renewal Bond Construction</u>	<u>Grant Improvement</u>	<u>Capital Improvement</u>
REVENUES:			
Income taxes	\$	\$	\$
Property taxes			
Other shared revenues			240
Licenses and permits			
Charges for services			
Fines, forfeits and settlements			
Investment earnings	4,763		74
Grants		7,918	
Contributions			1,773
Miscellaneous			
Total revenues	<u>4,763</u>	<u>7,918</u>	<u>2,087</u>
EXPENDITURES:			
Current:			
General Government			
Public Works			
Public Safety			
Community Development			
Building and Housing			
Economic Development			
Capital outlay	64,463	7,918	2,070
Debt service:			
Principal retirement			
Interest			
General Government	449		
Other			
Total expenditures	<u>64,912</u>	<u>7,918</u>	<u>2,070</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,149)</u>	<u>-</u>	<u>17</u>
OTHER FINANCING SOURCES (USES):			
Transfers in			941
Transfers out	(5,280)		
Issuance of bonds	51,015		
Premium on bonds	5,740		
Sale of City assets			
Issuance of Loans			
Total other financing sources (uses)	<u>51,475</u>	<u>-</u>	<u>941</u>
NET CHANGE IN FUND BALANCES	(8,674)	-	958
FUND BALANCES AT BEGINNING OF YEAR	<u>229,342</u>		<u>10,125</u>
FUND BALANCES AT END OF YEAR	<u>\$ 220,668</u>	<u>\$ -</u>	<u>\$ 11,083</u>

<u>Cleveland Stadium Construction</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$	\$	\$
	-	54,088
	-	19,675
	240	37,523
	-	1,070
	-	3,176
	-	3,383
92	4,929	8,111
	7,918	44,469
	1,773	1,787
	-	5,973
<u>92</u>	<u>14,860</u>	<u>179,255</u>
	-	5,496
	-	29,425
	-	4,452
	-	27,568
	-	1,749
	-	26,020
3,388	77,839	94,181
	-	55,423
	-	34,968
	449	450
	-	1,080
<u>3,388</u>	<u>78,288</u>	<u>280,812</u>
<u>(3,296)</u>	<u>(63,428)</u>	<u>(101,557)</u>
5,840	6,781	116,785
	(5,280)	(60,200)
	51,015	51,015
	5,740	5,740
	-	1,185
	-	601
<u>5,840</u>	<u>58,256</u>	<u>115,126</u>
2,544	(5,172)	13,569
<u>3,989</u>	<u>243,456</u>	<u>478,456</u>
<u>\$ 6,533</u>	<u>\$ 238,284</u>	<u>\$ 492,025</u>

(Concluded)

CITY OF CLEVELAND, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
BUDGETED SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands)**

	Division of Streets			
	Original Budget	Revised Budget	Actual	Variance- Positive (Negative)
REVENUES:				
Income taxes	\$	\$	\$	\$ -
Other shared revenues	13,626	15,476	15,123	(353)
Licenses and permits	890	1,250	1,046	(204)
Charges for services	4,435	213	205	(8)
Investment earnings	10	18	43	25
Miscellaneous		3	3	-
Total revenues	<u>18,961</u>	<u>16,960</u>	<u>16,420</u>	<u>(540)</u>
EXPENDITURES:				
Current:				
Public Works:				
Personnel	18,688	19,388	18,775	613
Other	8,945	9,646	9,614	32
Capital outlay	7,373	7,373	7,359	14
Principal retirement				-
Interest				-
Total expenditures	<u>35,006</u>	<u>36,407</u>	<u>35,748</u>	<u>659</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,045)</u>	<u>(19,447)</u>	<u>(19,328)</u>	<u>119</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	11,444	27,846	27,675	(171)
Transfers out				-
Total other financing sources (uses)	<u>11,444</u>	<u>27,846</u>	<u>27,675</u>	<u>(171)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(4,601)</u>	<u>8,399</u>	<u>8,347</u>	<u>(52)</u>
DECERTIFICATION OF PRIOR YEAR ENCUMBRANCES AND PRE-ENCUMBRANCES			106	106
FUND BALANCES AT BEGINNING OF YEAR	<u>4,601</u>	<u>4,601</u>	<u>4,601</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 13,054</u>	<u>\$ 54</u>

Restricted Income Tax				Rainy Day Reserve Fund			
Original Budget	Revised Budget	Actual	Variance-Positive (Negative)	Original Budget	Revised Budget	Actual	Variance-Positive (Negative)
\$ 53,109	\$ 53,859	\$ 55,219	\$ 1,360	\$	\$	\$	\$ -
			-				-
			-				-
300	300	442	142	500	500	630	130
			-				-
<u>53,409</u>	<u>54,159</u>	<u>55,661</u>	<u>1,502</u>	<u>500</u>	<u>500</u>	<u>630</u>	<u>130</u>
			-				-
			-				-
13,659	13,635	13,635	-				-
3,136	3,140	3,136	4				-
596	596	600	(4)				-
<u>17,391</u>	<u>17,371</u>	<u>17,371</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
			-				-
<u>36,018</u>	<u>36,788</u>	<u>38,290</u>	<u>1,502</u>	<u>500</u>	<u>500</u>	<u>630</u>	<u>130</u>
			-		5,000	5,000	-
<u>(36,488)</u>	<u>(36,507)</u>	<u>(36,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(36,488)</u>	<u>(36,507)</u>	<u>(36,507)</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
			-				-
(470)	281	1,783	1,502	500	5,500	5,630	130
			-				-
			-				-
<u>470</u>	<u>470</u>	<u>470</u>	<u>-</u>	<u>31,443</u>	<u>31,443</u>	<u>31,443</u>	<u>-</u>
			-				-
<u>\$ -</u>	<u>\$ 751</u>	<u>\$ 2,253</u>	<u>\$ 1,502</u>	<u>\$ 31,943</u>	<u>\$ 36,943</u>	<u>\$ 37,073</u>	<u>\$ 130</u>

(Continued)

CITY OF CLEVELAND, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
BUDGETED SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands)**

	<u>Schools Recreation and Cultural Activities</u>			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
REVENUES:				
Income taxes	\$	\$	\$	\$ -
Other shared revenues				-
Licenses and permits				-
Charges for services				-
Investment earnings				-
Miscellaneous				-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public Works:				
Personnel				-
Other	1,125	1,125	1,125	-
Capital outlay				-
Principal retirement				-
Interest				-
Total expenditures	<u>1,125</u>	<u>1,125</u>	<u>1,125</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,125)</u>	<u>(1,125)</u>	<u>(1,125)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,125	1,125	1,125	-
Transfers out				-
Total other financing sources (uses)	<u>1,125</u>	<u>1,125</u>	<u>1,125</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DECERTIFICATION OF PRIOR YEAR ENCUMBRANCES AND PRE-ENCUMBRANCES				-
FUND BALANCES AT BEGINNING OF YEAR				-
FUND BALANCES AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Cleveland Stadium Operations				Totals			
Original Budget	Revised Budget	Actual	Variance-Positive (Negative)	Original Budget	Revised Budget	Actual	Variance-Positive (Negative)
\$ 4,333	\$ 4,333	\$ 4,699	\$ - 366	\$ 53,109	\$ 53,859	\$ 55,219	\$ 1,360
				17,959	19,809	19,822	13
250	250	250	-	890	1,250	1,046	(204)
		498	-	4,685	463	455	(8)
			498	810	818	1,613	795
			-	-	3	3	-
<u>4,583</u>	<u>4,583</u>	<u>5,447</u>	<u>864</u>	<u>77,453</u>	<u>76,202</u>	<u>78,158</u>	<u>1,956</u>
			-	18,688	19,388	18,775	613
1,149	1,149	944	205	11,219	11,920	11,683	237
			-	21,032	21,008	20,994	14
			-	3,136	3,140	3,136	4
			-	596	596	600	(4)
<u>1,149</u>	<u>1,149</u>	<u>944</u>	<u>205</u>	<u>54,671</u>	<u>56,052</u>	<u>55,188</u>	<u>864</u>
<u>3,434</u>	<u>3,434</u>	<u>4,503</u>	<u>1,069</u>	<u>22,782</u>	<u>20,150</u>	<u>22,970</u>	<u>2,820</u>
10,598	10,598	10,598	-	23,167	44,569	44,398	(171)
(12,369)	(12,859)	(12,859)	-	(48,857)	(49,366)	(49,366)	-
(1,771)	(2,261)	(2,261)	-	(25,690)	(4,797)	(4,968)	(171)
1,663	1,173	2,242	1,069	(2,908)	15,353	18,002	2,649
			-	-	-	106	106
<u>27,518</u>	<u>27,518</u>	<u>27,518</u>	<u>-</u>	<u>64,032</u>	<u>64,032</u>	<u>64,032</u>	<u>-</u>
<u>\$ 29,181</u>	<u>\$ 28,691</u>	<u>\$ 29,760</u>	<u>\$ 1,069</u>	<u>\$ 61,124</u>	<u>\$ 79,385</u>	<u>\$ 82,140</u>	<u>\$ 2,755</u>

(Concluded)

CITY OF CLEVELAND, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUDGETED DEBT SERVICE FUNDS-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	Unvoted Tax Supported Obligations Fund			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 19,588	\$ 19,588	\$ 19,675	\$ 87
Other shared revenues	1,889	1,889	1,663	(226)
Investment earnings	325	325	603	278
Miscellaneous				-
Total revenues	<u>21,802</u>	<u>21,802</u>	<u>21,941</u>	<u>139</u>
EXPENDITURES:				
Principal retirement	25,340	25,340	25,340	-
Interest	<u>13,435</u>	<u>13,405</u>	<u>13,311</u>	<u>94</u>
Total expenditures	<u>38,775</u>	<u>38,745</u>	<u>38,651</u>	<u>94</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,973)</u>	<u>(16,943)</u>	<u>(16,710)</u>	<u>233</u>
OTHER FINANCING SOURCES (USES):				
Transfers in:				
From other subfunds			5,280	5,280
Restricted income tax fund	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Total other financing sources (uses)	<u>13,000</u>	<u>13,000</u>	<u>18,280</u>	<u>5,280</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(3,973)</u>	<u>(3,943)</u>	<u>1,570</u>	<u>5,513</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>11,591</u>	<u>11,591</u>	<u>11,591</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 7,618</u>	<u>\$ 7,648</u>	<u>\$ 13,161</u>	<u>\$ 5,513</u>

Stadium Bond Fund				Subordinated Income Tax Fund			
<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance-Positive (Negative)</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance-Positive (Negative)</u>
\$	\$	\$	\$	\$	\$	\$	\$
			-				-
8	8	13	5	15	15	57	42
			-				-
<u>8</u>	<u>8</u>	<u>13</u>	<u>5</u>	<u>15</u>	<u>15</u>	<u>57</u>	<u>42</u>
1,475	1,475	1,475	-	4,245	4,245	4,245	-
151	151	151	-	1,343	1,343	1,343	-
<u>1,626</u>	<u>1,626</u>	<u>1,626</u>	<u>-</u>	<u>5,588</u>	<u>5,588</u>	<u>5,588</u>	<u>-</u>
(1,618)	(1,618)	(1,613)	5	(5,573)	(5,573)	(5,531)	42
1,626	1,626	1,615	(11)	5,679	5,679	5,679	-
			-				-
<u>1,626</u>	<u>1,626</u>	<u>1,615</u>	<u>(11)</u>	<u>5,679</u>	<u>5,679</u>	<u>5,679</u>	<u>-</u>
8	8	2	(6)	106	106	148	42
9	9	9	-	3,114	3,114	3,114	-
<u>\$ 17</u>	<u>\$ 17</u>	<u>\$ 11</u>	<u>\$ (6)</u>	<u>\$ 3,220</u>	<u>\$ 3,220</u>	<u>\$ 3,262</u>	<u>\$ 42</u>

(Continued)

CITY OF CLEVELAND, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUDGETED DEBT SERVICE FUNDS-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	Lower Euclid Avenue TIF				Core City Bonds			
	Original Budget	Revised Budget	Actual	Variance- Positive (Negative)	Original Budget	Revised Budget	Actual	Variance- Positive (Negative)
REVENUES:								
Property taxes	\$	\$	\$	\$ -	\$	\$	\$	\$ -
Other shared revenues				-				-
Investment earnings			30	30	55	55	81	26
Miscellaneous				-				-
Total revenues	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>	<u>55</u>	<u>55</u>	<u>81</u>	<u>26</u>
EXPENDITURES:								
Principal retirement	218	218	218	-	2,200	2,200	2,200	-
Interest	<u>145</u>	<u>145</u>	<u>145</u>	<u>-</u>	<u>1,365</u>	<u>1,395</u>	<u>1,356</u>	<u>39</u>
Total expenditures	<u>363</u>	<u>363</u>	<u>363</u>	<u>-</u>	<u>3,565</u>	<u>3,595</u>	<u>3,556</u>	<u>39</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(363)</u>	<u>(363)</u>	<u>(333)</u>	<u>30</u>	<u>(3,510)</u>	<u>(3,540)</u>	<u>(3,475)</u>	<u>65</u>
OTHER FINANCING SOURCES (USES):								
Transfers in:								
From other subfunds	363	363	560	197	3,595	3,595	4,113	518
Restricted income tax fund				-				-
Total other financing sources (uses)	<u>363</u>	<u>363</u>	<u>560</u>	<u>197</u>	<u>3,595</u>	<u>3,595</u>	<u>4,113</u>	<u>518</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>227</u>	<u>227</u>	<u>85</u>	<u>55</u>	<u>638</u>	<u>583</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,572</u>	<u>1,572</u>	<u>1,572</u>	<u>-</u>	<u>2,880</u>	<u>2,880</u>	<u>2,880</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,572</u>	<u>\$ 1,572</u>	<u>\$ 1,799</u>	<u>\$ 227</u>	<u>\$ 2,965</u>	<u>\$ 2,935</u>	<u>\$ 3,518</u>	<u>\$ 583</u>

Subordinate Lien Income Tax Bonds				Totals			
Original Budget	Revised Budget	Actual	Variance- Positive (Negative)	Original Budget	Revised Budget	Actual	Variance- Positive (Negative)
\$	\$	\$	\$ -	\$ 19,588	\$ 19,588	\$ 19,675	\$ 87
			-	1,889	1,889	1,663	(226)
211	211	373	162	614	614	1,157	543
456	456	456	-	456	456	456	-
667	667	829	162	22,547	22,547	22,951	404
12,430	12,430	12,430	-	45,908	45,908	45,908	-
15,837	15,837	15,837	-	32,276	32,276	32,143	133
28,267	28,267	28,267	-	78,184	78,184	78,051	133
(27,600)	(27,600)	(27,438)	162	(55,637)	(55,637)	(55,100)	537
			-	11,263	11,263	17,247	5,984
23,507	23,507	23,507	-	36,507	36,507	36,507	-
23,507	23,507	23,507	-	47,770	47,770	53,754	5,984
(4,093)	(4,093)	(3,931)	162	(7,867)	(7,867)	(1,346)	6,521
16,374	16,374	16,374	-	35,540	35,540	35,540	-
\$ 12,281	\$ 12,281	\$ 12,443	\$ 162	\$ 27,673	\$ 27,673	\$ 34,194	\$ 6,521

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CITY OF CLEVELAND, OHIO

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private sector businesses where the intent of the governing body is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. The City's nonmajor Enterprise Funds are as follows:

Public Auditorium

The Public Auditorium is a multi-purpose performing arts, entertainment and conference center. It was constructed in the grand opera tradition and features a spacious 21,780 square foot registration lobby, a 10,000 seat auditorium, the 3,000 seat Cleveland Music Hall and 600 seat Little Theater.

West Side Market

The West Side Market provides a public market where Cleveland area residents can purchase a variety of quality foods in a centralized location.

East Side Market

The East Side Market provides a public market where Cleveland area residents can purchase a variety of quality foods in a centralized location.

Municipal Parking Lots

The Division of Parking was established to provide municipal parking within the City's limits.

Cemeteries

The Division of Cemeteries was established to provide interment and cremation services for the City and its neighboring communities.

Golf Courses

The Golf Course Division was established to provide the City and neighboring communities with recreational facilities for golfing and cross country skiing. Currently, one of the City golf courses is being leased out. Seneca is being leased by Cleveland Metroparks.

CITY OF CLEVELAND, OHIO

**COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2019
(Amounts in Thousands)**

	<u>Public Auditorium</u>	<u>West Side Market</u>	<u>East Side Market</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 35	\$ 758	\$
Receivables:			
Accounts	191		
Accrued interest			
Less: Allowance for doubtful accounts	<u>(51)</u>		
Receivables, net	<u>140</u>	<u>-</u>	<u>-</u>
Due from other funds			
Inventory of supplies			
Prepaid expenses and other assets	<u>11</u>	<u>3</u>	
Total current assets	<u>186</u>	<u>761</u>	<u>-</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents			
Accrued interest receivable			
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:			
Land	4,261	198	413
Land improvements		848	484
Buildings, structures and improvements	25,847	15,213	2,400
Furniture, fixtures, equipment and vehicles	1,071	1,809	450
Construction in progress	2,646	111	5,841
Less: Accumulated depreciation	<u>(22,033)</u>	<u>(11,677)</u>	<u>(2,824)</u>
Total capital assets, net	<u>11,792</u>	<u>6,502</u>	<u>6,764</u>
Total noncurrent assets	<u>11,792</u>	<u>6,502</u>	<u>6,764</u>
Total assets	<u>11,978</u>	<u>7,263</u>	<u>6,764</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding			
Pension	751	181	
OPEB	<u>67</u>	<u>22</u>	
Total deferred outflows of resources	<u>818</u>	<u>203</u>	<u>-</u>

<u>Municipal Parking Lots</u>	<u>Cemeteries</u>	<u>Golf Courses</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 7,664	\$ 23	\$ 942	\$ 9,422
15			206
7			7
<u>22</u>	<u>-</u>	<u>-</u>	<u>(51)</u>
<u>12</u>			<u>12</u>
7	5		5
<u>7,705</u>	<u>36</u>	<u>942</u>	<u>9,630</u>
8,908	5,361		14,269
<u>11</u>			<u>11</u>
<u>8,919</u>	<u>5,361</u>	<u>-</u>	<u>14,280</u>
5,478	1,259	1,822	13,431
4,374	5,692	4,083	15,481
56,483	7,445	1,965	109,353
2,213	642	334	6,519
4,478	6,050		19,126
<u>(35,469)</u>	<u>(6,839)</u>	<u>(5,411)</u>	<u>(84,253)</u>
<u>37,557</u>	<u>14,249</u>	<u>2,793</u>	<u>79,657</u>
<u>46,476</u>	<u>19,610</u>	<u>2,793</u>	<u>93,937</u>
<u>54,181</u>	<u>19,646</u>	<u>3,735</u>	<u>103,567</u>
279			279
507	505		1,944
<u>67</u>	<u>68</u>		<u>224</u>
<u>853</u>	<u>573</u>	<u>-</u>	<u>2,447</u>

(Continued)

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS DECEMBER 31, 2019 (Amounts in Thousands)

	<u>Public Auditorium</u>	<u>West Side Market</u>	<u>East Side Market</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 82	\$ 194	\$
Accrued wages and benefits	115	86	
Due to other funds	67	24	
Due to other governments			
Accrued interest payable			
Current portion of long-term obligations			
Total current liabilities	264	304	-
Long-term liabilities:			
Accrued wages and benefits	21	11	
Revenue bonds payable			
Net pension liability	2,320	548	
Net OPEB liability	967	259	
Total liabilities	3,572	1,122	-
DEFERRED INFLOWS OF RESOURCES			
Derivative instruments-interest rate swaps			
Pension	43	8	
OPEB	2	1	
Total deferred inflows of resources	45	9	-
NET POSITION			
Net investment in capital assets	11,792	6,502	6,764
Restricted for debt service			
Unrestricted	(2,613)	(167)	
Total net position	\$ 9,179	\$ 6,335	\$ 6,764

<u>Municipal Parking Lots</u>	<u>Cceteries</u>	<u>Golf Courses</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 559	\$ 9	\$ 95	\$ 939
107	113		421
76	13		180
245			245
172			172
<u>3,540</u>			<u>3,540</u>
<u>4,699</u>	<u>135</u>	<u>95</u>	<u>5,497</u>
6	14		52
7,816			7,816
1,644	1,644		6,156
777	777		2,780
<u>14,942</u>	<u>2,570</u>	<u>95</u>	<u>22,301</u>
14			14
26	26		103
2	2		7
<u>42</u>	<u>28</u>	<u>-</u>	<u>124</u>
29,601	14,249	2,793	71,701
5,776			5,776
<u>4,673</u>	<u>3,372</u>	<u>847</u>	<u>6,112</u>
<u>\$ 40,050</u>	<u>\$ 17,621</u>	<u>\$ 3,640</u>	<u>\$ 83,589</u>

(Concluded)

CITY OF CLEVELAND, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION-NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	<u>Public Auditorium</u>	<u>West Side Market</u>	<u>East Side Market</u>
OPERATING REVENUES:			
Charges for services	\$ 1,253	\$ 1,363	\$ -
Total operating revenue	<u>1,253</u>	<u>1,363</u>	<u>-</u>
OPERATING EXPENSES:			
Operations	3,182	1,797	
Maintenance	10	18	
Depreciation	296	601	60
Total operating expenses	<u>3,488</u>	<u>2,416</u>	<u>60</u>
OPERATING INCOME (LOSS)	<u>(2,235)</u>	<u>(1,053)</u>	<u>(60)</u>
NON-OPERATING REVENUE (EXPENSES):			
Investment income (loss)		17	
Interest expense			
Gain (Loss) on disposal of capital assets	(3)		
Other revenues (expenses)			
Total non-operating revenues (expenses)	<u>(3)</u>	<u>17</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,238)	(1,036)	(60)
Capital contributions	2,642	75	210
Transfers in	<u>1,485</u>		
CHANGE IN NET POSITION	1,889	(961)	150
NET POSITION AT BEGINNING OF YEAR	<u>7,290</u>	<u>7,296</u>	<u>6,614</u>
NET POSITION AT END OF YEAR	<u>\$ 9,179</u>	<u>\$ 6,335</u>	<u>\$ 6,764</u>

Municipal Parking Lots	Cemeteries	Golf Courses	Total Nonmajor Enterprise Funds
\$ 9,621	\$ 1,405	\$ 398	\$ 14,040
<u>9,621</u>	<u>1,405</u>	<u>398</u>	<u>14,040</u>
4,991	2,570	1,161	13,701
88	2		118
<u>1,581</u>	<u>598</u>	<u>103</u>	<u>3,239</u>
<u>6,660</u>	<u>3,170</u>	<u>1,264</u>	<u>17,058</u>
<u>2,961</u>	<u>(1,765)</u>	<u>(866)</u>	<u>(3,018)</u>
331	131		479
(788)			(788)
		16	(3)
		<u>16</u>	<u>16</u>
<u>(457)</u>	<u>131</u>	<u>16</u>	<u>(296)</u>
2,504	(1,634)	(850)	(3,314)
463	1,189		4,579
	117	929	2,531
<u>2,967</u>	<u>(328)</u>	<u>79</u>	<u>3,796</u>
<u>37,083</u>	<u>17,949</u>	<u>3,561</u>	<u>79,793</u>
<u>\$ 40,050</u>	<u>\$ 17,621</u>	<u>\$ 3,640</u>	<u>\$ 83,589</u>

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands)

	<u>Public Auditorium</u>	<u>West Side Market</u>	<u>East Side Market</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,202	\$ 1,361	\$
Cash payments to suppliers for goods or services	(1,427)	(1,097)	
Cash payments to employees for services	(1,500)	(515)	
Net cash provided by (used for) operating activities	<u>(1,725)</u>	<u>(251)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received through transfers from other funds	1,485		
Cash received for royalties			
Net cash provided by (used for) noncapital financing activities	<u>1,485</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt			
Interest paid on long-term debt			
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments		17	
Net cash provided by (used for) investing activities	<u>-</u>	<u>17</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(240)	(234)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>275</u>	<u>992</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 35</u>	<u>\$ 758</u>	<u>\$ -</u>

<u>Municipal Parking Lots</u>	<u>Cemeteries</u>	<u>Golf Courses</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 9,699	\$ 1,406	\$ 399	\$ 14,067
(3,077)	(939)	(1,105)	(7,645)
<u>(1,156)</u>	<u>(1,282)</u>	<u>(706)</u>	<u>(4,453)</u>
<u>5,466</u>	<u>(815)</u>	<u>(706)</u>	<u>1,969</u>
	117	929	2,531
		<u>16</u>	<u>16</u>
<u>-</u>	<u>117</u>	<u>945</u>	<u>2,547</u>
(3,370)			(3,370)
<u>(760)</u>			<u>(760)</u>
<u>(4,130)</u>	<u>-</u>	<u>-</u>	<u>(4,130)</u>
<u>309</u>	<u>131</u>		<u>457</u>
<u>309</u>	<u>131</u>	<u>-</u>	<u>457</u>
1,645	(567)	239	843
<u>14,927</u>	<u>5,951</u>	<u>703</u>	<u>22,848</u>
<u>\$ 16,572</u>	<u>\$ 5,384</u>	<u>\$ 942</u>	<u>\$ 23,691</u>

(Continued)

CITY OF CLEVELAND, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	<u>Public Auditorium</u>	<u>West Side Market</u>	<u>East Side Market</u>
RECONCILIATION OF OPERATING INCOME (LOSS)			
TO NET CASH PROVIDED BY (USED FOR)			
OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,235)	\$ (1,053)	\$ (60)
Adjustments to reconcile operating income (loss) to			
net cash provided by (used for) operating activities:			
Depreciation	296	601	60
(Increase) Decrease in Assets:			
Receivables, net	(51)		
Prepaid expenses and other assets		(1)	
Due from other funds			
(Increase) Decrease in Deferred Outflows of Resources:			
Pension	(295)	(93)	
OPEB	(6)	(2)	
Increase (Decrease) in Liabilities:			
Accounts payable	(17)	73	
Accrued wages and benefits	21	49	
Net pension liability	717	239	
Net OPEB liability	139	46	
Due to other funds	(40)	(25)	
Due to other governments			
Increase (Decrease) in Deferred Inflows of Resources:			
Pension	(209)	(70)	
OPEB	(45)	(15)	
Total adjustments	<u>510</u>	<u>802</u>	<u>60</u>
NET CASH PROVIDED BY (USED FOR)			
OPERATING ACTIVITIES	<u>\$ (1,725)</u>	<u>\$ (251)</u>	<u>\$ -</u>
SCHEDULE OF NONCASH CAPITAL AND RELATED			
FINANCING ACTIVITIES:			
Contributions and accounts payable related to			
capital assets	\$ 2,642	\$ 75	\$ 210

<u>Municipal Parking Lots</u>	<u>Cemeteries</u>	<u>Golf Courses</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 2,961	\$ (1,765)	\$ (866)	\$ (3,018)
1,581	598	103	3,239
15			(36)
16	1		(1)
			17
(260)	(256)		(904)
(6)	(7)		(21)
516	(3)	57	626
5	17		92
716	716		2,388
140	140		465
31	(1)		(35)
5			5
(209)	(209)		(697)
(45)	(46)		(151)
<u>2,505</u>	<u>950</u>	<u>160</u>	<u>4,987</u>
<u>\$ 5,466</u>	<u>\$ (815)</u>	<u>\$ (706)</u>	<u>\$ 1,969</u>

\$ 463 \$ 1,189 \$ 4,579

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department of the City to other departments of the City on a cost-reimbursement basis. The City's Internal Service Funds are described below:

Motor Vehicle Maintenance	The Division of Motor Vehicle Maintenance was established to provide centralized maintenance, repairs and fueling of certain City vehicles.
Printing and Reproduction	The Division of Printing and Reproduction was established to provide printing and reproduction services for all City divisions.
City Storeroom and Warehouse	The City's Storeroom and Warehouse Division provides centralized mailroom service.
Utilities Administration	The Division of Utilities Administration was established to provide administrative assistance to the Department of Public Utilities.
Sinking Fund Administration	The Sinking Fund Administration Fund was established to account for personnel and other operating expenditures related to the administration of the Debt Service Fund.
Municipal Income Tax Administration	The Municipal Income Tax Administration Fund was established to account for operating expenditures related to the collection of municipal income tax for the City and other municipalities.
Telephone Exchange	The Division of Telephone Exchange was established to operate the communications system for the City at minimal cost.
Radio Communications	The Office of Radio Communications was established to operate the 800MHZ radio communication system.
Workers' Compensation Reserve	The Workers' Compensation Reserve was established to account for liabilities related to workers' compensation claims under the retrospective rating policy.
Health Self Insurance Fund	The Health Self Insurance Fund was established to account for liabilities related to health insurance claims.
Prescription Self Insurance Fund	The Prescription Self Insurance Fund was established to account for liabilities related to prescription drug claims.

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF NET POSITION - ALL INTERNAL SERVICE FUNDS

DECEMBER 31, 2019

(Amounts in Thousands)

	<u>Motor Vehicle Maintenance</u>	<u>Printing and Reproduction</u>	<u>City Storeroom and Warehouse</u>	<u>Utilities Administration</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,859	\$ 525	\$ 103	\$ 1,383
Due from other funds	1,478	138	41	
Inventory of supplies	1,048	85		
Prepaid expenses and other assets	46	29	1	96
Total current assets	<u>9,431</u>	<u>777</u>	<u>145</u>	<u>1,479</u>
Noncurrent assets:				
Capital assets:				
Land	663			
Land improvements	146			
Buildings, structures and improvements	3,170	884		317
Furniture, fixtures, equipment and vehicles	15,843	1,497		1,916
Less: Accumulated depreciation	<u>(17,538)</u>	<u>(1,634)</u>		<u>(1,542)</u>
Total capital assets, net	<u>2,284</u>	<u>747</u>	<u>-</u>	<u>691</u>
Total noncurrent assets	<u>2,284</u>	<u>747</u>	<u>-</u>	<u>691</u>
TOTAL ASSETS	<u>11,715</u>	<u>1,524</u>	<u>145</u>	<u>2,170</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	2,475	472	6	4,457
OPEB	314	45		584
Total deferred outflows of resources	<u>2,789</u>	<u>517</u>	<u>6</u>	<u>5,041</u>

<u>Sinking Fund Administration</u>	<u>Municipal Income Tax Administration</u>	<u>Telephone Exchange</u>	<u>Radio Communications</u>	<u>Workers' Compensation Reserve</u>	<u>Health Self Insurance Fund</u>	<u>Prescription Self Insurance Fund</u>	<u>Total</u>
\$ 82	\$ 2,448	\$ 1,014	\$ 2,088	\$ 14,678	\$ 17,804	\$ 2,706	\$ 49,690
30		1,456	219				3,362
2	46	223	120				1,133
<u>114</u>	<u>2,494</u>	<u>2,693</u>	<u>2,427</u>	<u>14,678</u>	<u>17,804</u>	<u>2,706</u>	<u>54,748</u>
							663
			33				179
			112				4,483
	525	131	360				20,272
	<u>(355)</u>	<u>(131)</u>	<u>(238)</u>				<u>(21,438)</u>
<u>-</u>	<u>170</u>	<u>-</u>	<u>267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,159</u>
<u>-</u>	<u>170</u>	<u>-</u>	<u>267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,159</u>
<u>114</u>	<u>2,664</u>	<u>2,693</u>	<u>2,694</u>	<u>14,678</u>	<u>17,804</u>	<u>2,706</u>	<u>58,907</u>
137	3,136	553	239				11,475
22	382	88	23				1,458
<u>159</u>	<u>3,518</u>	<u>641</u>	<u>262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,933</u>

(Continued)

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF NET POSITION - ALL INTERNAL SERVICE FUNDS

DECEMBER 31, 2019

(Amounts in Thousands)

	Motor Vehicle Maintenance	Printing and Reproduction	City Storeroom and Warehouse	Utilities Administration
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,077	\$ 101	\$ 8	\$ 78
Accrued wages and benefits	604	111	8	1,230
Claims payable				
Due to other funds	23	3		2
Due to other governments				
Total current liabilities	<u>1,704</u>	<u>215</u>	<u>8</u>	<u>1,310</u>
Long-term liabilities:				
Accrued wages and benefits	351	80	1	348
Net pension liability	7,672	1,096		12,970
Net OPEB liability	<u>3,624</u>	<u>518</u>		<u>6,731</u>
Total liabilities	<u>13,351</u>	<u>1,909</u>	<u>9</u>	<u>21,359</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	120	17		46
OPEB	<u>10</u>	<u>1</u>		<u>18</u>
Total deferred inflows of resources	<u>130</u>	<u>18</u>	<u>-</u>	<u>64</u>
NET POSITION				
Net investment in capital assets	2,284	747		691
Unrestricted	<u>(1,261)</u>	<u>(633)</u>	<u>142</u>	<u>(14,903)</u>
Total net position	<u>\$ 1,023</u>	<u>\$ 114</u>	<u>\$ 142</u>	<u>\$ (14,212)</u>

<u>Sinking Fund Administration</u>	<u>Municipal Income Tax Administration</u>	<u>Telephone Exchange</u>	<u>Radio Communications</u>	<u>Workers' Compensation Reserve</u>	<u>Health Self Insurance Fund</u>	<u>Prescription Self Insurance Fund</u>	<u>Total</u>
\$ 15	\$ 117	\$ 1,101	\$ 169	\$	\$	\$	\$ 2,658
23	718	104	54	9,156			12,008
	13	1	3		9,109	357	9,466
	1,605		13				45
<u>38</u>	<u>2,453</u>	<u>1,206</u>	<u>239</u>	<u>9,156</u>	<u>9,109</u>	<u>357</u>	<u>25,795</u>
11	211	25	23				1,050
548	9,072	1,712	651				33,721
259	4,401	989	259				16,781
<u>856</u>	<u>16,137</u>	<u>3,932</u>	<u>1,172</u>	<u>9,156</u>	<u>9,109</u>	<u>357</u>	<u>77,347</u>
9	151	100	12				455
	12	18	1				60
<u>9</u>	<u>163</u>	<u>118</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515</u>
	170		267				4,159
<u>(592)</u>	<u>(10,288)</u>	<u>(716)</u>	<u>1,504</u>	<u>5,522</u>	<u>8,695</u>	<u>2,349</u>	<u>(10,181)</u>
<u>\$ (592)</u>	<u>\$ (10,118)</u>	<u>\$ (716)</u>	<u>\$ 1,771</u>	<u>\$ 5,522</u>	<u>\$ 8,695</u>	<u>\$ 2,349</u>	<u>\$ (6,022)</u>

(Concluded)

CITY OF CLEVELAND, OHIO

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	<u>Motor Vehicle Maintenance</u>	<u>Printing and Reproduction</u>	<u>City Storeroom and Warehouse</u>	<u>Utilities Administration</u>
OPERATING REVENUES:				
Charges for services	\$ 20,892	\$ 2,245	\$ 518	\$ 13,777
Total operating revenue	<u>20,892</u>	<u>2,245</u>	<u>518</u>	<u>13,777</u>
OPERATING EXPENSES:				
Operations	19,887	2,451	496	16,682
Maintenance	1,069	89		258
Depreciation	252	70		114
Total operating expenses	<u>21,208</u>	<u>2,610</u>	<u>496</u>	<u>17,054</u>
OPERATING INCOME (LOSS)	<u>(316)</u>	<u>(365)</u>	<u>22</u>	<u>(3,277)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment income	<u>115</u>	<u>11</u>	<u>1</u>	<u>26</u>
Total non-operating revenues (expenses)	<u>115</u>	<u>11</u>	<u>1</u>	<u>26</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(201)	(354)	23	(3,251)
Capital contributions	353			
Transfers in				
CHANGE IN NET POSITION	152	(354)	23	(3,251)
NET POSITION AT BEGINNING OF YEAR	<u>871</u>	<u>468</u>	<u>119</u>	<u>(10,961)</u>
NET POSITION AT END OF YEAR	<u>\$ 1,023</u>	<u>\$ 114</u>	<u>\$ 142</u>	<u>\$ (14,212)</u>

<u>Sinking Fund Administration</u>	<u>Municipal Income Tax Administration</u>	<u>Telephone Exchange</u>	<u>Radio Communications</u>	<u>Workers' Compensation Reserve</u>	<u>Health Self Insurance Fund</u>	<u>Prescription Self Insurance Fund</u>	<u>Total</u>
\$ 198	\$ 9,404	\$ 9,295	\$ 3,057	\$ 829	\$ 85,251	\$ 15,189	\$ 160,655
198	9,404	9,295	3,057	829	85,251	15,189	160,655
921	11,712	8,690	2,056		82,596	14,738	160,229
	144	20	1,180				2,760
	59	1	61				557
921	11,915	8,711	3,297	-	82,596	14,738	163,546
(723)	(2,511)	584	(240)	829	2,655	451	(2,891)
	529	17	41				740
-	529	17	41	-	-	-	740
(723)	(1,982)	601	(199)	829	2,655	451	(2,151)
518							353
							518
(205)	(1,982)	601	(199)	829	2,655	451	(1,280)
(387)	(8,136)	(1,317)	1,970	4,693	6,040	1,898	(4,742)
\$ (592)	\$ (10,118)	\$ (716)	\$ 1,771	\$ 5,522	\$ 8,695	\$ 2,349	\$ (6,022)

CITY OF CLEVELAND, OHIO

**COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	<u>Motor Vehicle Maintenance</u>	<u>Printing and Reproduction</u>	<u>City Storeroom and Warehouse</u>	<u>Utilities Administration</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 20,474	\$ 2,255	\$ 513	\$ 13,777
Cash payments to suppliers for goods or services	(13,839)	(1,300)	(420)	(2,438)
Cash payments to employees for services	<u>(6,354)</u>	<u>(1,022)</u>	<u>(74)</u>	<u>(11,326)</u>
Net cash provided by (used for) operating activities	<u>281</u>	<u>(67)</u>	<u>19</u>	<u>13</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received through transfers from other funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	<u>(1)</u>	<u> </u>	<u> </u>	<u>(21)</u>
Net cash provided by (used for) capital and related financing activities	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(21)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received on investments	<u>115</u>	<u>11</u>	<u>1</u>	<u>26</u>
Net cash provided by (used for) investing activities	<u>115</u>	<u>11</u>	<u>1</u>	<u>26</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	395	(56)	20	18
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,464</u>	<u>581</u>	<u>83</u>	<u>1,365</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,859</u>	<u>\$ 525</u>	<u>\$ 103</u>	<u>\$ 1,383</u>

<u>Sinking Fund Administration</u>	<u>Municipal Income Tax Administration</u>	<u>Telephone Exchange</u>	<u>Radio Communications</u>	<u>Workers' Compensation Reserve</u>	<u>Health Self Insurance Fund</u>	<u>Prescription Self Insurance Fund</u>	<u>Total</u>
\$ 183	\$ 9,921	\$ 9,222	\$ 3,083	\$ 524	\$ 85,259	\$ 15,191	\$ 160,402
(576)	(3,032)	(7,645)	(2,393)		(82,864)	(14,706)	(129,213)
(208)	(6,917)	(1,205)	(563)				(27,669)
<u>(601)</u>	<u>(28)</u>	<u>372</u>	<u>127</u>	<u>524</u>	<u>2,395</u>	<u>485</u>	<u>3,520</u>
518							518
<u>518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518</u>
	(74)						(96)
-	(74)	-	-	-	-	-	(96)
	529	17	41				740
-	529	17	41	-	-	-	740
(83)	427	389	168	524	2,395	485	4,682
<u>165</u>	<u>2,021</u>	<u>625</u>	<u>1,920</u>	<u>14,154</u>	<u>15,409</u>	<u>2,221</u>	<u>45,008</u>
<u>\$ 82</u>	<u>\$ 2,448</u>	<u>\$ 1,014</u>	<u>\$ 2,088</u>	<u>\$ 14,678</u>	<u>\$ 17,804</u>	<u>\$ 2,706</u>	<u>\$ 49,690</u>

(Continued)

CITY OF CLEVELAND, OHIO

**COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

(Amounts in Thousands)

	<u>Motor Vehicle Maintenance</u>	<u>Printing and Reproduction</u>	<u>City Storeroom and Warehouse</u>	<u>Utilities Administration</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (316)	\$ (365)	\$ 22	\$ (3,277)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	252	70		114
(Increase) Decrease in Assets:				
Receivables, net				
Prepaid expenses and other assets	(3)	(6)	6	3
Due from other funds	(418)	10	(4)	
Inventory of supplies	(20)	(10)		
(Increase) Decrease in Deferred Outflows of Resources:				
Pension	(1,243)	(192)	(6)	(2,453)
OPEB	(30)	(5)		(57)
Increase (Decrease) in Liabilities:				
Accounts payable	(774)	26		35
Accrued wages and benefits	29	4	1	103
Net pension liability	3,343	478		6,686
Net OPEB liability	651	93		1,210
Claims Payable				
Due to other funds				(1)
Due to other governments				
Increase (Decrease) in Deferred Inflows of Resources:				
Pension	(979)	(140)		(1,956)
OPEB	(211)	(30)		(394)
Total adjustments	<u>597</u>	<u>298</u>	<u>(3)</u>	<u>3,290</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 281</u>	<u>\$ (67)</u>	<u>\$ 19</u>	<u>\$ 13</u>

SCHEDULE OF NONCASH CAPITAL AND RELATED
FINANCING ACTIVITIES:

Contributions and accounts payable related to capital assets	\$ 353
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<u>Sinking Fund Administration</u>	<u>Municipal Income Tax Administration</u>	<u>Telephone Exchange</u>	<u>Radio Communications</u>	<u>Workers' Compensation Reserve</u>	<u>Health Self Insurance Fund</u>	<u>Prescription Self Insurance Fund</u>	<u>Total</u>
\$ (723)	\$ (2,511)	\$ 584	\$ (240)	\$ 829	\$ 2,655	\$ 451	\$ (2,891)
	59	1	61				557
	3		1		7	2	9
(15)		(74)	26				(475)
							(30)
(68)	(1,623)	(254)	(44)				(5,883)
(2)	(37)	(7)	(3)				(141)
4	(63)	(453)	121				(1,104)
3	(7)	(27)	4	(305)			(195)
239	4,298	716	239				15,999
47	790	139	47				2,977
					(267)	32	(235)
	(8)	1					(8)
	517						517
(70)	(1,189)	(209)	(70)				(4,613)
(16)	(257)	(45)	(15)				(968)
<u>122</u>	<u>2,483</u>	<u>(212)</u>	<u>367</u>	<u>(305)</u>	<u>(260)</u>	<u>34</u>	<u>6,411</u>
\$ (601)	\$ (28)	\$ 372	\$ 127	\$ 524	\$ 2,395	\$ 485	\$ 3,520

\$ 353

(Concluded)

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CITY OF CLEVELAND, OHIO

AGENCY FUNDS

Agency Funds are used to account for assets received and held by the City acting in the capacity of an agent or custodian. The City's Agency Funds are described below:

Municipal Courts	To account for assets received and disbursed by the Municipal Courts as agent or custodian related to Civil and Criminal Court matters.
Central Collection Agency	To account for the collection of the Municipal Income Tax for the City of Cleveland and any other municipalities that employ the Central Collection Agency as their agency.
Other Agencies	To account for miscellaneous assets held by the City for governmental units or individuals.

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019 (Amounts in Thousands)

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
MUNICIPAL COURTS				
ASSETS				
Cash and cash equivalents	\$ 1,682	\$ 13,342	\$ 13,089	\$ 1,935
Total assets	<u>\$ 1,682</u>	<u>\$ 13,342</u>	<u>\$ 13,089</u>	<u>\$ 1,935</u>
LIABILITIES				
Due to others	\$ 1,682	\$ 13,342	\$ 13,089	\$ 1,935
Total liabilities	<u>\$ 1,682</u>	<u>\$ 13,342</u>	<u>\$ 13,089</u>	<u>\$ 1,935</u>
 CENTRAL COLLECTION AGENCY				
ASSETS				
Cash and cash equivalents	\$ 6,317	\$ 7,549	\$ 6,317	\$ 7,549
Taxes receivable	20,300	27,550	20,300	27,550
Due from other governments	<u>1,704</u>	<u>2,222</u>	<u>1,704</u>	<u>2,222</u>
Total assets	<u>\$ 28,321</u>	<u>\$ 37,321</u>	<u>\$ 28,321</u>	<u>\$ 37,321</u>
LIABILITIES				
Due to other governments	<u>\$ 28,321</u>	<u>\$ 37,321</u>	<u>\$ 28,321</u>	<u>\$ 37,321</u>
Total liabilities	<u>\$ 28,321</u>	<u>\$ 37,321</u>	<u>\$ 28,321</u>	<u>\$ 37,321</u>

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2019 (Amounts in Thousands)

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
OTHER AGENCIES				
ASSETS				
Cash and cash equivalents	\$ 23,882	\$ 305,495	\$ 313,571	\$ 15,806
Total assets	<u>\$ 23,882</u>	<u>\$ 305,495</u>	<u>\$ 313,571</u>	<u>\$ 15,806</u>
LIABILITIES				
Due to others	<u>\$ 23,882</u>	<u>\$ 305,495</u>	<u>\$ 313,571</u>	<u>\$ 15,806</u>
Total liabilities	<u>\$ 23,882</u>	<u>\$ 305,495</u>	<u>\$ 313,571</u>	<u>\$ 15,806</u>
 TOTALS-ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 31,881	\$ 326,386	\$ 332,977	\$ 25,290
Taxes receivable	20,300	27,550	20,300	27,550
Due from other governments	<u>1,704</u>	<u>2,222</u>	<u>1,704</u>	<u>2,222</u>
Total assets	<u>\$ 53,885</u>	<u>\$ 356,158</u>	<u>\$ 354,981</u>	<u>\$ 55,062</u>
LIABILITIES				
Due to other governments	\$ 28,321	\$ 37,321	\$ 28,321	\$ 37,321
Due to others	<u>25,564</u>	<u>318,837</u>	<u>326,660</u>	<u>17,741</u>
Total liabilities	<u>\$ 53,885</u>	<u>\$ 356,158</u>	<u>\$ 354,981</u>	<u>\$ 55,062</u>

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**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CITY OF CLEVELAND, OHIO

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY TYPE* DECEMBER 31, 2019 (Amounts in Thousands)

Governmental Funds Capital Assets:

Land	\$ 67,850
Land improvements	227,948
Buildings, structures and improvements	709,810
Furniture, fixtures, equipment and vehicles	263,168
Infrastructure	829,211
Construction in progress	<u>262,618</u>

TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS \$ 2,360,605

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulated depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF CLEVELAND, OHIO

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY*

DECEMBER 31, 2019

(Amounts in Thousands)

	<u>Total</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings, Structures and Improvements</u>	<u>Furniture, Fixtures, Equipment and Vehicles</u>	<u>Infrastructure</u>	<u>Construction In Progress</u>
General Government:							
General government	\$ 353,564	\$ 208	\$ 2,188	\$ 306,831	\$ 32,154	\$ 6,942	\$ 5,241
City Hall	28,724	877		26,004		1,347	496
Engineering and construction	512,799		28,083		1,789	482,622	305
Research, planning and development	49,035	903	39,786	4,326	61	2,997	962
Charles V. Carr Municipal Center	647		15	632			
Total general government	<u>944,769</u>	<u>1,988</u>	<u>70,072</u>	<u>337,793</u>	<u>34,004</u>	<u>493,908</u>	<u>7,004</u>
Public Works:							
Waste collection	42,163	499		9,761	30,117	1,460	326
Streets	551,645	1,540	11,602	14,393	26,620	305,006	192,484
Traffic engineering	5,490			813	2,320	2,200	157
Park maintenance and properties	183,024	38,660	70,407	27,361	17,496	316	28,784
Recreation	153,963	847	64,138	77,654	2,676		8,648
Other	133,843	2,669		115,673	4,029	74	11,398
Total public works	<u>1,070,128</u>	<u>44,215</u>	<u>146,147</u>	<u>245,655</u>	<u>83,258</u>	<u>309,056</u>	<u>241,797</u>
Public Safety:							
Police	148,524	4,575	1,183	52,597	86,572	162	3,435
Fire	79,679	1,663		36,597	39,936		1,483
Emergency medical service	20,536			1,168	12,490	5,614	1,264
Correction	7,627	249		6,570	785	23	
Dog pound	8,751			7,977	771		3
Other	2,423				1,318		1,105
Total public safety	<u>267,540</u>	<u>6,487</u>	<u>1,183</u>	<u>104,909</u>	<u>141,872</u>	<u>5,799</u>	<u>7,290</u>
Public Health:							
Health and environment	14,272	1,112	208	10,846	2,050	56	
Total public health	<u>14,272</u>	<u>1,112</u>	<u>208</u>	<u>10,846</u>	<u>2,050</u>	<u>56</u>	<u>-</u>
Community Development:							
Community development	47,096	7,130	7,376	9,467	1,517	15,807	5,799
Total community development	<u>47,096</u>	<u>7,130</u>	<u>7,376</u>	<u>9,467</u>	<u>1,517</u>	<u>15,807</u>	<u>5,799</u>
Economic Development:							
Economic development	12,302	6,918	2,962	740		1,004	678
Total economic development	<u>12,302</u>	<u>6,918</u>	<u>2,962</u>	<u>740</u>	<u>-</u>	<u>1,004</u>	<u>678</u>
Building and Housing:							
Building and housing	4,498			400	467	3,581	50
Total building and housing	<u>4,498</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>467</u>	<u>3,581</u>	<u>50</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 2,360,605</u>	<u>\$ 67,850</u>	<u>\$ 227,948</u>	<u>\$ 709,810</u>	<u>\$ 263,168</u>	<u>\$ 829,211</u>	<u>\$ 262,618</u>

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulated depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF CLEVELAND, OHIO

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY* FOR THE YEAR ENDED DECEMBER 31, 2019

(Amounts in Thousands)

	Balance January 1, 2019	Additions	Deductions	Transfers	Balance December 31, 2019
General Government:					
General government	\$ 352,629	\$ 878	\$ (14)	\$ 71	\$ 353,564
City Hall	28,724				28,724
Engineering and construction	512,947		(148)		512,799
Research, planning and development	49,035				49,035
Charles V. Carr Municipal Center	647				647
Total general government	<u>943,982</u>	<u>878</u>	<u>(162)</u>	<u>71</u>	<u>944,769</u>
Public Works:					
Waste collection	41,710	2,860	(1,953)	(454)	42,163
Streets	501,260	51,416	(1,368)	337	551,645
Traffic engineering	5,422	140	(122)	50	5,490
Park maintenance and properties	170,724	12,666	(565)	199	183,024
Recreation	148,086	5,884	(14)	7	153,963
Other	133,824	19			133,843
Total public works	<u>1,001,026</u>	<u>72,985</u>	<u>(4,022)</u>	<u>139</u>	<u>1,070,128</u>
Public Safety:					
Police	145,371	4,050	(819)	(78)	148,524
Fire	78,690	1,261	(51)	(221)	79,679
Emergency medical service	20,231	704	(399)		20,536
Correction	7,627				7,627
Dog pound	8,435	316			8,751
Other	2,423				2,423
Total public safety	<u>262,777</u>	<u>6,331</u>	<u>(1,269)</u>	<u>(299)</u>	<u>267,540</u>
Public Health:					
Health and environment	14,148	124			14,272
Total public health	<u>14,148</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>14,272</u>
Community Development:					
Community development	46,702	394			47,096
Total community development	<u>46,702</u>	<u>394</u>	<u>-</u>	<u>-</u>	<u>47,096</u>
Economic Development:					
Economic development	10,793	1,609	(100)		12,302
Total economic development	<u>10,793</u>	<u>1,609</u>	<u>(100)</u>	<u>-</u>	<u>12,302</u>
Building and Housing:					
Building and housing	4,427	71			4,498
Total building and housing	<u>4,427</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>4,498</u>
TOTAL GOVERNMENTAL FUNDS					
CAPITAL ASSETS	<u>\$ 2,283,855</u>	<u>\$ 82,392</u>	<u>\$ (5,553)</u>	<u>\$ (89)</u>	<u>\$ 2,360,605</u>

* This schedule presents only the capital asset balances related to governmental funds, excluding accumulated depreciation. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL SECTION

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CITY OF CLEVELAND, OHIO
Statistical Section

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

<u>Contents</u>	<u>Page</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.	S3-S6
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant local revenue source, the municipal income tax.	S7-S11
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.	S12-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-S22
Operating Information	
These schedules contain service and infrastructure 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.	S23-S24
Schedule of Statistics – General Fund	S25

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

City of Cleveland, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)
(Amounts in Thousands)

	2019	2018	2017	2016
Governmental Activities				
Net investment in capital assets	\$ 722,633	\$ 714,288	\$ 719,579	\$ 722,785
Restricted	208,522	188,612	161,003	155,224
Unrestricted	(677,805)	(933,271)	(433,843)	(459,804)
<i>Total Governmental Activities Net Position</i>	<u>\$ 253,350</u>	<u>\$ (30,371)</u>	<u>\$ 446,739</u>	<u>\$ 418,205</u>
Business-Type Activities				
Net investment in capital assets	\$ 1,633,097	\$ 1,544,414	\$ 1,482,861	\$ 1,367,544
Restricted	207,837	219,202	214,161	236,772
Unrestricted	438,760	474,284	548,411	532,257
<i>Total Business-Type Activities Net Position</i>	<u>\$ 2,279,694</u>	<u>\$ 2,237,900</u>	<u>\$ 2,245,433</u>	<u>\$ 2,136,573</u>
Primary Government				
Net investment in capital assets	\$ 2,355,730	\$ 2,258,702	\$ 2,202,440	\$ 2,090,329
Restricted	416,359	407,814	375,164	391,996
Unrestricted	(239,045)	(458,987)	114,568	72,453
<i>Total Primary Government Net Position</i>	<u>\$ 2,533,044</u>	<u>\$ 2,207,529</u>	<u>\$ 2,692,172</u>	<u>\$ 2,554,778</u>

Note:

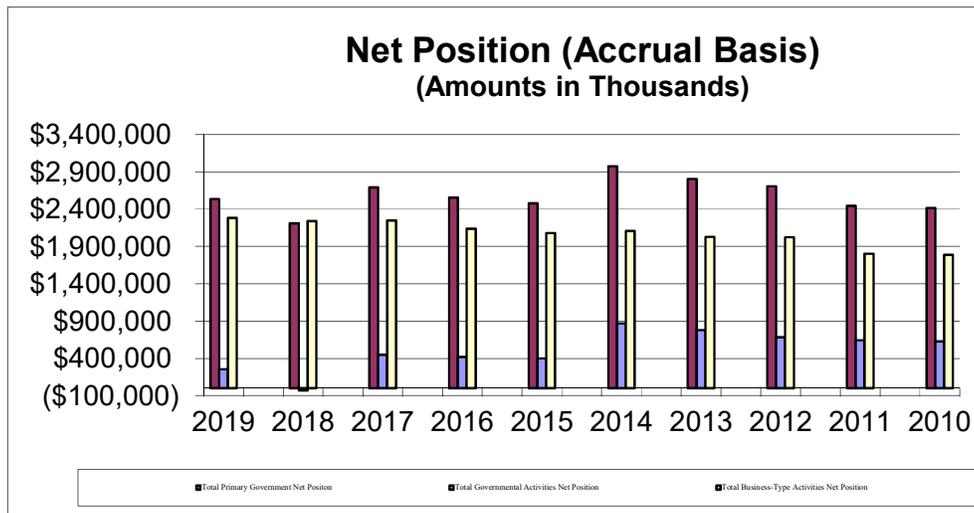
GASB issued Statement No. 65 effective for periods beginning after December 15, 2012. This statement changed the treatment of bond issuance costs to expense in the period incurred. Previously, the costs were recorded as assets and amortized over the life of the related debt issued. This change is reflected in the 2013 net position figures. The City did not restate prior years in this statistical table.

In 2011, Water restated their capital assets due to entering into amended Water agreements with 21 member communities prior to 2011. As part of the agreements, ownership of distribution mains was transferred to the Division of Water. The City did not restate these figures in this statistical table.

GASB issued Statement No. 68 and 71 effective for periods beginning after June 15, 2014. These statements established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. The City did not restate prior years in this statistical table.

GASB issued Statement No. 75 effective for periods after June 15, 2017. This statement established standards for measuring and recognizing OPEB liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. The City did not restate prior years in this statistical table.

2015	2014	2013	2012	2011	2010
\$ 653,925	\$ 828,002	\$ 686,794	\$ 572,213	\$ 543,460	\$ 557,804
167,042	152,360	145,729	122,488	117,765	159,942
(422,125)	(110,650)	(53,448)	(12,383)	(19,771)	(90,565)
<u>\$ 398,842</u>	<u>\$ 869,712</u>	<u>\$ 779,075</u>	<u>\$ 682,318</u>	<u>\$ 641,454</u>	<u>\$ 627,181</u>
\$ 1,354,871	\$ 1,335,195	\$ 1,307,661	\$ 1,303,584	\$ 1,130,178	\$ 1,080,332
240,979	244,937	244,196	227,826	234,050	243,511
482,852	525,970	474,185	492,956	438,767	462,397
<u>\$ 2,078,702</u>	<u>\$ 2,106,102</u>	<u>\$ 2,026,042</u>	<u>\$ 2,024,366</u>	<u>\$ 1,802,995</u>	<u>\$ 1,786,240</u>
\$ 2,008,796	\$ 2,163,197	\$ 1,994,455	\$ 1,875,797	\$ 1,673,638	\$ 1,638,136
408,021	397,297	389,925	350,314	351,815	403,453
60,727	415,320	420,737	480,573	418,996	371,832
<u>\$ 2,477,544</u>	<u>\$ 2,975,814</u>	<u>\$ 2,805,117</u>	<u>\$ 2,706,684</u>	<u>\$ 2,444,449</u>	<u>\$ 2,413,421</u>



City of Cleveland, Ohio
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)
(Amounts in Thousands)

	2019 (3)	2018	2017	2016
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government (1)	\$ 19,447	\$ 20,408	\$ 19,573	\$ 18,636
Public Works (1)	19,395	17,973	18,408	18,301
Public Service (1)				
Public Safety	14,262	15,123	17,803	18,075
Community Development (1)	1,072	359	777	952
Building and Housing	20,900	19,008	16,377	17,717
Public Health	3,827	3,715	3,091	3,463
Parks, Recreation and Properties (1)				
Economic Development	158	140	103	103
Subtotal - Charges for Services	<u>79,061</u>	<u>76,726</u>	<u>76,132</u>	<u>77,247</u>
Operating Grants and Contributions:				
General Government (1)	4,293	4,450	3,343	3,468
Public Works (1)	16,228	14,729	24,106	14,802
Public Service (1)				
Public Safety	3,130	5,067	6,144	46,421
Community Development	28,560	30,325	26,173	28,950
Building and Housing	540	2,360	2,413	4,380
Public Health	8,056	8,327	8,809	8,122
Parks, Recreation and Properties (1)				
Economic Development	19,487	18,843	3,023	8,614
Subtotal - Operating Grants and Contributions	<u>80,294</u>	<u>84,101</u>	<u>74,011</u>	<u>114,757</u>
Capital Grants and Contributions:				
General Government	5,918	1,259	34	134
Public Works (1)	17,121	19,561	35,744	87,304
Public Service (1)				
Public Safety		0	97	6
Economic Development	240	308		
Subtotal - Capital Grants and Contributions	<u>23,279</u>	<u>21,128</u>	<u>35,875</u>	<u>87,444</u>
<i>Total Governmental Activities Program Revenues</i>	<u>182,634</u>	<u>181,955</u>	<u>186,018</u>	<u>279,448</u>
Business-Type Activities:				
Charges for Services:				
Water	320,168	306,159	301,621	310,111
Sewer	32,176			
Electricity	209,787	218,096	194,904	192,967
Airport facilities	148,421	145,981	145,206	142,433
Nonmajor activities	14,040	44,352	42,643	42,133
Subtotal - Charges for Services	<u>724,592</u>	<u>714,588</u>	<u>684,374</u>	<u>687,644</u>
Operating Grants and Contributions:				
Water	3,041	8,346	4,087	1,678
Sewer	741			
Electricity	598	409	4,105	3,340
Airport facilities	1,750	1,399	314	191
Nonmajor activities	199	588	648	218
Subtotal - Operating Grants and Contributions	<u>6,329</u>	<u>10,742</u>	<u>9,154</u>	<u>5,427</u>
Capital Grants and Contributions:				
Water	18,635	17,686	50,693	4,326
Sewer	4,154			
Electricity	1,455	1,458	189	354
Airport facilities	52,972	53,867	56,757	32,280
Nonmajor activities	296	5,318	4,452	1,092
Subtotal - Capital Grants and Contributions	<u>77,512</u>	<u>78,329</u>	<u>112,091</u>	<u>38,052</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>808,433</u>	<u>803,659</u>	<u>805,619</u>	<u>731,123</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 991,067</u>	<u>\$ 985,614</u>	<u>\$ 991,637</u>	<u>\$ 1,010,571</u>

	2015	2014	2013	2012 (2)	2011	2010
\$	23,007	\$ 31,589	\$ 29,983	\$ 30,696	\$ 32,336	\$ 31,570
	17,587	17,706	17,561	18,369	16,271	
	13,032	15,318	17,078	15,049	15,034	12,024
	844	1,483				13,839
	16,408	11,984	11,734	5,757	18,072	7,327
	2,544	2,754	2,917	2,967	2,931	3,033
						8,047
	103	101	377	100	37	1,469
	73,525	80,935	79,650	72,938	84,681	77,309
	4,349	4,351	5,601	4,345	3,673	1,348
	14,753	20,373	29,770	28,342	27,364	
						13,821
	3,806	7,315	9,180	13,805	12,497	8,647
	32,729	35,673	42,608	69,004	68,887	73,563
	3,609	2,804	9,133	6,679	5,698	9,064
	8,974	11,040	9,249	10,321	13,228	12,693
						13,830
	11,752	18,234	14,046	11,387	4,008	8,156
	79,972	99,790	119,587	143,883	135,355	141,122
	415	2,862	56,610	1,330	23	41
	45,581	85,253	38,348	24,515	13,982	
						11,179
	91	173				
	46,087	88,288	94,958	25,845	14,005	11,220
	199,584	269,013	294,195	242,666	234,041	229,651
	301,283	303,412	272,674	280,323	236,626	237,270
	192,861	181,843	170,342	165,227	168,448	166,665
	128,033	131,724	113,244	116,694	114,967	106,696
	39,351	34,276	34,135	35,188	34,600	39,358
	661,528	651,255	590,395	597,432	554,641	549,989
	413	301	5,984	4,567	3,305	3,553
	3,225	4,030	656	97	883	566
	85	73	132	177		619
	299	161	86	478	278	4,051
	4,022	4,565	6,858	5,319	4,466	8,789
	25,158	34,699	12,446	21,800	2,284	7,645
	481	2	393	964	206	1,035
	20,159	19,775	35,089	25,025	56,385	57,089
	1,245	3,280	808	5,773	5,716	19,765
	47,043	57,756	48,736	53,562	64,591	85,534
	712,593	713,576	645,989	656,313	623,698	644,312
\$	912,177	\$ 982,589	\$ 940,184	\$ 898,979	\$ 857,739	\$ 873,963

(Continued)

City of Cleveland, Ohio
Changes in Net Position
Last Ten Years
(Amounts in Thousands)

	2019 (3)	2018	2017	2016
Expenses				
Governmental Activities:				
General Government (1)	\$ 191,388	\$ 157,730	\$ 160,117	\$ 139,022
Public Works (1)	172,526	151,476	137,256	119,019
Public Service (1)				
Public Safety	75,355	415,703	357,248	383,453
Community Development (1)	31,523	33,464	28,555	32,173
Building and Housing	16,974	15,294	14,240	14,111
Public Health	21,269	19,189	18,038	16,110
Parks, Recreation and Properties (1)				
Economic Development	28,428	27,251	36,189	37,913
Interest on debt	27,059	26,286	28,630	27,596
<i>Total Governmental Activities Expenses</i>	<u>564,522</u>	<u>846,393</u>	<u>780,273</u>	<u>769,397</u>
Business-Type Activities				
Water	316,588	302,725	293,148	270,014
Sewer	31,318			
Electricity	220,883	218,261	197,613	196,092
Airport facilities	187,779	173,624	172,383	172,254
Nonmajor activities	17,834	44,863	41,990	39,501
<i>Total Business-Type Activities Expenses</i>	<u>774,402</u>	<u>739,473</u>	<u>705,134</u>	<u>677,861</u>
<i>Total Primary Government Program Expenses</i>	<u>1,338,924</u>	<u>1,585,866</u>	<u>1,485,407</u>	<u>1,447,258</u>
Net (Expense)/Revenue				
Governmental Activities	(381,888)	(664,438)	(594,255)	(489,949)
Business-Type Activities	34,031	64,186	100,485	53,262
<i>Total Primary Government Net Expense</i>	<u>(347,857)</u>	<u>(600,252)</u>	<u>(493,770)</u>	<u>(436,687)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Income taxes	487,077	480,966	451,929	359,668
Property taxes	58,252	53,839	51,985	28,634
Other taxes	44,633	45,235	46,704	48,945
Unrestricted shared revenues	20,894	19,338	37,428	35,888
State and local government funds	26,658	25,191	24,331	24,061
Unrestricted investment earnings	14,997	10,730	4,392	1,801
Other	20,210	19,070	14,374	14,906
Transfers	(7,112)	(4,852)	(8,354)	(4,591)
<i>Total Governmental Activities</i>	<u>665,609</u>	<u>649,517</u>	<u>622,789</u>	<u>509,312</u>
Business-Type Activities				
Unrestricted investment earnings	26	24	13	7
Other	625		8	11
Special items - gain on sale of capital assets				
Transfers	7,112	4,852	8,354	4,591
<i>Total Business-Type Activities Expenses</i>	<u>7,763</u>	<u>4,876</u>	<u>8,375</u>	<u>4,609</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>673,372</u>	<u>654,393</u>	<u>631,164</u>	<u>513,921</u>
Change in Net Position				
Governmental Activities	283,721	(14,921)	28,534	19,363
Business-Type Activities	41,794	69,062	108,860	57,871
<i>Total Primary Government Change in Net Position</i>	<u>\$ 325,515</u>	<u>\$ 54,141</u>	<u>\$ 137,394</u>	<u>\$ 77,234</u>

Note:

Program revenues and expenses previously reported as "Other" program revenues and expenses in Governmental activities on the Statement of Activities are now classified as General Government program revenues and expenses as appropriate.

Business-type activities on the Government-wide Statement of Activities summarizes other Enterprise Funds as Nonmajor activities. In years 2018 and prior these include Sewer, Public Auditorium, West Side Market, East Side Market, Municipal Parking Lots, Cemeteries and Golf Courses. In 2019, Sewer was reclassified as a major enterprise fund.

(1) In 2012, a departmental reorganization occurred that merged the departments of Public Service with Parks, Recreation and Properties becoming the Department of Public Works. The Office of Capital Projects was created from the Divisions of Architecture, Engineering and Construction and Research, Planning and Development and is reported under General Government. In addition, the Division of Consumer Affairs was merged with Community Development and was moved from General Government.

(2) GASB issued Statement No. 65 effective for periods beginning after December 15, 2012. This statement changed the treatment of bond issuance costs to expense in the period incurred. Previously, the costs were recorded as assets and amortized over the life of the related debt issued. The City did not restate prior years in this statistical table.

(3) In 2019, the Division of Water Pollution Control (Sewer) was reclassified as a major enterprise fund. Previously the fund was included with Nonmajor Business-Type Activities.

	2015	2014	2013	2012 (2)	2011	2010
\$	140,946	\$ 121,050	\$ 115,793	\$ 106,141	\$ 95,833	\$ 81,898
	117,040	129,551	130,108	128,276	139,577	
						93,425
	328,453	298,768	310,246	310,745	308,051	315,900
	35,026	39,099	44,337	70,705	75,778	70,589
	13,433	11,059	17,694	14,729	14,098	17,445
	16,841	18,236	15,405	17,385	19,596	19,740
						46,963
	29,474	32,508	18,142	13,845	22,323	24,729
	36,489	26,333	24,913	26,153	27,686	47,531
	<u>717,702</u>	<u>676,604</u>	<u>676,638</u>	<u>687,979</u>	<u>702,942</u>	<u>718,220</u>
	259,892	253,822	258,014	244,647	232,497	232,862
	197,823	181,862	171,669	163,547	167,799	165,330
	162,499	161,021	155,343	153,627	167,531	158,262
	37,088	38,430	35,235	39,671	46,302	43,443
	<u>657,302</u>	<u>635,135</u>	<u>620,261</u>	<u>601,492</u>	<u>614,129</u>	<u>599,897</u>
	<u>1,375,004</u>	<u>1,311,739</u>	<u>1,296,899</u>	<u>1,289,471</u>	<u>1,317,071</u>	<u>1,318,117</u>
	(518,118)	(407,591)	(382,443)	(445,313)	(468,901)	(488,569)
	55,291	78,441	25,728	54,821	9,569	44,415
	<u>(462,827)</u>	<u>(329,150)</u>	<u>(356,715)</u>	<u>(390,492)</u>	<u>(459,332)</u>	<u>(444,154)</u>
	346,797	337,933	332,719	330,863	311,492	298,209
	55,017	52,327	45,055	56,086	63,839	88,087
	38,904	35,851	37,765	28,680	27,312	28,450
	34,974	37,240	34,434	27,338	19,558	23,869
	26,567	23,846	30,081	25,966	43,821	49,266
	1,060	1,193	683	692	97	654
	8,760	11,454	21,194	18,141	19,086	14,104
	(1,957)	(1,616)	(1,527)	(1,589)	(2,031)	19,278
	<u>510,122</u>	<u>498,228</u>	<u>500,404</u>	<u>486,177</u>	<u>483,174</u>	<u>521,917</u>
	4	3	3		30	4
					5,125	
	1,957	1,616	1,527	1,589	2,031	(19,278)
	1,961	1,619	1,530	1,589	7,186	(19,274)
	512,083	499,847	501,934	487,766	490,360	502,643
	(7,996)	90,637	117,961	40,864	14,273	33,348
	57,252	80,060	27,258	56,410	16,755	25,141
\$	<u>49,256</u>	<u>\$ 170,697</u>	<u>\$ 145,219</u>	<u>\$ 97,274</u>	<u>\$ 31,028</u>	<u>\$ 58,489</u>

(Concluded)

City of Cleveland, Ohio
Fund Balances, Governmental Funds
Last Ten Years (1)
(Modified Accrual Basis of Accounting)
(Amounts in Thousands)

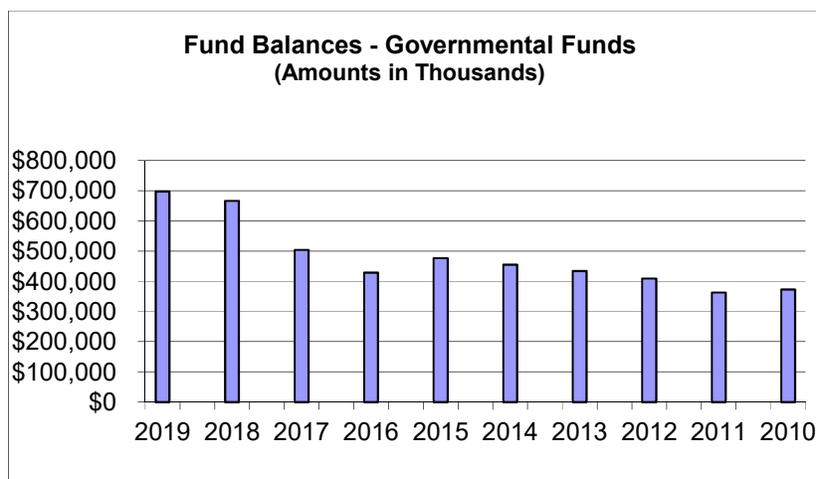
	2019	2018	2017	2016	2015
General Fund					
Reserved	\$	\$	\$	\$	\$
Unreserved					
Nonspendable	3,069	3,035			740
Assigned	85,953	67,388	42,168	15,631	11,979
Unassigned	114,870	116,486	92,692	66,091	68,490
Total General Fund	203,892	186,909	134,860	81,722	81,209
Public Health (2)					
Nonspendable	32				
Restricted	1,446				
Committed	387				
Total Public Health	1,865				
All Other Governmental Funds					
Reserved					
Unreserved reported in:					
Special Revenue funds					
Capital Projects funds					
Nonspendable	138	168			865
Restricted	427,063	416,726	296,361	287,250	312,089
Committed	64,813	62,927	72,770	70,597	82,189
Assigned	11	9	11	2	6
Unassigned				(11,514)	
Total All Other Governmental Funds	492,025	479,830	369,142	346,335	395,149
Total Governmental Funds	<u>\$ 697,782</u>	<u>\$ 666,739</u>	<u>\$ 504,002</u>	<u>\$ 428,057</u>	<u>\$ 476,358</u>

(1) Fund balance classifications changed in 2011 with the implementation of GASB Statement No.54.

(2) Beginning in 2019, the Auditor of the State of Ohio determined that the City's Public Health Department is a legally separate entity.

Prior to this the City reported the Public Health Department activity in the General Fund and Special Revenue Funds.

2014	2013	2012	2011	2010
\$	\$	\$	\$	\$ 15,070
				(2,529)
885	648	632	576	
15,041	13,209	9,239	12,027	
78,401	75,891	61,879	38,991	
94,327	89,748	71,750	51,594	12,541
				257,696
				64,432
				37,753
1,387	355	495	1,172	
268,905	245,015	233,832	204,590	
90,739	98,806	102,901	105,624	
8	3	2	1	
			(96)	
361,039	344,179	337,230	311,291	359,881
\$ 455,366	\$ 433,927	\$ 408,980	\$ 362,885	\$ 372,422



City of Cleveland, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(Amounts in Thousands)

	2019	2018	2017	2016
Revenues				
Income taxes	\$ 486,792	\$ 473,306	\$ 447,259	\$ 355,092
Property taxes	57,580	52,665	51,473	49,311
State and local government funds	26,304	24,970	24,375	24,431
Other taxes and shared revenues (2)				
Other taxes (2)	44,739	45,149	46,683	48,945
Other shared revenues (2)	55,319	53,866	61,079	49,108
Licenses and permits	21,892	21,196	19,407	21,236
Charges for services	38,158	39,194	39,177	37,620
Fines, forfeits and settlements	14,292	15,296	14,299	14,295
Investment earnings	14,277	10,186	4,147	1,725
Grants	52,890	60,385	80,077	125,956
Contributions	1,787	4,398	1,704	1,844
Miscellaneous	25,437	15,068	11,618	16,067
<i>Total Revenues</i>	<u>839,467</u>	<u>815,679</u>	<u>801,298</u>	<u>745,630</u>
Expenditures				
Current:				
General Government (1)	107,996	97,343	100,372	98,102
Public Works (1)	109,612	104,949	98,228	93,148
Public Service (1)				
Public Safety	345,025	332,423	322,483	347,426
Community Development (1)	27,857	30,876	25,827	29,990
Building and Housing	14,019	13,829	13,216	13,710
Public Health	18,343	17,735	16,382	15,410
Parks, Recreation and Properties (1)				
Economic Development	27,718	26,850	35,748	37,552
Other	8,255	9,030	6,640	7,388
Capital outlay	113,170	88,812	85,888	99,622
Inception of capital lease				
Debt service:				
Principal retirement	55,423	55,368	49,041	49,370
Interest	34,968	31,006	30,000	30,365
General Government	450	1,485	971	476
Other	1,080	1,077	1,069	1,070
<i>Total Expenditures</i>	<u>863,916</u>	<u>810,783</u>	<u>785,865</u>	<u>823,629</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(24,449)</u>	<u>4,896</u>	<u>15,433</u>	<u>(77,999)</u>
Other Financing Sources (Uses)				
Transfers in	123,680	112,956	81,122	72,227
Transfers out	(126,729)	(116,926)	(83,188)	(74,118)
Issuance of bonds	51,015	135,680		28,125
Issuance of refunding bonds			142,850	23,680
Premium on bonds and notes	5,740	16,868	21,916	7,497
Discount on bonds and notes				
Payment to refund bonds and notes			(108,761)	(28,150)
Issuance of Loans	601	15		
Sale of City assets	1,185	9,248	6,573	437
Capital leases				
<i>Total Other Financing Sources (Uses)</i>	<u>55,492</u>	<u>157,841</u>	<u>60,512</u>	<u>29,698</u>
<i>Net Change in Fund Balances</i>	<u>\$ 31,043</u>	<u>\$ 162,737</u>	<u>\$ 75,945</u>	<u>\$ (48,301)</u>
Debt Service as a Percentage of Noncapital Expenditures	11.5%	11.6%	10.8%	10.8%

(1) In 2012, a departmental reorganization occurred that merged the departments of Public Service with Parks, Recreation and Properties becoming the Department of Public Works. The Office of Capital Projects was created from the Divisions of Architecture, Engineering and Construction and Research, Planning and Development and is reported under General Government. In addition, the Division of Consumer Affairs was merged with Community Development and was moved from General Government. Data for years prior to 2011 is unavailable.

(2) In 2013, other taxes and other shared revenues are reported separately. For years prior to 2013, the figures are combined. Data for years prior to 2013 is unavailable.

	2015	2014	2013	2012	2011	2010
\$	350,524	\$ 336,743	\$ 333,359	\$ 331,118	\$ 312,508	\$ 300,427
	49,697	49,198	49,740	55,312	55,949	58,660
	26,433	25,077	28,439	31,821	45,640	47,972
				86,084	77,636	79,620
	38,904	35,851	37,764			
	48,864	54,329	59,907			
	18,884	15,404	16,034	15,070	16,877	13,529
	35,169	36,120	39,297	41,436	39,433	33,779
	18,864	28,928	27,020	26,830	28,376	28,643
	927	858	865	468	518	621
	102,257	111,935	115,851	129,724	120,119	116,920
	2,803	2,571	15,948	1,364	52	72
	13,565	18,534	27,770	18,770	15,356	16,490
	<u>706,891</u>	<u>715,548</u>	<u>751,994</u>	<u>737,997</u>	<u>712,464</u>	<u>696,733</u>
	86,686	91,199	85,638	85,125	77,792	80,865
	90,961	89,042	86,576	85,753	91,926	
						53,567
	311,177	294,605	303,234	303,767	302,009	308,321
	33,076	37,191	42,677	69,238	73,682	70,437
	13,419	10,885	17,444	14,542	14,031	17,401
	16,462	17,722	14,983	16,986	19,160	19,229
						37,822
	29,393	32,360	18,030	12,794	19,348	24,635
	8,635	10,580	11,877	10,992	11,171	11,490
	127,001	100,868	115,170	69,945	66,575	56,227
	571	6,044	5,046	5,648	4,566	3,201
	48,648	47,752	46,252	48,115	47,481	48,223
	28,627	27,935	30,380	33,741	30,628	28,682
	2,462	1,114	615	1,264	438	18,722
	1,071	1,077	1,176	1,168	315	795
	<u>798,189</u>	<u>768,374</u>	<u>779,098</u>	<u>759,078</u>	<u>759,122</u>	<u>779,617</u>
	<u>(91,298)</u>	<u>(52,826)</u>	<u>(27,104)</u>	<u>(21,081)</u>	<u>(46,658)</u>	<u>(82,884)</u>
	92,273	77,659	56,516	59,830	68,643	106,617
	(94,734)	(79,766)	(58,466)	(62,145)	(71,514)	(88,152)
	101,385	69,200	35,840	82,945	31,260	171,505
	117,325	20,110	25,360			
	30,085	6,666	4,415	8,770	1,105	1,885
		(13)		(145)	(217)	(237)
	(135,757)	(20,635)	(25,360)	(28,910)		(108,390)
			2,786			
	1,713	1,044	4,425	324	1,229	1,127
			6,535	6,507	6,615	6,690
	<u>112,290</u>	<u>74,265</u>	<u>52,051</u>	<u>67,176</u>	<u>37,121</u>	<u>91,045</u>
\$	<u>20,992</u>	<u>\$ 21,439</u>	<u>\$ 24,947</u>	<u>\$ 46,095</u>	<u>\$ (9,537)</u>	<u>\$ 8,161</u>
	11.1%	11.7%	11.5%	11.8%	11.1%	10.4%

City of Cleveland, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years
(Amounts in Thousands)

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2019	\$ 2,161,965	\$ 2,664,334	\$ 13,789,426	\$ 436,992	\$ 496,582
2018	1,987,511	2,325,434	12,322,700	415,800	472,500
2017	2,002,109	2,238,298	12,115,449	387,919	440,817
2016	2,002,439	2,255,156	12,164,557	331,843	377,094
2015	2,035,581	2,593,704	13,226,529	318,829	362,306
2014	2,051,307	2,550,042	13,146,711	298,603	339,322
2013	2,075,286	2,526,924	13,149,171	266,558	302,907
2012	2,641,867	2,743,313	15,386,229	246,081	279,638
2011	2,675,681	2,722,417	15,423,137	242,172	275,195
2010	2,693,686	2,585,663	15,083,857	233,870	265,761

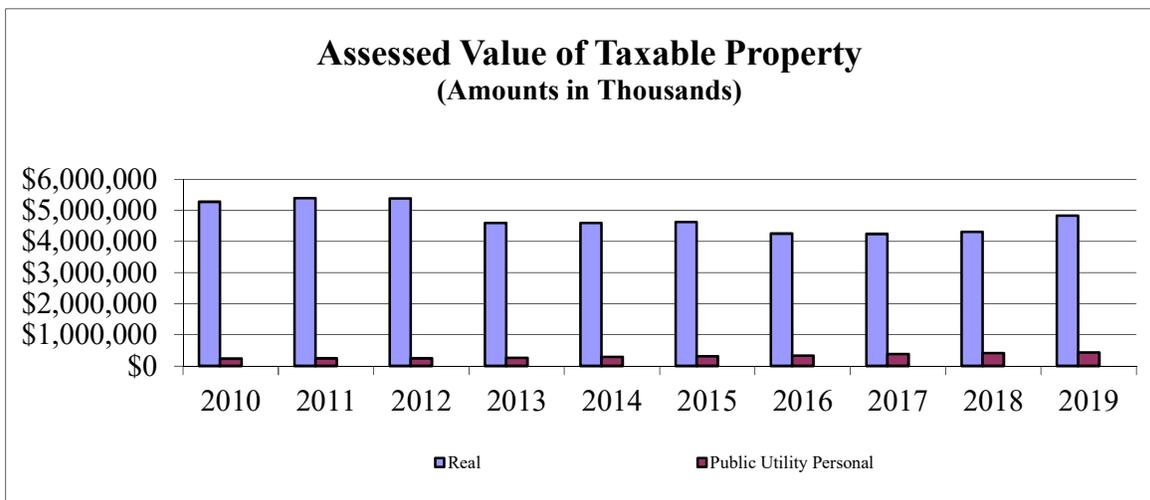
The assessed valuation level for real property in Cuyahoga County is 35% of appraised market value, except for certain agricultural land and public utility property.

Electric deregulation took place January 1, 2001. Under prior law, an electric company's taxable production equipment was assessed at 100% of true value, while all of its other taxable property was assessed at 88% of true value. Effective in 2002, the valuation on electric utility production equipment was reduced from 100% to 25% of true value, with makeup payments in varying amounts to be made through 2019 to taxing subdivisions by the State of Ohio from State resources. All taxable property remained at 88% true value.

The total direct rate is shown per \$1,000 of assessed value.

Source: Cuyahoga County Fiscal Officer.

Total				
Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio	
\$ 5,263,291	\$ 14,286,008	12.70	36.8 %	
4,728,745	12,795,200	12.70	37.0	
4,628,326	12,556,266	12.70	36.9	
4,589,438	12,541,651	12.70	36.6	
4,948,114	13,588,835	12.70	36.4	
4,899,952	13,486,033	12.70	36.3	
4,868,768	13,452,078	12.70	36.2	
5,631,261	15,665,867	12.70	35.9	
5,640,270	15,698,332	12.70	35.9	
5,513,219	15,349,618	12.70	35.9	



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

	2019	2018	2017	2016
Unvoted Millage				
Debt	4.350000	4.350000	4.350000	4.350000
Fire Pension	0.050000	0.050000	0.050000	0.050000
<i>Total Unvoted Millage</i>	<u>4.400000</u>	<u>4.400000</u>	<u>4.400000</u>	<u>4.400000</u>
Charter Millage				
Operating	7.750000	7.750000	7.750000	7.750000
Fire Pension	0.250000	0.250000	0.250000	0.250000
Police Pension	0.300000	0.300000	0.300000	0.300000
<i>Total Charter Millage</i>	<u>8.300000</u>	<u>8.300000</u>	<u>8.300000</u>	<u>8.300000</u>
Total Millage	<u><u>12.700000</u></u>	<u><u>12.700000</u></u>	<u><u>12.700000</u></u>	<u><u>12.700000</u></u>

Overlapping Rates by Taxing District

City School District				
Residential/Agricultural Real	49.324018	49.475411	52.627462	52.527150
Commercial/Industrial and Public Utility Real	56.853103	55.336037	61.103106	61.578271
General Business and Public Utility Personal	79.100000	79.300000	79.300000	79.300000
County				
Residential/Agricultural Real	12.801150	12.797318	13.914095	13.880201
Commercial/Industrial and Public Utility Real	13.230331	13.077038	14.006049	14.012362
General Business and Public Utility Personal	14.050000	14.050000	14.050000	14.050000
Special Taxing Districts (1)				
Residential/Agricultural Real	14.830000	14.431850	13.636727	13.116607
Commercial/Industrial and Public Utility Real	15.080000	14.324894	13.760521	13.322508
General Business and Public Utility Personal	16.580000	16.180000	14.180000	13.680000

Note:

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents. Charter millage is consistently applied to all types of property. The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue. Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Cleveland Metropolitan Parks District, Cleveland-Cuyahoga County Port Authority, Cleveland Public Library and Cuyahoga Community College.

Source: Cuyahoga County Fiscal Officer.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
4.350000	4.350000	4.350000	4.350000	4.350000	4.350000
<u>0.050000</u>	<u>0.050000</u>	<u>0.050000</u>	<u>0.050000</u>	<u>0.050000</u>	<u>0.050000</u>
<u>4.400000</u>	<u>4.400000</u>	<u>4.400000</u>	<u>4.400000</u>	<u>4.400000</u>	<u>4.400000</u>
7.750000	7.750000	7.750000	7.750000	7.750000	7.750000
0.250000	0.250000	0.250000	0.250000	0.250000	0.250000
<u>0.300000</u>	<u>0.300000</u>	<u>0.300000</u>	<u>0.300000</u>	<u>0.300000</u>	<u>0.300000</u>
<u>8.300000</u>	<u>8.300000</u>	<u>8.300000</u>	<u>8.300000</u>	<u>8.300000</u>	<u>8.300000</u>
<u>12.700000</u>	<u>12.700000</u>	<u>12.700000</u>	<u>12.700000</u>	<u>12.700000</u>	<u>12.700000</u>
52.479460	52.699898	52.427248	52.116544	31.674164	31.506887
61.740058	61.107741	60.124573	60.128798	44.235815	44.362102
79.300000	79.900000	79.800000	79.800000	64.800000	64.800000
13.869781	14.050000	14.050000	13.220000	13.118223	13.186617
14.050000	14.019470	13.949465	12.996761	12.784540	12.841251
14.050000	14.050000	14.050000	13.220000	13.220000	13.320000
13.112910	13.202292	12.298441	11.391842	11.225159	11.207637
13.363153	13.312617	12.339767	11.418198	11.232744	11.236434
13.680000	13.680000	12.780000	11.880000	11.880000	11.880000

City of Cleveland, Ohio
Property Tax Levies and Collections
Last Ten Years

Year	Current Tax Levy (1)	Current Tax Collections (2)	Percent of Current Tax Collections To Current Tax Levy	Delinquent Tax Collections	Total Tax Collections
2019	\$ 72,955,931	\$ 71,218,160	97.62 %	\$ 5,828,919	\$ 77,047,080
2018	74,752,362	66,628,584	89.13	4,538,024	71,166,608
2017	72,023,002	64,982,553	90.22	4,280,681	69,263,234
2016	70,861,467	61,490,574	86.78	3,862,554	65,353,128
2015	75,115,511	62,192,254	82.80	4,537,073	66,729,327
2014	72,904,038	60,147,465	82.50	4,542,885	64,690,350
2013	68,191,726	57,319,877	84.06	4,664,866	61,984,743
2012	76,327,893	58,664,824	76.86	6,972,134	65,636,958
2011	74,312,975	59,301,577	79.80	5,104,558	64,406,135
2010	73,818,689	59,078,863	80.03	5,259,959	64,338,822

Note:

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

(1) The current tax levy is the total amount of taxes assessed for the year.

(2) State reimbursement of rollback and homestead exemptions are included.

(3) Total levy includes the delinquent levy.

Source: Cuyahoga County Fiscal Officer.

Total Tax Levy (3)	Percent of Total Tax Collections To Total Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
\$ 98,584,152	78.15 %	\$ 24,209,291	24.56 %
97,367,860	73.09	24,479,163	25.14
94,787,217	73.07	23,227,032	24.50
87,924,969	74.33	23,066,836	26.23
110,147,288	60.58	47,220,991	42.87
110,329,017	58.63	41,284,638	37.42
104,953,336	59.06	40,343,634	38.44
122,143,372	53.74	47,654,232	39.01
109,926,575	58.59	44,679,192	40.64
107,119,066	60.06	39,704,298	37.07

City of Cleveland, Ohio
Principal Taxpayers - Real Estate Tax
 2019 and 2010

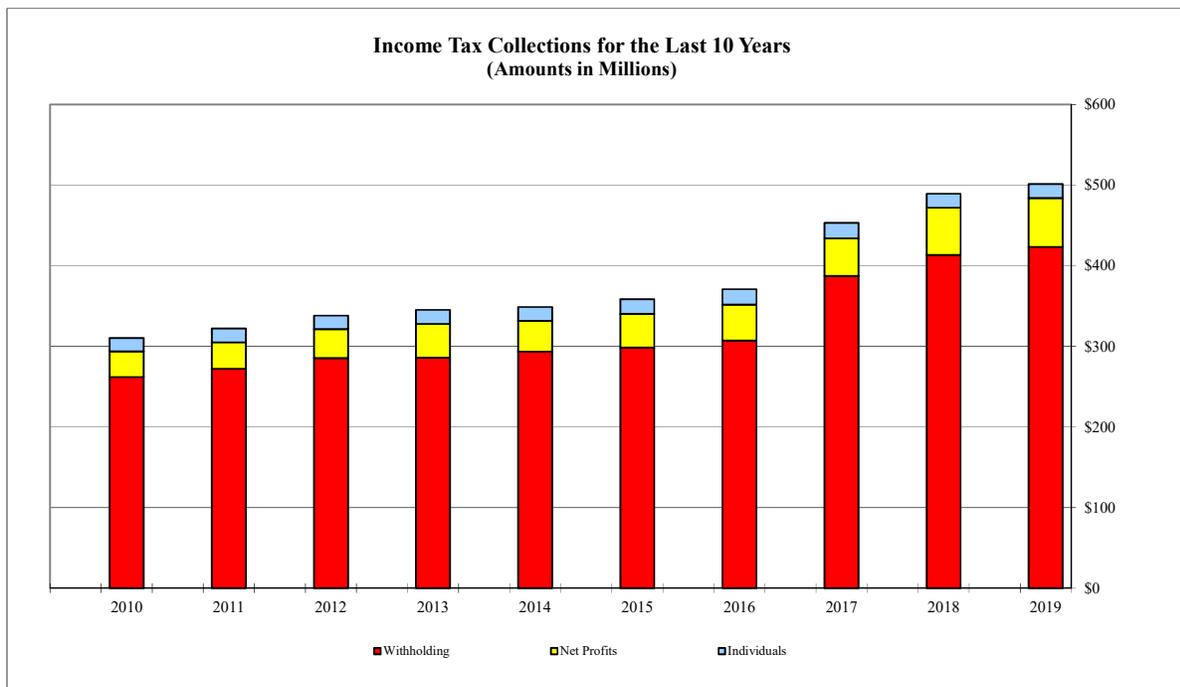
<i>2019</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 243,105,970	5.04 %
East Ohio Gas Co.	132,583,090	2.75
City of Cleveland, Ohio	114,163,970	2.37
American Transmission System	101,704,200	2.11
127 PS Fee Owner, LLC	87,321,260	1.81
Cleveland Clinic Foundation	75,458,160	1.56
Cleveland-Cuyahoga Port Authority	73,368,290	1.52
G&I IX 200 Public Square Garage, LLC	51,774,150	1.07
Cleveland Propco II, LLC	38,242,460	0.79
Flats East Office Tower, LLC	33,322,580	0.69
Total	\$ 951,044,130	19.71 %
Total Real Property Assessed Valuation	\$ 4,826,299,000	
<i>2010</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Clinic Foundation	\$ 241,141,560	4.57 %
Key Center Properties LLC	83,619,320	1.58
City of Cleveland, Ohio	76,531,460	1.45
Cleveland Financial Associates	46,967,070	0.89
Board of County Commissioners	39,698,830	0.75
City of Cleveland Executive	36,508,320	0.69
National City Bank	36,391,080	0.69
Hub North Point Properties LLC	33,309,480	0.63
ISG Cleveland West Inc.	26,892,690	0.51
Optima One Cleveland	25,857,270	0.49
Total	\$ 646,917,080	12.25 %
Total Real Property Assessed Valuation	\$ 5,279,349,000	

(1) The amounts presented represent the assessed values upon which 2019 and 2010 collections were based.

Source: Cuyahoga County Fiscal Officer.

City of Cleveland, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2019	2.50%	\$ 501,323,695	\$ 423,375,271	84.45%	\$ 60,595,378	12.09%	\$ 17,353,046	3.46%
2018	2.50	489,235,527	413,232,659	84.47	58,623,924	11.98	17,378,944	3.55
2017	2.50	453,091,275	387,201,556	85.46	46,757,836	10.32	19,131,883	4.22
2016	2.00	370,753,947	307,143,756	82.84	44,644,300	12.04	18,965,891	5.12
2015	2.00	358,677,459	298,318,465	83.17	41,948,933	11.70	18,410,061	5.13
2014	2.00	348,674,282	293,456,642	84.16	38,294,001	10.98	16,923,639	4.86
2013	2.00	345,255,736	285,891,566	82.81	41,929,164	12.14	17,435,006	5.05
2012	2.00	338,046,790	285,450,129	84.44	35,946,656	10.63	16,650,005	4.93
2011	2.00	322,072,689	272,209,650	84.52	32,693,730	10.15	17,169,309	5.33
2010	2.00	310,339,588	261,801,977	84.36	32,095,566	10.34	16,442,045	5.30



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

(1) Gross collections.

Source: Central Collection Agency.

City of Cleveland, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						
	General Obligation Bonds	Urban Renewal Bonds	Non-Tax Revenue Bonds	Capital Lease Obligations	Subordinated Income Tax Refunding Bonds	Certificates of Participation	Subordinate Lien Income Tax Bonds
2019	\$ 318,912,000	\$	\$49,122,000	\$ 488,000	\$26,630,000	\$ 77,750,000	\$ 361,740,000
2018	291,055,000		53,107,000	1,874,000	31,593,000	85,266,000	377,853,000
2017	230,353,000	835,000	56,968,000	4,363,000	36,346,000	92,506,000	329,359,000
2016	256,139,000	1,615,000	60,751,000	7,344,000	39,458,000	99,438,000	280,057,000
2015	247,235,000	2,345,000	64,438,000	11,354,000	43,910,000	106,095,000	289,810,000
2014	270,033,000	3,030,000	51,004,000	15,262,000	44,927,000	112,471,000	198,462,000
2013	297,178,000	3,670,000	53,202,000	19,185,000	48,421,000	118,581,000	129,551,000
2012	325,676,000	4,270,000	56,018,000	16,236,000	51,769,000	124,749,000	93,320,000
2011	310,456,000	4,835,000	58,747,000	12,908,000	54,982,000	130,941,000	80,976,000
2010	309,807,000	5,365,000	61,985,000	8,937,000	58,063,000	137,192,000	83,548,000

Note:

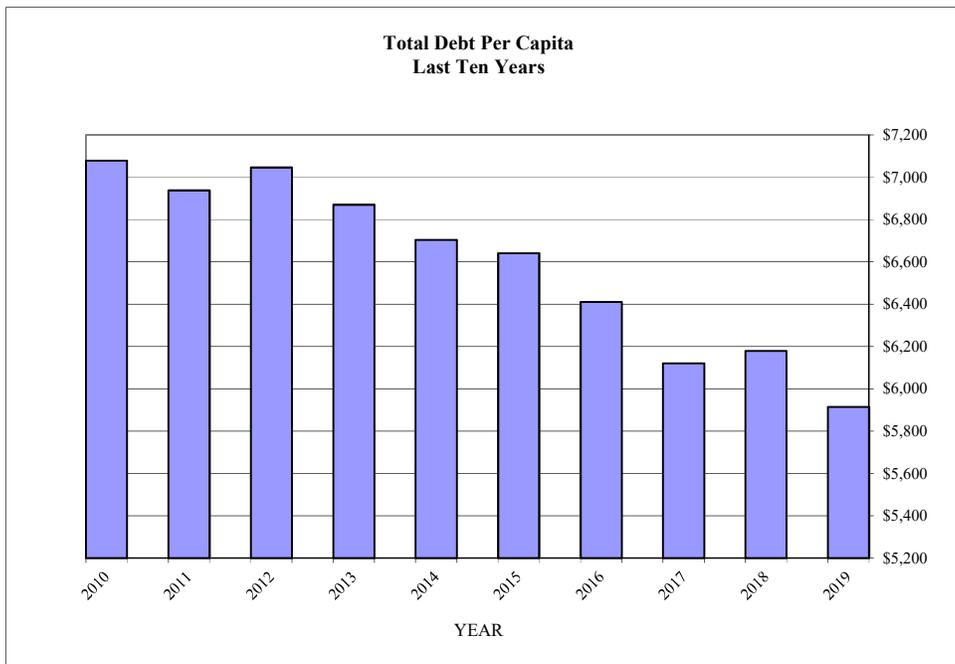
Population and Personal Income data are presented on page S21.

In 2014, this table was modified to include Note/Loans payable, as it is part of the Governmental Debt.

In 2018, this table recalculated all figures that had premiums and discounts. The premiums and discounts are now reflected in the type of debt.

Business-Type Activities

Annual Appropriation Bonds	Note / Loans Payable	Revenue Bonds	OWDA / OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
\$ 8,705,000	\$ 1,266,000	\$ 1,429,751,000	\$ 72,750,000	\$ 2,347,114,000	29.45%	\$ 5,915
9,018,000	1,024,000	1,525,350,000	75,545,000	2,451,685,000	32.79	6,178
9,315,000	1,344,000	1,584,033,000	83,478,000	2,428,900,000	34.00	6,121
9,592,000	1,671,000	1,696,483,000	91,316,000	2,543,864,000	36.56	6,411
9,854,000	2,240,000	1,758,793,000	99,220,000	2,635,294,000	38.09	6,641
10,100,000	2,801,000	1,845,740,000	106,815,000	2,660,645,000	39.46	6,705
10,331,000		1,931,909,000	114,372,000	2,726,400,000	40.87	6,871
10,557,000		2,003,727,000	109,742,000	2,796,064,000	43.22	7,046
10,778,000		1,972,923,000	115,523,000	2,753,069,000	42.56	6,938
10,764,000		2,011,545,000	121,335,000	2,808,541,000	43.42	7,078



City of Cleveland, Ohio
*Ratio of General Obligation Bonded Debt to Assessed
Value and Bonded Debt Per Capita
Last Ten Years*

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value of Taxable Property (2)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
		(Amounts in Thousands)			
2019	396,815	\$ 5,263,291	\$ 305,732	5.81 %	\$ 770.46
2018	396,815	4,728,745	279,415	5.91	704.14
2017	396,815	4,628,326	225,338	4.87	567.87
2016	396,815	4,589,438	251,060	5.47	632.69
2015	396,815	4,948,114	244,111	4.93	615.18
2014	396,815	4,899,952	266,952	5.45	672.74
2013	396,815	4,868,768	293,752	6.03	740.27
2012	396,815	5,631,261	319,460	5.67	805.06
2011	396,815	5,640,270	308,969	5.48	778.62
2010	396,815	5,513,219	307,615	5.58	775.21

Note:

Net Bonded Debt includes all general obligation bonded debt less balance in debt service fund, plus bond premium.

In 2018, the City restated prior years net bonded debt to include bond premium. As a result, this also affected the ratio of net bonded debt to assessed value of taxable property and net bonded debt to assessed value of taxable property and net bonded debt per capita.

Sources:

- (1) U. S. Bureau of Census, 2010 Federal Census of Population.
- (2) Cuyahoga County Fiscal Officer's Office.

City of Cleveland, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2019

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Cleveland			
General Obligation Bonds	\$ 318,912,000	100.00 %	\$ 318,912,000
Capital Lease Obligations	488,000	100.00	488,000
Subordinated Income Tax Refunding Bonds	26,630,000	100.00	26,630,000
Subordinate Lien Income Tax Bonds	361,740,000	100.00	361,740,000
Non-Tax Revenue Bonds	49,122,000	100.00	49,122,000
Certificates of Participation	77,750,000	100.00	77,750,000
Annual Appropriation Bonds	8,705,000	100.00	8,705,000
Note/Loans Payable	1,266,000	100.00	1,266,000
<i>Total Direct Debt</i>	844,613,000		844,613,000
Overlapping			
Cleveland Municipal School District			
General Obligation Bonds	231,922,059	96.84	224,593,322
Cuyahoga County			
General Obligation Bonds	245,120,000	18.58	45,543,296
Berea School District	109,553,000	3.80	4,163,014
Shaker Heights School District	36,510,000	5.48	2,000,748
<i>Total Overlapping Debt</i>	623,105,059		276,300,380
Total	\$ 1,467,718,059		\$ 1,120,913,380

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

Source: Cuyahoga County Fiscal Officer's Office.

City of Cleveland, Ohio

Legal Debt Margin

Last Ten Years

	2019	2018	2017	2016
Total Assessed Property Value	\$ 5,263,290,660	\$ 4,728,745,440	\$ 4,628,325,790	\$ 4,589,437,780
Overall Legal Debt Limit (10½% of Assessed Valuation)	552,645,519	496,518,271	485,974,208	481,890,967
Debt Outstanding:				
General Obligation Bonds	292,810,000	267,135,000	211,400,000	233,900,000
Revenue Bonds	1,352,593,000	1,439,068,000	1,501,493,000	1,617,778,000
Urban Renewal Bonds			835,000	1,615,000
Subordinated Income Tax Refunding Bonds	24,730,000	28,975,000	32,960,000	35,275,000
Subordinate Lien Income Tax Bonds	327,260,000	339,690,000	296,285,000	258,160,000
OWDA/OPWC Loans	73,352,000	75,560,000	83,478,000	91,316,000
Non-tax Revenue Bonds	49,078,000	52,971,000	56,705,000	60,328,000
Annual Appropriation Bonds	8,820,000	9,145,000	9,455,000	9,745,000
Total Gross Indebtedness	2,128,643,000	2,212,544,000	2,192,611,000	2,308,117,000
Less:				
General Obligation Bonds	292,810,000	267,135,000	211,400,000	233,900,000
Revenue Bonds	1,352,593,000	1,439,068,000	1,501,493,000	1,617,778,000
Urban Renewal Bonds			835,000	1,615,000
Subordinated Income Tax Refunding Bonds	24,730,000	28,975,000	32,960,000	35,275,000
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Non-tax Revenue Bonds	49,078,000	52,971,000	56,705,000	60,328,000
Annual Appropriation Bonds	8,820,000	9,145,000	9,455,000	9,745,000
General Obligation Bond Retirement Fund Balance	13,180,000	11,640,000	5,015,000	5,079,000
Total Net Debt Applicable to Debt Limit*	-	-	-	-
Legal Debt Margin Within 10½% Limitations	\$ 552,645,519	\$ 496,518,271	\$ 485,974,208	\$ 481,890,967
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limitation (5½% of Assessed Valuation)	\$ 289,480,986	\$ 260,080,999	\$ 254,557,918	\$ 252,419,078
Total Gross Indebtedness	2,128,643,000	2,212,544,000	2,192,611,000	2,308,117,000
Less:				
General Obligation Bonds	292,810,000	267,135,000	211,400,000	233,900,000
Revenue Bonds	1,352,593,000	1,439,068,000	1,501,493,000	1,617,778,000
Urban Renewal Bonds			835,000	1,615,000
Subordinated Income Tax Refunding Bonds	24,730,000	28,975,000	32,960,000	35,275,000
Subordinate Lien Income Tax Bonds	327,260,000	339,690,000	296,285,000	258,160,000
OWDA/OPWC Loans	73,352,000	75,560,000	83,478,000	91,316,000
Non-tax Revenue Bonds	49,078,000	52,971,000	56,705,000	60,328,000
Annual Appropriation Bonds	8,820,000	9,145,000	9,455,000	9,745,000
General Obligation Bond Retirement Fund Balance	13,180,000	11,640,000	5,015,000	5,079,000
Net Debt Within 5½% Limitations*	-	-	-	-
Unvoted Legal Debt Margin Within 5½% Limitations	\$ 289,480,986	\$ 260,080,999	\$ 254,557,918	\$ 252,419,078
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

* The City does not report net debt limits below zero, therefore if the net debt limit is negative it is considered to be equal to zero.
The types of debt issued by the City are exempt from the limitations defined in the Ohio Revised Code.

Source: City Financial Records.

2015	2014	2013	2012	2011	2010
<u>\$4,948,113,550</u>	<u>\$4,899,952,220</u>	<u>\$4,868,767,980</u>	<u>\$5,631,261,380</u>	<u>\$5,640,270,380</u>	<u>\$5,513,219,400</u>
<u>519,551,923</u>	<u>514,494,983</u>	<u>511,220,638</u>	<u>591,282,445</u>	<u>592,228,390</u>	<u>578,888,037</u>
228,740,000	257,565,000	282,550,000	308,700,000	298,660,000	297,115,000
1,699,688,000	1,786,283,000	1,863,588,000	1,926,203,000	1,930,163,000	1,974,828,000
2,345,000	3,030,000	3,670,000	4,270,000	4,835,000	5,365,000
38,885,000	43,650,000	46,915,000	50,020,000	52,975,000	55,785,000
265,995,000	188,335,000	124,490,000	92,380,000	80,505,000	83,025,000
99,220,000	106,815,000	114,372,000	109,742,000	115,523,000	121,335,000
63,829,000	50,203,000	53,108,000	55,894,000	58,591,000	61,795,000
10,020,000	10,280,000	10,525,000	10,765,000	11,000,000	11,000,000
<u>2,408,722,000</u>	<u>2,446,161,000</u>	<u>2,499,218,000</u>	<u>2,557,974,000</u>	<u>2,552,252,000</u>	<u>2,610,248,000</u>
228,740,000	257,565,000	282,550,000	308,700,000	298,660,000	297,115,000
1,699,688,000	1,786,283,000	1,863,588,000	1,926,203,000	1,930,163,000	1,974,828,000
2,345,000	3,030,000	3,670,000	4,270,000	4,835,000	5,365,000
38,885,000	43,650,000	46,915,000	50,020,000	52,975,000	55,785,000
265,995,000	188,335,000	124,490,000	92,380,000	80,505,000	83,025,000
99,220,000	106,815,000	114,372,000	109,742,000	115,523,000	121,335,000
63,829,000	50,203,000	53,108,000	55,894,000	58,591,000	61,795,000
10,020,000	10,280,000	10,525,000	10,765,000	11,000,000	11,000,000
<u>3,124,000</u>	<u>3,081,000</u>	<u>3,426,000</u>	<u>6,216,000</u>	<u>1,488,000</u>	<u>2,192,000</u>
-	-	-	-	-	-
<u>\$ 519,551,923</u>	<u>\$ 514,494,983</u>	<u>\$ 511,220,638</u>	<u>\$ 591,282,445</u>	<u>\$ 592,228,390</u>	<u>\$ 578,888,037</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$ 272,146,245</u>	<u>\$ 269,497,372</u>	<u>\$ 267,782,239</u>	<u>\$ 309,719,376</u>	<u>\$ 310,214,871</u>	<u>\$ 303,227,067</u>
2,408,722,000	2,446,161,000	2,499,218,000	2,557,974,000	2,552,252,000	2,610,248,000
228,740,000	257,565,000	282,550,000	308,700,000	298,660,000	297,115,000
1,699,688,000	1,786,283,000	1,863,588,000	1,926,203,000	1,930,163,000	1,974,828,000
2,345,000	3,030,000	3,670,000	4,270,000	4,835,000	5,365,000
38,885,000	43,650,000	46,915,000	50,020,000	52,975,000	55,785,000
265,995,000	188,335,000	124,490,000	92,380,000	80,505,000	83,025,000
99,220,000	106,815,000	114,372,000	109,742,000	115,523,000	121,335,000
63,829,000	50,203,000	53,108,000	55,894,000	58,591,000	61,795,000
10,020,000	10,280,000	10,525,000	10,765,000	11,000,000	11,000,000
<u>3,124,000</u>	<u>3,081,000</u>	<u>3,426,000</u>	<u>6,216,000</u>	<u>1,488,000</u>	<u>2,192,000</u>
-	-	-	-	-	-
<u>\$ 272,146,245</u>	<u>\$ 269,497,372</u>	<u>\$ 267,782,239</u>	<u>\$ 309,719,376</u>	<u>\$ 310,214,871</u>	<u>\$ 303,227,067</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

City of Cleveland, Ohio
Pledged Revenue Coverage
Airport Revenue Bonds
Last Ten Years

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2019	\$ 189,211,000	\$ 81,118,000	\$ 108,093,000	\$ 41,585,000	\$ 23,263,000	1.67
2018	185,477,000	81,551,000	103,926,000	39,970,000	28,633,914	1.51
2017	183,268,000	85,399,000	97,869,000	38,535,000	29,902,274	1.43
2016	178,723,000	81,501,000	97,222,000	39,765,000	29,907,925	1.40
2015	164,346,000	74,841,000	89,505,000	34,415,000	33,357,922	1.32
2014	165,780,000	72,101,000	93,679,000	33,155,000	34,568,497	1.38
2013	154,616,000	67,164,000	87,452,000	32,120,000	35,369,367	1.30
2012	152,030,000	68,855,000	83,175,000	16,285,000	33,765,871	1.66
2011	150,112,000	73,310,000	76,802,000	13,660,000	34,940,285	1.58
2010	152,053,000	70,152,000	81,901,000	14,705,000	36,386,915	1.60

(1) Gross revenues include operating revenues plus interest income. Beginning in 2001, a minimum of 40% of passenger facility charges, as well as grant funds from the FAA for the new runway, are dedicated to the payment of debt service charges and are included in gross revenues. Beginning in 2007, the Coverage Account was included in the calculation of debt service coverage.

(2) Direct operating expenses are calculated in accordance with the bond indenture.

City of Cleveland, Ohio
Pledged Revenue Coverage
Power System Revenue Bonds
Last Ten Years

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2019	\$ 204,286,000	\$ 179,977,000	\$ 24,309,000	\$ 5,640,000	\$ 8,453,175	1.73
2018	212,383,000	181,141,000	31,242,000	7,705,000	8,569,901	1.92
2017	195,188,000	167,923,000	27,265,000	8,785,000	9,116,666	1.52
2016	193,194,000	166,591,000	26,603,000	8,055,000	9,859,269	1.49
2015	192,934,000	166,150,000	26,784,000	7,500,000	10,410,464	1.50
2014	181,877,000	154,115,000	27,762,000	10,770,000	8,061,556	1.47
2013	170,383,000	141,116,000	29,267,000	12,710,000	9,766,869	1.30
2012	165,307,000	136,987,000	28,320,000	10,050,000	9,746,181	1.43
2011	168,599,000	139,952,000	28,647,000	10,495,000	9,987,500 (3)	1.40
2010	166,761,000	138,030,000	28,731,000	8,045,000	9,871,011 (3)	1.60

(1) Gross revenues include operating revenues plus applicable interest income.

(2) Direct operating expenses are calculated in accordance with the bond indenture.

(3) Net of capitalized interest per indenture.

City of Cleveland, Ohio
Pledged Revenue Coverage
Water System Revenue Bonds
Last Ten Years

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest (3)	
2019	\$ 323,043,000	\$ 217,352,000	\$ 105,691,000	\$ 27,540,000	\$ 15,092,505	2.48
2018	315,296,000	197,901,000	117,395,000	30,640,000	16,950,832	2.47
2017	305,971,000	185,367,000	120,604,000	29,700,000	15,664,601	2.66
2016	311,882,000	162,618,000	149,264,000	44,720,000	15,100,291	2.50
2015	301,715,000	165,981,000	135,734,000	42,110,000	21,034,935	2.15
2014	304,182,000	153,559,000	150,623,000	41,200,000	26,822,980	2.21
2013	274,324,000	154,947,000	119,377,000	39,910,000	29,089,797	1.73
2012	282,288,000	149,169,000	133,119,000	31,100,000	26,639,529	2.31
2011	238,975,000	146,232,000	92,743,000	34,000,000	30,275,641	1.44
2010	241,277,000	149,513,000	91,764,000	37,150,000	32,447,214	1.32

(1) Gross revenues include operating revenues plus interest income.

(2) Direct operating expenses are calculated in accordance with the bond indenture.

(3) Per indenture, interest expense is reduced by amount released from reserve fund at the start of year.

City of Cleveland, Ohio
Pledged Revenue Coverage
Water Pollution Control Revenue Bonds
Last Four Years

Year (3)	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2019	\$ 32,956,000	\$ 21,742,000	\$ 11,214,000	\$ 590,000	\$ 1,545,150	5.25
2018	30,443,000	20,136,000	10,307,000	570,000	1,562,250	4.83
2017	29,847,000	21,075,000	8,772,000	550,000	1,584,250	4.11
2016	28,861,000	19,010,000	9,851,000		928,547	10.61

(1) Gross revenues include operating revenues plus interest income, except for interest on the construction funds.

(2) Direct operating expenses are calculated in accordance with the bond indenture.

(3) Pledged revenue debt was first issued in 2016. The City will continue to present information until a full ten-year is compiled.

City of Cleveland, Ohio

Principal Employers

2019 and 2010

2019

Employer	Employees	Percentage of Total City Employment
Cleveland Clinic	35,934	23.80%
University Hospitals	17,125	11.34
U.S. Office of Personnel Management	13,038	8.63
Cuyahoga County	7,368	4.88
The MetroHealth System	6,978	4.62
City of Cleveland	6,947	4.60
Cleveland Metropolitan School District	6,259	4.15
KeyCorp	4,740	3.14
Case Western Reserve University	4,470	2.96
Sherwin-Williams Co.	4,427	2.93
Total	107,286	71.05%
Total Employment within the City	151,000	

2010

Employer	Employees	Percentage of Total City Employment
The Cleveland Clinic Foundation	34,000	22.85%
University Hospitals of Cleveland	13,224	8.89
Cuyahoga County	8,036	5.40
United States Postal Service	7,641	5.14
City of Cleveland	7,580	5.09
Cleveland Municipal School District	7,385	4.96
KeyCorp	5,553	3.73
The MetroHealth System	5,408	3.63
Case Western Reserve University	4,449	2.99
Sherwin-Williams Co.	3,058	2.06
Total	96,334	64.74%
Total Employment within the City	148,800	

Note:

Largest employers headquartered in the City ranked by FTE employees.

Source:

Number of employees from Crain's Cleveland:

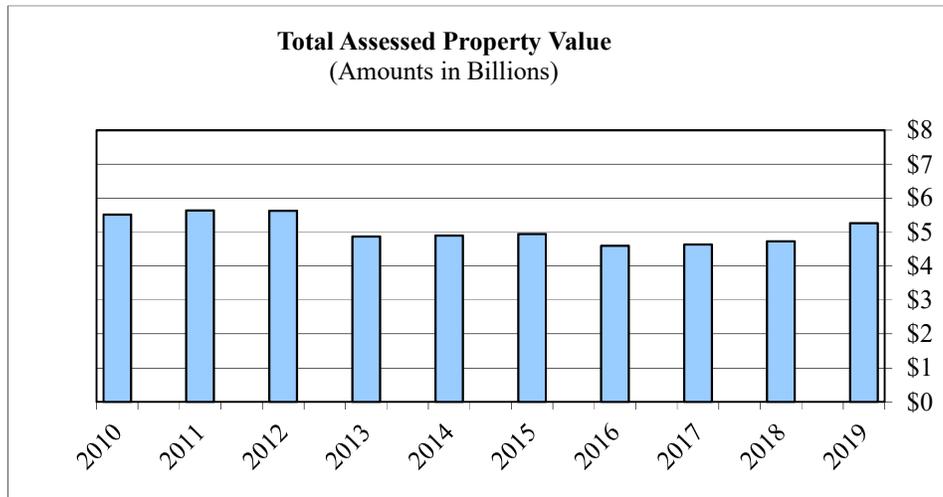
Book of Lists 2020, Largest Cuyahoga County Employers; FTEs as of 6/30/2019

Book of Lists 2011, Largest Cuyahoga County Employers; FTEs as of 6/30/2010

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City of Cleveland, Ohio
Demographic and Economic Statistics
 Last Ten Years

Year	Population	Total Personal Income (5)	Personal Income Per Capita	Median Household Income	Median Age
2019	396,815 (1)	\$ 7,970,029,275	\$ 20,085 (12)	\$ 29,008 (12)	35.7 (1)
2018	396,815 (1)	7,477,581,860	18,844 (11)	27,854 (11)	35.7 (1)
2017	396,815 (1)	7,143,860,445	18,003 (10)	26,583 (10)	35.7 (1)
2016	396,815 (1)	6,958,944,655	17,537 (9)	26,150 (9)	35.7 (1)
2015	396,815 (1)	6,918,866,340	17,436 (8)	26,179 (8)	35.7 (1)
2014	396,815 (1)	6,742,680,480	16,992 (7)	26,217 (7)	35.7 (1)
2013	396,815 (1)	6,671,253,780	16,812 (6)	26,556 (6)	35.7 (1)
2012	396,815 (1)	6,468,878,130	16,302 (1)	27,349 (1)	35.7 (1)
2011	396,815 (1)	6,468,878,130	16,302 (1)	27,349 (1)	35.7 (1)
2010	396,815 (1)	6,468,878,130	16,302 (1)	27,349 (1)	35.7 (1)



- (1) Source: U. S. Census Bureau. 2010 Census
- (2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/>".
- (3) Source: Ohio Labor Market Info, Website: "<http://ohiolmi.com/>".
- (4) Source: Cuyahoga County Auditor's Office.
- (5) Computation of per capita personal income multiplied by population.
- (6) Source: U. S. Census Bureau. 2012 dollars years 2008-2012.
- (7) Source: U. S. Census Bureau. 2013 dollars years 2009-2013.
- (8) Source: U. S. Census Bureau. 2014 dollars years 2010-2014.
- (9) Source: U. S. Census Bureau. 2015 dollars years 2011-2015.
- (10) Source: U. S. Census Bureau. 2016 dollars years 2012-2016.
- (11) Source: U. S. Census Bureau. 2017 dollars years 2013-2017.
- (12) Source: U. S. Census Bureau. 2018 dollars years 2014-2018.

Educational Attainment: Bachelor's Degree or Higher	School Enrollment (2)	City Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)	
				(Amounts in Thousands)	
16.9%	(12)	37,701	5.2%	\$ 77,900	\$ 5,263,291
16.4	(11)	38,645	6.5	69,500	4,728,745
16.1	(10)	38,949	7.7	76,458	4,628,326
15.6	(9)	39,125	6.9	59,403	4,589,438
15.2	(8)	38,555	5.2	67,280	4,948,114
14.9	(7)	37,967	7.8	54,549	4,899,952
14.0	(6)	38,725	9.3	59,737	4,868,768
13.1	(1)	42,883	8.5	55,774	5,631,261
13.1	(1)	45,060	10.0	54,638	5,640,270
13.1	(1)	47,615	11.5	60,398	5,513,219



City of Cleveland, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2019	2018	2017	2016
General Government				
Council	64.00	65.50	60.00	65.50
Mayor's Office	19.50	18.50	24.00	25.00
Office of Capital Projects	61.50	57.00	54.00	49.00
Mayor's Office of Sustainability	8.00	8.00	8.00	
Mayor's Office of Quality Control	11.50	9.50	10.50	
Landmarks Commission	5.00	5.50	4.00	3.00
Building Standards and Appeals	3.00	5.50	5.50	5.50
Board of Zoning Appeals	4.50	4.00	4.50	4.50
Civil Service Commission	7.50	8.50	8.50	8.50
Community Relations Board	26.00	24.00	22.00	22.00
City Planning Commission	23.00	21.50	20.50	20.50
Equal Employment Opportunity	7.00	7.00	8.00	6.00
Court	436.50	441.50	443.50	446.00
Office of Budget Administration	7.00	8.00	7.00	7.00
Aging	25.50	26.00	23.50	19.00
Personnel and Human Resources	18.50	17.50	16.50	12.00
Consumer Affairs				
Law	78.00	80.00	78.50	73.50
Finance	264.00	267.50	248.50	239.50
Security of Persons and Property				
Administration	37.00	36.00	36.00	37.00
Police	2,013.00	1,972.00	1,822.50	1,826.50
Fire	718.00	722.00	702.00	696.00
EMS	305.00	310.00	288.00	244.00
Dog Pound	33.50	26.50	22.00	18.00
House of Corrections	1.00	1.00	106.00	117.50
Department of Justice Compliance	36.00	27.50	26.00	13.50
Public Health Services	139.50	138.50	127.50	135.00
Leisure Time Activities				
Parks, Recreation and Property Administration				
Research, Planning and Development				
Recreation	230.50	230.00	222.00	203.00
Public Auditorium, Westside Market and Cleveland Stadium (2)	64.00	61.50	53.50	53.00
Parking Facilities	37.50	40.50	37.50	40.00
Property Management	72.50	71.50	70.50	64.50
Parks Maintenance	145.00	140.00	138.00	132.00
Community Development	77.00	71.50	62.00	61.50
Building and Housing	148.00	142.00	129.00	119.00
Economic Development	24.00	24.00	23.00	26.00
Public Works				
Public Works Administration	32.00	36.00	32.00	34.00
Architecture				
Waste Collection and Disposal	217.50	199.50	206.50	179.50
Engineering and Construction				
Motor Vehicle Maintenance	75.00	79.00	76.00	70.00
Streets	266.00	270.00	263.00	252.00
Traffic Engineering	31.00	33.00	32.00	29.00
Port Control	408.00	387.50	392.50	393.50
Basic Utility Services				
Water	1,150.50	1,126.50	1,067.50	980.00
Cleveland Public Power	249.00	253.00	242.00	248.00
Water Pollution Control	140.00	133.00	116.00	123.00
Totals:	7,720.50	7,607.00	7,340.00	7,102.00

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

(1) In 2012, a departmental reorganization occurred that merged the departments of Public Service with Parks, Recreation and Properties becoming the Department of Public Works. The Office of Capital Projects was created from the Divisions of Architecture, Engineering and Construction and Research, Planning and Development and is reported under General Government. In addition, the Division of Consumer Affairs was merged with Community Development and was moved from General Government.

(2) In 2010, the Convention Center was sold to Cuyahoga County; however, the City continues to maintain and operate the Public Auditorium.

Source: City Payroll Department.

2015	2014	2013	2012	2011	2010
60.50	61.00	60.00	61.50	63.00	62.00
23.00	22.50	25.50	25.50	24.50	25.50
55.50	50.50	49.50	46.00 (1)		
3.50	4.00	5.00	5.00	5.00	5.50
5.50	5.50	6.00	6.00	6.00	5.50
4.00	4.50	4.50	4.50	4.50	4.00
8.50	9.50	10.00	10.00	9.50	11.00
23.00	24.00	22.00	24.00	28.00	30.50
21.50	22.50	20.50	20.50	21.50	24.00
8.50	10.00	8.50	8.00	8.00	10.00
448.00	457.50	465.50	461.00	479.50	531.00
7.00	7.00	8.00	7.00	7.00	7.00
23.50	21.00	22.00	22.00	25.00	24.50
15.50	17.00	19.00	18.00	16.00	16.50
				(1) 4.00	3.00
71.50	76.50	77.00	72.50	76.00	87.00
238.50	226.00	222.50	232.00	234.00	241.50
35.00	48.50	42.50	36.50	36.50	40.00
1,903.00	1,901.00	1,913.50	1,873.00	1,869.50	1,983.50
705.00	707.00	730.00	729.00	803.00	875.00
238.00	224.00	232.00	232.00	214.00	218.00
18.00	17.00	17.00	14.50	15.00	16.00
117.50	127.00	131.50	133.00	153.00	170.00
8.50					
139.00	138.00	133.00	125.50	140.50	159.50
			(1)	8.00	7.00
			(1)	5.00	6.00
202.50	200.50	191.50	190.50	189.00	230.00
55.00	54.50	54.00	42.50	29.50	27.50
42.50	40.00	40.50	39.50	42.50	42.50
67.50	73.50	72.50	70.50	73.50	81.50
128.00	133.00	130.00	119.00	126.00	140.00
63.00	74.00	76.00	78.50	76.50	87.00
109.00	115.00	117.00	113.00	120.00	134.50
26.00	25.00	29.00	26.00	28.00	34.00
36.00	38.00	37.00	34.00	5.50	4.50
			(1)	5.00	6.00
171.00	192.50	199.50	206.50	212.50	238.50
			(1)	31.50	59.50
72.00	66.00	68.00	68.00	75.00	81.00
257.00	249.00	248.00	260.00	285.00	257.50
30.00	29.00	29.00	29.00	36.00	38.00
410.00	383.00	392.00	404.50	418.00	446.50
1,013.00	1,008.00	1,042.50	1,093.00	1,157.00	1,164.50
244.00	266.00	316.00	335.00	358.00	345.00
121.00	134.50	135.00	136.00	148.50	158.00
<u>7,229.00</u>	<u>7,263.00</u>	<u>7,402.50</u>	<u>7,412.50</u>	<u>7,673.00</u>	<u>8,139.50</u>

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

Function/Program	2019	2018	2017	2016	2015
General Government					
<i>Council and Clerk</i>					
Number of ordinances passed	573	573	621	526	621
Number of resolutions adopted	575	543	554	587	564
Number of other actions (communications, tabled legislation, etc.)	313	365	330	353	399
Number of planning commission docket items	544	344	283	310	127
Zoning board of appeals docket items	324	290	379	325	274
<i>Finance Department</i>					
Number of payments issued	39,486	40,932	37,683	37,602	37,931
Total amount of payments	\$ 1,791,913,475	\$ 1,712,667,992	\$ 1,645,342,974	\$ 1,526,411,690	\$ 1,463,635,524
Interest earnings for fiscal year (cash basis)	\$ 34,234,237	\$ 26,062,457	\$ 11,609,282	\$ 4,638,092	\$ 1,669,023
Number of receiving warrants (6)	31,786	37,061	35,563	33,848	34,912
Number of journal entries issued (6)	194,878	206,659	201,067	189,424	260,377
Number of budget adjustments issued	2	3	5	2	2
Agency ratings - Standard & Poor's (1)	AA+	AA+	AA+	AA	AA
Agency ratings - Moody's Financial Services (1)	A1	A1	A1	A1	A1
Health insurance costs vs. General Fund expenditures %	16%	16%	17%	18%	17%
General Fund receipts (cash basis in thousands)	\$ 648,273	\$ 623,090	\$ 591,969	\$ 513,561	\$ 495,331
General Fund expenditures (cash basis in thousands)	\$ 564,761	\$ 533,048	\$ 508,535	\$ 483,971	\$ 481,730
General Fund cash balances (in thousands)	\$ 190,621	\$ 173,275	\$ 117,631	\$ 61,405	\$ 79,239
<i>Income Tax Department</i>					
Number of individual returns	134,391	131,908	158,124	174,471	181,382
Number of business returns	23,373	28,396	24,982	22,352	28,502
Number of business withholding accounts	14,599	15,015	14,640	13,867	13,863
Amount of penalties and interest collected	\$ 2,366,212	\$ 2,169,049	\$ 2,357,037	\$ 1,980,758	\$ 2,010,333
Annual number of corporate withholding forms processed	168,213	166,191	159,442	156,603	153,640
Annual number of balance due statements forms processed	24,247	26,382	31,261	41,688	41,837
Annual number of estimated payment forms processed	28,329	28,448	35,319	40,598	39,577
Annual number of reconciliations of withholdings processed	12,461	12,898	11,494	11,728	12,248
<i>Engineer Contracted Services</i>					
Dollar amount of construction overseen by engineer (2)	\$ 26,128,469	\$ 18,489,204	\$ 26,721,178	\$ 59,585,941	\$ 104,493,079
<i>Municipal Court</i>					
Number of civil cases (8)	20,360	19,599	19,146	18,646	19,411
Number of criminal cases (8)	59,535	60,525	64,371	64,050	78,238
<i>Vital Statistics</i>					
<i>Certificates filed (3)</i>					
Number of births	18,993	18,765	19,878	18,607	18,524
Number of deaths	15,077	15,302	15,158	14,832	14,349
Number of fetal deaths	150	308	348	385	407
<i>Certificates issued (3)</i>					
Number of births	55,464	56,102	58,805	58,611	58,513
Number of deaths	63,979	65,338	64,265	63,348	63,930
<i>Civil Service</i>					
Number of police entry tests administered	2	3	1	1	1
Number of fire entry tests administered		1	1		
Number of police promotional tests administered		1			
Number of fire promotional tests administered			1		
Number of hires of police officers from certified lists	40	248	52	56	45
Number of hires of fire/medics from certified lists	55	40		29	40
Number of promotions from police certified lists	35	24	44	30	48
Number of promotions from fire certified lists	22	52		33	16

	2014	2013	2012	2011	2010
	582	642	631	723	621
	696	686	739	647	747
	232	267	359	262	298
	256	276	237	241	274
	37,689	37,257	38,010	38,501	37,944
\$	1,423,313,034	\$ 1,454,825,245	\$ 1,236,189,641	\$ 1,311,830,974	\$ 1,276,014,604
\$	2,004,466	\$ 2,922,320	\$ 3,283,638	\$ 4,061,090	\$ 7,507,827
	36,245	33,006	32,087	30,433	31,497
	206,253	176,343	190,554	179,546	192,281
	4	5	4	6	2
	AA	AA	AA	AA	AA
	A1	A1	A1	A1	A1
	15%	15%	15%	18%	17%
\$	502,860	\$ 511,253	\$ 501,018	\$ 496,086	\$ 480,724
\$	487,584	\$ 485,912	\$ 468,543	\$ 472,883	\$ 482,227
\$	92,693	\$ 89,988	\$ 84,869	\$ 54,888	\$ 16,400
	181,811	188,767	192,362	196,457	202,232
	29,866	22,601	25,140	26,240	26,881
	13,857	13,914	14,414	14,338	13,835
\$	1,848,347	\$ 1,880,485	\$ 1,771,088	\$ 2,059,203	\$ 1,754,501
	149,291	143,976	147,175	149,537	149,584
	38,059	39,012	37,642	38,152	36,188
	42,027	40,932	41,813	41,636	42,767
	11,851	10,737	11,416	11,376	11,357
\$	52,004,000	\$ 30,424,253	\$ 25,400,000	\$ 30,760,000	\$ 34,000,000
	18,910	7,534	9,451	11,513	19,280
	103,098	109,740	110,754	107,711	167,563
	17,061	16,448	17,264	16,616	15,528
	13,509	13,460	13,016	12,958	12,296
	337	380	384	459	454
	55,753	57,935	57,297	57,542	62,507
	60,897	61,717	60,173	61,147	59,689
	1	1			1
	1				
	3			1	
	4	4		1	
	103	47	50	42	
	37	33			
	4	36	33		
	49	29	42		

(Continued)

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

Function/Program	2019	2018	2017	2016	2015
Building Department Indicators					
Construction permits issued	19,947	17,173	17,865	16,125	15,038
Estimated value of construction	\$ 1,194,734,824	\$ 1,461,758,104	\$ 1,338,571,317	\$ 1,468,917,169	\$ 1,430,231,410
Number of other permits issued	2,026	2,235	2,871	2,820	3,274
Amount of revenue generated from permits	\$ 13,146,280	\$ 12,550,454	\$ 10,985,010	\$ 12,799,847	\$ 11,580,333
Number of contract registrations issued	2,441	3,330	3,261	3,202	3,262
Annual apartment/rooming house license fees	\$ 2,339,748	\$ 2,307,275	\$ 2,144,227	\$ 1,582,496	\$ 1,515,849
Security of Persons and Property					
Police					
Number of traffic citations issued	41,747	41,095	45,734	49,084	64,565
Number of parking citations issued	24,017	26,970	30,966	32,516	39,862
Number of criminal arrests	12,790	15,584	18,975	19,670	24,308
Number of accident reports completed	17,282	17,982	17,876	18,256	17,712
Part I offenses (major offenses)	23,229	24,557	31,163	34,158	29,048
OVI arrests (12)	318	472	505	491	387
Prisoners	12,299	13,025	12,536	14,214	17,284
Motor vehicle accidents	17,282	17,982	17,876	18,256	17,712
Fatalities from motor vehicle accidents	54	46	61	56	48
Community diversion program youths	104	82	141	119	108
Fire					
Fire calls - incoming for services	70,005	70,213	71,663	70,988	68,983
Fires	1,896	2,078	2,732	2,752	2,469
Fires with loss	518	935	1,489	1,035	1,591
Fires with losses exceeding \$10K	168	284	323	344	346
Fire losses \$	\$ 8,541,535	\$ 14,374,870	\$ 19,714,210	\$ 15,495,855	\$ 18,625,607
Fire safety inspections	2,988	7,900	20,660	9,059	12,963
Number of times mutual aid given to fire	3				
EMS					
EMS calls - incoming for service	123,364	120,487	116,751	116,056	115,303
Ambulance billing collections (net)	\$ 16,250,754	\$ 14,470,837	\$ 14,633,032	\$ 13,157,301	\$ 10,348,422
Public Health and Welfare					
Number of health inspections					
Barber shops	109	165	156	124	211
Food	7,800	7,800	7,200	7,041	7,356
Hotels/motels	38	40	43	42	36
Marinas					
Mobile home parks					
Laundries	30	30	38	77	54
Nuisance	12,000	1,909	1,186	1,176	2,450
Pools	130	125	127	114	165
Schools	330	235	330	293	398
Day care inspections	183	181	180	181	187
Maternity inspections	1	1	1	1	
Abortion inspections	3	3	4	4	4
Cemetery burials					
Cemetery cremations	268	259	279	263	260

	2014	2013	2012	2011	2010
	14,002	15,760	16,245	15,082	6,829
\$	951,833,168	\$ 898,217,589	\$ 1,033,330,550	\$ 1,556,000,000	\$ 729,883,689
	4,560	4,632	4,854	4,164	8,629
\$	8,318,937	\$ 8,727,385	\$ 7,867,168	\$ 8,306,423	\$ 6,078,922
	2,395	2,357	2,802	2,822	2,895
\$	1,340,845	\$ 1,382,001	\$ 1,305,182	\$ 1,343,457	\$ 1,571,317
	89,835	111,271	121,474	119,371	75,362
	37,569	36,678	42,404	42,763	48,691
	31,633	33,742	35,730	37,531	39,657
	15,575	15,806	14,549	15,444	14,761
	33,975	37,125	39,028	40,554	38,003
	693	779	790	679	729
	21,201	23,935	35,251	37,235	39,156
	15,575	15,806	14,549	15,412	14,761
	21	32	31	29	49
	105	98	152	188	196
	64,357	61,728	65,040	65,132	60,076
	2,431	2,478	2,846	2,714	2,869
	1,441	1,403	1,372	1,398	1,266
	310	247	259	256	219
\$	16,936,874	\$ 9,634,925	\$ 13,128,848	\$ 14,747,291	\$ 12,035,650
	12,730	10,110	13,380	10,898	13,631
	5	2	30	21	29
	109,045	106,385	96,359	94,307	92,230
\$	12,214,724	\$ 11,589,324	\$ 12,051,964	\$ 11,594,178	\$ 10,832,204
	360	303	333	400	238
	7,187	7,796	7,674	7,369	7,624
	35	22	38	42	36
			5	11	11
	68	81	62	12	5
	17,117	22,375	21,118	87	69
	147	132	161	19,136	24,130
	417	547	419	204	120
	194	188	161	480	390
	1	2		229	223
	4	5	5	4	4
				6	6
	249	179	196	177	169

(Continued)

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

Function/Program	2019	2018	2017	2016	2015
Leisure Time Activities					
Recreation men and women leagues receipts	\$ 14,585	\$ 13,318	\$ 795	\$ 1,305	\$ 1,425
Economic Development					
Grant amounts received (Amounts in Thousands) (11)	\$ 3,180	\$ 3,238	\$ 4,310	\$ 10,107	\$ 8,244
Public Works					
Street improvements - asphalt overlay (square yards) (7)	401,772	422,485	476,296	279,170	244,774
Crackseal coating program (linear feet) (7)	422,097	476,296	318,415	252,160	320,785
Street repair (curbs, aprons, berms, asphalt) (hours)	102,400	183,040	106,080	118,560	136,993
Guardrail repair (hours) (9)	1,093	1,320	1,061	380	765
Paint striping					
Lane line (miles)	455	526	630	629	485
Crosswalks (each)	4,800	5,476	5,356	6,007	3,783
Arrows (each)	3,650	3,528	3,695	3,853	3,664
Street sweeper (hours) (9)	1,904	1,120	1,257	672	744
Cold patch (hours)	10,693	5,760	7,680	6,400	12,960
Snow and ice removal regular hours	76,834	75,564	72,015	70,137	88,865
Snow and ice removal overtime hours	12,152	13,342	7,843	16,244	14,876
Leaf collection (hours) (10)	432	1,200	240		
Holiday lights setup (hours) (5)		120	220	240	240
Equipment repair/body shop (hours)	4,421	3,960	1,643	2,060	2,110
Tons of snow melting salt purchased November-March	54,000	61,089	31,422	57,424	61,447
Cost of salt purchased	\$ 3,957,120	\$ 1,778,889	\$ 918,490	\$ 3,037,155	\$ 3,147,313
Refuse disposal per year (in tons) (13)	243,825	222,559	241,250	241,911	217,083
Refuse disposal costs per year (13)	\$ 6,542,835	\$ 5,612,889	\$ 5,660,667	\$ 5,552,840	\$ 5,729,541
Annual recycling tonnage (excluding leaf, and compost items)	23,743	19,152	26,915	25,600	21,809
Percentage of waste recycled	8.87%	7.90%	10.04%	9.45%	9.54%
Port Control					
Cleveland Hopkins Airport					
Landed weight (in thousands of pounds)	5,928,580	5,686,461	5,455,096	5,117,105	5,118,972
Total operations	126,999	116,333	122,392	118,653	117,773
Total passengers	10,040,817	9,642,729	9,140,445	8,422,676	8,100,073
Total enplaned passengers	5,023,316	4,836,580	4,562,740	4,205,739	4,046,634
Burke Lakefront Airport					
Total operations	50,022	46,765	50,789	53,495	63,603
Total passengers	174,382	229,172	178,521	163,696	161,006
Total enplaned passengers	86,408	113,843	89,051	81,934	80,724
Water Department					
Water rates per 1st 600 cubic feet of water used (4)	\$ 20.57	\$ 19.26	\$ 19.26	\$ 19.26	\$ 19.26
Average number of water accounts billed monthly (14)	433,000	428,778	430,478	438,816	439,823
Total water collections annually (including P&I)	\$ 283,912,463	\$ 273,421,478	\$ 295,099,937	\$ 282,194,878	\$ 273,223,067
Payments to Cleveland for bulk water purchases	\$ 9,519,525	\$ 9,489,107	\$ 9,979,059	\$ 21,309,226	\$ 21,889,987
Wastewater Department					
Sewer and sanitary calls for service	3,906	4,810	5,342	4,537	3,919
After hours sewer calls (hours)	306	358	270	180	438
Electric Power					
KWH Sold	1,589,109,934	1,657,523,780	1,588,113,898	1,612,905,829	1,616,459,441
Average accounts billed per month	75,064	75,287	73,363	73,340	73,661
Receipts	\$ 208,987,691	\$ 212,797,846	\$ 190,495,223	\$ 191,759,714	\$ 194,358,017

- (1) General obligation bond rating.
- (2) Amounts are new construction starts. The majority of engineering and construction projects are multi-year projects.
- (3) Includes entire area serviced by the Division of Vital Statistics (i.e., Cleveland + suburbs).
- (4) This is the rate for the City of Cleveland residents only. In 2012 rates changed from per 1000 cubic feet to per 600 cubic feet.
- (5) Holiday light setup was contracted to an outside agency in 2010 and 2011.
- (6) The City went "live" on a new financial system in January 2010. The new system creates journal entries at the transaction level instead of at the summary level like the prior financial system.
- (7) No program was available for asphalt overlay in 2010 and a new program was implemented for crackseal coating. In 2011, this program ended due to state budget cuts and the asphalt overlay program was again funded.
- (8) 2010 data has been changed. Figures included cases from prior years.
- (9) Street sweeping was limited in 2011 and 2012 due to state imposed budget cuts.
- (10) During various years the City provided no organized leaf collection program.
- (11) Economic Development grants received were restated in 2011 for all years shown. They include Neighborhood Development Investment Fund, Supplemental Empowerment Zone, Economic Development Funds, Urban Development Action Funds, WIA Grants and Core City Program Funds. Beginning in 2011 WIA Grants were moved to General Government.
- (12) In 2013, OVI arrests, operating a vehicle impaired, is formerly known as DUI arrests, driving under the influence. They are both counted using the same measures; however, the State of Ohio now refers to them as OVI as does the City of Cleveland.
- (13) Prior to 2015, Public Works reported the refuse disposal and it's cost as of August through July. Public Works provides calculations base on the calendar year.
- (14) Beginning in 2017, the Water Department switched to monthly billing for its customers.

	2014	2013	2012	2011	2010
\$	2,940	\$ 3,407	\$ 9,862	\$ 5,280	\$ 5,145
\$	12,856	\$ 3,045	\$ 5,856	\$ 2,154	\$ 4,564
	244,500	297,183	212,032	224,361	
	662,225			3,263	679,450
	152,214	138,034	117,239	83,212	76,000
	114	131	100	40	2,500
	640	672	661	651	855
	4,476	4,227	4,952	5,260	5,172
	3,684	3,928	4,273	4,706	4,210
	992	1,132	2,176	3,840	46,000
	11,376	9,143	19,271	31,345	22,000
	89,234	86,978	87,369	128,000	128,000
	18,791	19,212	18,912	23,117	21,139
					18,300
	275	300	500		
	2,200	2,215	4,196	5,000	5,076
	73,888	57,966	40,236	74,679	53,322
\$	2,538,951	\$ 1,972,003	\$ 1,834,359	\$ 3,348,606	\$ 2,321,118
	209,410	214,561	212,367	240,603	232,241
\$	5,466,793	\$ 5,258,741	\$ 5,723,227	\$ 6,556,260	\$ 6,079,532
	17,900	15,893	14,146	10,938	7,227
	11.00%	13.00%	10.06%	3.68%	3.13%
	4,773,831	5,732,142	5,732,148	5,912,394	5,907,546
	137,363	181,340	180,944	188,286	192,683
	7,609,404	9,072,045	9,010,077	9,203,740	9,492,455
	3,797,261	4,525,612	4,495,353	4,597,697	4,745,308
	66,862	68,665	72,916	65,664	64,358
	155,583	148,294	184,427	176,096	174,598
	77,984	74,385	92,160	87,695	87,012
\$	17.34	\$ 15.51	\$ 13.76	\$ 12.58	\$ 12.58
	139,460	139,201	139,023	138,002	133,626
\$	261,928,659	\$ 250,250,867	\$ 246,046,531	\$ 211,302,881	\$ 210,264,218
\$	21,810,862	\$ 20,194,830	\$ 21,271,504	\$ 19,101,723	\$ 20,660,824
	5,859	4,856	4,035	5,489	7,272
	381	227	167	204	185
	1,618,081,248	1,620,996,815	1,617,569,577	1,650,142,435	1,605,032,939
	73,746	74,208	74,238	74,092	75,764
\$	183,571,523	\$ 170,397,373	\$ 170,009,696	\$ 171,895,176	\$ 167,323,991

(Concluded)

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

Function/Program	2019	2018	2017	2016	2015
General Government					
Square footage occupied (4)	3,177,900	3,177,900	3,177,900	3,075,124	3,659,100
Administrative vehicles	35	35	35	36	35
Police					
Stations	5	5	5	5	5
Square footage of buildings (1)	770,169	756,846	756,846	783,546	614,500
Vehicles	921	924	899	805	842
Fire					
Stations	26	26	26	26	26
Square footage of buildings	311,655	311,655	311,655	311,655	313,224
Vehicles	126	126	113	135	92
EMS					
Stations (headquarters)	1	1	1	1	1
Square footage of buildings	52,776	52,776	52,776	52,776	33,000
Vehicles	68	66	52	56	46
Port Control (Hopkins)					
Runways	3	3	3	3	3
Terminal area (approximate square footage)	1,142,810	1,142,810	935,000	935,000	935,000
Gates (7)	58	58	58	65	65
Parking spaces (approximately)					
CLE Smart Park Garage (6)					
Long-term					
Short-term					
Surface	2,095	2,095	2,095	2,095	2,055
Total parking spaces	5,769	5,906	5,906	5,906	5,866
Vehicles	355	362	358	329	313
Other Public Works					
Streets (miles)	1,300	1,300	1,300	1,300	1,300
Service vehicles (5)	2,433	2,249	2,179	1,686	1,646

2014	2013	2012	2011	2010
3,659,100	3,659,100	3,690,000	3,690,000	3,700,000
41	38	37	36	26
5	5	5	5	5
553,100	553,100	553,100	553,100	553,100
867	823	825	796	808
26	26	26	26	26
313,224	313,224	313,224	313,224	313,224
95	91	104	104	120
1	1	1	1	1
33,000	33,000	33,000	33,000	33,000
47	47	45	45	44
3	3	3	3	3
935,000	935,000	935,000	935,000	935,000
65	96	96	96	96
3,997	3,959			
		2,600	2,600	2,576
		3,900	3,900	3,895
1,544	1,100	640	640	615
5,541	5,059	7,140	7,500	7,086
320	315	335	353	324
1,300	1,300	1,300	1,290	1,319
1,500	1,539	1,906	868	754

(Continued)

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

Function/Program	2019	2018	2017	2016	2015
Recreation					
Number of parks	168	168	168	168	168
Number of playgrounds	108	108	108	108	109
Number of baseball diamonds	130	130	130	130	133
Number of tennis courts	92	92	92	92	90
Number of basketball courts					
Full	96	96	96	96	110
Half	11	11	11	11	10
Number of soccer fields	5	4	4	4	4
Number of recreation centers	21	21	21	21	21
Number of pools					
Indoor	19	19	19	19	19
Outdoor	20	22	22	22	22
Number of aquatic playgrounds	25	25	25	25	25
Number of golf courses (3)	2	2	2	2	2
Number of ice rinks	1	1	1	1	1
Number of roller rinks	1	1	1	1	1
Number of fine arts centers	1	1	1	1	1
Number of greenhouses	1	1	1	1	1
Number of camps	1	1	1	1	1
Number of Historical Baseball Parks	1	1	1	1	1
Total park acreage	1,863	1,863	1,863	1,863	1,863
Vehicles	77	74	80	91	85
Wastewater					
Sanitary sewers (miles)	170	170	170	170	170
Storm sewers (miles)	199	199	199	199	199
Combined sewers (miles)	1,066	1,065	1,065	1,065	1,065
Vehicles	179	139	152	117	110
Electric Power					
Total Distribution lines (miles)	900	900	900	900	900
Total Transmission lines (miles)	50	50	50	50	50
Vehicles	78	43	79	265	217
Water Department					
Water lines (miles) (2)	3,945	3,878	3,544	3,315	3,300
Vehicles	722	719	748	740	596

- (1) Includes Dog Kennels and Inspection Garage.
- (2) These are calculated totals of all trunk mains [20" diameter and larger] (433 miles), distribution mains [16" and smaller] within the City of Cleveland (1,284 miles) plus distribution mains within certain suburbs with updated service agreements (2,161 miles) which transferred ownership of the distribution mains within those suburban boundaries to the City of Cleveland. Not included in these totals are the distribution mains in all master meter communities and any direct service suburban community who has not entered into a new service agreement.
- (3) In 2011, the City leased Seneca golf course. In 2012, the City leased both golf courses. In 2018, the City took back the operations of Highland Park Golf Course.
- (4) Closed Platt Station and Luke Easter Station in 2011. In 2013, square footage occupied decreased due to the demolition of the Miles Broadway building (21,900 sq ft) and the Highland Park Maintenance building (9,000 sq ft).
- (5) In 2012, a departmental reorganization occurred that merged the departments of Public Service with Parks, Recreation and Properties becoming the Department of Public Works. The Office of Capital Projects was created from the Divisions of Architecture, Engineering and Construction and Research, Planning and Development and is reported under General Government. In addition, the Division of Consumer Affairs was merged with Community Development and was moved from General Government.
- (6) In 2013, Cleveland Hopkins demolished their long-term parking area and created a surface lot. They also changed their short-term parking area into the CLE Smart Park Garage which is for both short and long-term parking.
- (7) In 2014, the number of gates reflects physical gates. All prior years totals are the number of aircrafts that can be accommodated at any one time, including physical gates and parking positions.

2014	2013	2012	2011	2010
168	154	154	154	154
109	110	110	109	109
133	138	138	132	133
90	119	119	111	111
110	103	103	110	108
10	10	10	10	10
4	4	3	9	7
21	21	21	20	19
19	19	19	19	18
22	21	20	23	23
25	22	10	10	9
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1,863	1,489	1,489	1,495	1,492
86	91	97	99	156
170	170	170	170	170
199	199	199	199	199
1,065	1,065	1,065	1,065	1,065
104	108	116	115	108
221	216	284	266	252
3,139	3,051	2,839	2,709	2,704
675	658	736	708	744

(Concluded)

CITY OF CLEVELAND, OHIO

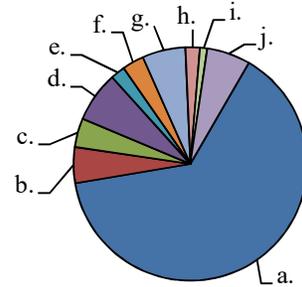
SCHEDULE OF STATISTICS-GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019

OPERATING RATIOS: GENERAL FUND-BUDGET BASIS

REVENUE DOLLAR BY SOURCE

Where the money came from

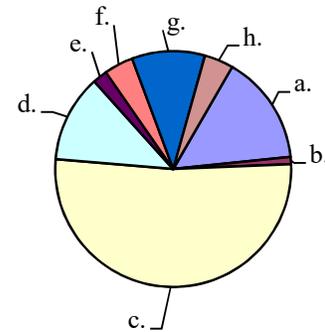
a. Income taxes	a. \$0.64
b. Property taxes	b. 0.05
c. State local government funds	c. 0.04
d. Other taxes	d. 0.07
e. Other shared revenues	e. 0.02
f. Licenses and permits	f. 0.03
g. Charges for services	g. 0.06
h. Fines, forfeits and settlements	h. 0.02
i. Investment earnings	i. 0.01
j. Miscellaneous	j. 0.06
	\$1.00



EXPENDITURE DOLLAR BY FUNCTION

Where the money was spent

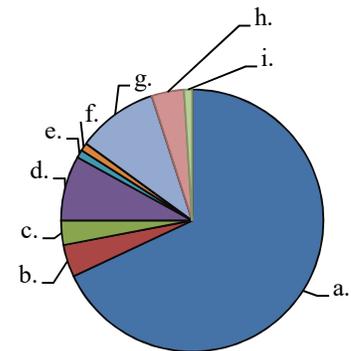
a. General Government	a. \$0.15
b. Public Health	b. 0.01
c. Public Safety	c. 0.52
d. Public Works	d. 0.12
e. Building and Housing	e. 0.02
f. Economic and Community Development and other	f. 0.04
g. Transfers out	g. 0.10
h. Capital outlay	h. 0.04
	\$1.00



EXPENDITURE DOLLAR BY OBJECT

What the money was spent on

a. Salaries, wages and related benefits	a. \$0.68
b. Interdepartmental charges	b. 0.04
c. Utilities	c. 0.03
d. Contractual services	d. 0.08
e. Materials and supplies	e. 0.01
f. Maintenance	f. 0.01
g. Transfers out	g. 0.10
h. Capital outlay	h. 0.04
i. Claim refunds	i. 0.01
	\$1.00



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