

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

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



Dave Yost • Auditor of State

Members of Council
City of Brecksville
9069 Brecksville Road
Brecksville, Ohio 44141

We have reviewed the *Independent Auditor's Report* of the City of Brecksville, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Brecksville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 18, 2018



Dave Yost • Auditor of State

Members of Council
City of Brecksville
9069 Brecksville Road
Brecksville, Ohio 44141

We have reviewed the *Independent Auditor's Report* of the City of Brecksville, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Brecksville is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 18, 2018

This page intentionally left blank.

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report Under Separate Cover	
Comprehensive Annual Financial Report Under Separate Cover	
Schedule of Expenditures of Federal Awards	1
Notes to Schedule of Expenditures of Federal Awards	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5-7
Schedule of Findings and Questioned Costs	8
Status of Prior Findings and Recommendations	9

**CITY OF BRECKSVILLE
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor/ <i>Pass Through Grantor/ Program Title</i>	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Passed through Ohio Department of Natural Resources, Division of Forestry</i>			
Urban and Community Forestry Program	10.675		\$ 24,949
Total U.S. Department of Agriculture			<u>24,949</u>
<u>U.S. Department of Homeland Security</u>			
<i>Direct Program</i>			
Assistance to Firefighters Grant	97.044		175,365
Total U. S. Department of Homeland Security			<u>175,365</u>
<u>U.S. Department of Justice</u>			
<i>Direct Program</i>			
Bulletproof Vest Partnership Program	16.607		2,659
Total U.S. Department of Justice			<u>2,659</u>
<u>U.S. Department of Transportation</u>			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	PID 95099	19,934
Highway Planning and Construction	20.205	PID 95105	62,218
Highway Planning and Construction	20.205	PID 89278	764,198
Total Highway Planning and Construction Cluster			<u>846,350</u>
Total U.S. Department of Transportation			<u>846,350</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,049,323</u>

The accompanying notes are an integral part of this schedule.

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Brecksville, Ohio, under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Brecksville, Ohio, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Brecksville, Ohio.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

The City of Brecksville, Ohio, has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: MATCHING REQUIREMENTS

Certain federal programs require the City to contribute non-federal funds (matching funds) to support federally funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of City Council
City of Brecksville
Brecksville, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

March 26, 2018

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of City Council
City of Brecksville
Brecksville, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Brecksville, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2017. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Brecksville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 26, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

March 26, 2018

**CITY OF BRECKSVILLE
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

1. SUMMARY OF AUDITOR’S RESULTS

2017(i)	Type of Financial Statement Opinion	Unmodified
2017(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2017(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2017(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2017(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2017(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2017(v)	Type of Major Programs’ Compliance Opinions	Unmodified
2017(vi)	Are there any reportable findings under 2 CFR 200.516(a)? No	
2017(vii)	Major Programs (list):	
	Highway Planning and Construction Cluster: Highway Planning and Construction - CFDA #20.205	
2017(viii)	Dollar Threshold: A/B Programs	Type A: \$750,000 Type B: All Others
2017(ix)	Low Risk Auditee?	No

2. FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF BRECKSVILLE
CUYAHOGA COUNTY, OHIO
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The prior audit report, as of December 31, 2016, included no findings or management letter recommendations.



City of Brecksville, Ohio



Comprehensive Annual Financial Report

For the period ending December 31, 2017



On the Cover...

Brecksville Firefighters

CITY OF BRECKSVILLE, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

ISSUED BY THE DEPARTMENT OF FINANCE

Virginia Price, CPA

FINANCE DIRECTOR



Brecksville City Council and Mayor May 2017

(from left to right)

Seated

Councilwoman, Nora L. Murphy
Council President, Greg Skaljac
Council Vice-President, Michael Harwood

Standing

Council Clerk, Mary Scullin
Councilman, Louis N. Carouse, Jr.
Councilwoman, Laura Redinger
Mayor, Jerry N. Hruby
Councilman, Gerald E. Broski
Councilwoman, Kim Veras
Finance Director, Virginia Price

City of Brecksville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
Table of Contents

I. Introductory Section

Table of Contents	i
Letter of Transmittal.....	v
GFOA Certificate of Achievement.....	xiii
List of City Officials.....	xiv
Organizational Chart	xv

II. Financial Section

Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund.....	22
Fire Department Fund.....	23
Statement of Fund Net Position – Proprietary Fund.....	24
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	25
Statement of Cash Flows – Proprietary Fund.....	26
Statement of Fiduciary Net Position – Fiduciary Funds.....	27
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	28
Notes to the Basic Financial Statements	29

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Last Four Years	69
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Four Years.....	70
Schedule of City Contributions – Ohio Public Employees Retirement System – Last Five Years.....	71
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years	72
Notes to Required Supplementary Information	74

Combining and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions.....	76
Combining Balance Sheet – Nonmajor Governmental Funds.....	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	80
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	84
Combining Balance Sheet – Nonmajor Capital Projects Funds	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	89

Combining Statements – Fiduciary Funds:

Fund Descriptions.....	90
Combining Statement of Changes in Assets and Liabilities – Agency Funds	91

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in
Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:

Major Funds:

General Fund	93
Fire Department Fund	99
Special Assessment Bond Retirement Fund.....	100
General Municipal Improvement Fund	101
Buildings and Improvements Fund	102
Road Improvements Fund	103
Police Station Building Fund	104

Nonmajor Funds:

Motor Vehicle License Tax Fund.....	105
Street Repair and Maintenance Fund	106
State Highway Fund	107
Community Center Fund.....	108

Road Maintenance Fund.....	109
Federal Equitable Sharing Fund.....	110
Indigent Drivers Fund.....	111
Indigent Drivers Interlock Fund.....	112
Enforcement and Education Fund.....	113
Court Computerization Fund.....	114
Natureworks Grant Fund.....	115
Recycling Demo Fund.....	116
Tree Planting Grants Fund.....	117
Law Enforcement Fund.....	118
Law Enforcement Mandatory Drug Fund.....	119
Vehicle Immobilization Fund.....	120
Police Pension Fund.....	121
Memorial Fund.....	122
Peace Officer Training Fund.....	123
General Obligation Bond Retirement Fund.....	124
Issue II Fund.....	125
Recreation Expansion Fund.....	126
Recreation Facilities Expansion Fund.....	127
Public Utility Improvement Fund.....	128
Fire Ambulance Capital Fund.....	129
Self Insurance Fund.....	130
Cemetery Endowment Fund.....	131

III. Statistical Section

Statistical Section Table of Contents.....	S1
Net Position by Component – Last Ten Years.....	S2
Changes in Net Position – Last Ten Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years.....	S8
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S10
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years.....	S12
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S14
Principal Real Property Taxpayers – 2017 and 2008.....	S16
Property Tax Levies and Collections – Last Ten Years.....	S17
Income Tax Revenue Base and Collections – Last Ten Years.....	S18
Income Tax Filers by Income Level – Tax Years 2016 and 2008.....	S19
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S20
Ratio of General Obligation Bonded Debt to Estimated True Value of Taxable Property and Bonded Debt per Capita – Last Ten Years.....	S21
Computation of Direct and Overlapping Debt Attributable to Governmental Activities.....	S22

Legal Debt Margin Information – Last Ten Years	S23
Demographic and Economic Statistics – Last Ten Years.....	S24
Principal Employers – Current Year and Nine Years Ago.....	S25
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years	S26
Capital Assets Statistics by Function/Program – Last Ten Years	S27
Operating Indicators by Function/Program – Last Ten Years.....	S28

March 26, 2018

To Members of Brecksville City Council and
The Citizens of Brecksville, Ohio

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

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

State statutes require the City of Brecksville (the City) to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The City selected James G. Zupka, CPA to perform these services for the year ended December 31, 2017. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

Profile of the Government

The City of Brecksville was founded in 1811. It was incorporated as a village under the laws of the State of Ohio in 1921 and attained City status in 1960 by virtue of its population exceeding 5,000. It is located in Cuyahoga County in northeastern Ohio, in the heart of rolling woodlands approximately fifteen miles south of the City of Cleveland. The City covers 19.54 square miles. In the year 2010, the U.S. Census Bureau reported that Brecksville had a population of 13,656, up two percent from 13,382 in 2000.

The City of Brecksville operates under and is governed by its Charter, first adopted by the voters on November 6, 1956 and amended from time to time. The Charter provides for a Mayor-Council form of government. The nine-member Charter Review Commission reviewed the Charter in 2013. Ten proposed charter changes were placed on the November ballot with nine of them passing.

Legislative authority is vested in a seven-member City Council which is elected at large and whose terms are staggered. Four Council members are elected at each regular municipal election in November of odd numbered years. Of the four elected, the three receiving the highest number of votes serve a term of four years and the fourth serves a term of two years. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, the appropriation and borrowing of money, the licensing and regulation of business and the trades, and other municipal purposes. The presiding officer is the President who is elected by the Council for a one-year term.



The City of Brecksville's chief executive officer is the Mayor who is elected by the voters for a four-year term. The Mayor appoints, subject to approval of Council, the directors of the City's departments except for the Director of Finance, the Law Director and the Clerk of Council, all of whom are appointed by Council. He is the chief conservator of the peace, oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness and all other instruments to which the municipality is a party. He is the official and ceremonial head of the City. The Mayor is also the Safety Director and presides over the Mayor's Court.

As Mayor serving my eighth consecutive term after being re-elected in the November 2015 general election, I am the only Brecksville mayor to be elected to eight consecutive four-year terms since Brecksville became a village in 1921.

The City's Service Department works hard to respond to the needs of the residents, providing curbside rubbish and recycling collection, street maintenance, snow removal and maintenance of City recreational facilities, among other services. The Department is responsible for an annual, aggressive road repair and maintenance program.

Security of one's person and property is foremost on the minds of our full-time Police Department and Fire Department with full-time paramedic service. Brecksville takes pride in its low crime rate and rapid response by both police and fire units. Our safety departments are constantly updating training, procedures and equipment to provide effective services to our City.

Water service is provided to City residents by the City of Cleveland and sewer services are provided by the Northeast Regional Sewer District. Certain water lines and sewer lines are owned and maintained by the City.

Profile of the City

We're proud of our City's beautiful, safe and uncongested environment. We are a community that is "Building our future with respect for our past," a dynamic idea that combines forward thinking with our Western Reserve heritage which is evident not only in our prevailing architectural style but in our business-friendly philosophy.

Residents have a variety of nearby transportation options. By automobile or by connections through downtown Cleveland on the Regional Transit Authority bus and rail lines, one can reach all areas of Cuyahoga County conveniently. State Routes 21 and 82 bisect Brecksville and there is easy access to interstate highways. I-77 and I-80, which is the Ohio Turnpike, both criss cross Brecksville. I-480, an east-west interstate is just 6 miles north of Brecksville. Amtrak cross-country rail service is available in downtown Cleveland and Hopkins International Airport is located about fifteen miles from Brecksville.

Entertainment abounds just a short distance away for residents of Brecksville. In downtown Cleveland, the Cleveland Browns of the National Football League play in their spectacular First Energy Stadium. Progressive Field is the home of Major League Baseball's Cleveland Indians. The Cleveland Cavaliers of the National Basketball Association, play at Quicken Loans Arena which is also a venue for concerts by major recording artists, the circus, ice shows, and a variety of other professional attractions. Cleveland State University's Wolstein Center is home to the Cleveland State University Vikings and even more concerts and shows. Just a short drive from Brecksville through the Cuyahoga Valley National Park, Blossom Music Center is the summer home of the Cleveland Orchestra and a venue for the biggest music stars touring the planet.

Residents have access to many cultural attractions such as the world-famous Cleveland Orchestra at Severance Hall, The Cleveland Museum of Art, The Great Lakes Science Center and the Rock n' Roll Hall of Fame and Museum. There are unique shopping areas such as Tower City Center and nightlife with dining in the Warehouse District and dining and entertainment on East 4th Street downtown and a concert venue in the "Flats" along the Cuyahoga River. Cleveland's downtown is a center of activity for all ages and just minutes from Brecksville.

Metro Health, Marymount, and Parma Community General Hospitals serve as emergency care facilities for our residents and visitors who require use of our Fire Department's ambulances and staff of professional paramedics and EMTs. The Greater Cleveland area is known worldwide for excellence in health care including the Cleveland Clinic and University Hospitals who supplement health care provided by nearby community hospitals and immediate care centers.

Brecksville's wooded hills and ravines that lace the area help define its neighborhoods. As a result, every resident is close to natural beauty that has always been a hallmark of Brecksville living. Many neighborhoods are located next to the Brecksville Reservation of the Cleveland Metroparks and the 33,000 acre Cuyahoga Valley National Park. Brecksville is unique among Cuyahoga County communities because one-third of the City is park land. Located within the Cuyahoga Valley National Park is the Ohio Canal National Heritage area. The Brecksville Reservation of the Cleveland Metroparks offers 2,500 acres of park land with facilities for picnicking, softball, horseback riding, golf, hiking and cross-country skiing. A paved all-purpose fitness trail offers walking, biking, running or strolling by the beautiful scenery. Two ski areas are close by. Brecksville was named a Tree City USA for the 23rd consecutive year in 2017.

Housing in Brecksville offers a mix of sizes, styles and price ranges with colonial and Western Reserve styles predominating. Despite its proximity to major metropolitan attractions, Brecksville maintains its quiet, suburban environment. Retail shopping is concentrated downtown near the Square, and shopping malls in nearby communities complement local merchants.

The City of Brecksville provides many programs for all ages through its Recreation Department. Baseball, basketball, volleyball, swimming, golf, tennis, spinning and exercise classes, crafts and day camps are just some of the many programs for family fun, fitness and recreation. Recreational facilities include the 185 acre Blossom Hill recreational area with its gymnasium, playground, pavilion, baseball fields, comfort station, and a state of the art artificial turf soccer and lacrosse field. At City Hall there are three lighted baseball fields and three lighted tennis courts. The 65,000 square foot Community Center houses the Recreation Department as well as a field house, indoor pool, outdoor children's pool, elevated running track, youth game room, large cardio-vascular room and a large weight room, whirlpool spa, saunas and a dividable community room with facilities for meetings and catering.

Brecksville's, 46,000 square foot Human Services Center attracts children less than one year old to folks in their 90s. The second floor of the beautiful building houses the Community Center's vast cardio-vascular fitness section. Headquartered in the Human Services Center is the Department of Human Services which maintains many programs including snow removal and a food bank for low income seniors. It coordinates the local Meals on Wheels program and provides free blood pressure screenings. The Human Services Center has a 30 by 50 foot warm water therapy exercise pool on the lower level and a full service kitchen with an accompanying large gathering area seating 125. The serene Kay Broughton center courtyard complete with tables, benches, and fountain, provide the opportunity for quiet book reading or a lively game of cards surrounded by beautiful plantings.

A quality education for our children is provided by the Brecksville-Broadview Heights City School District. For more than a decade, School Match, a national consulting firm, has ranked the School District in the top ten percent of all school districts in the nation. The Brecksville-Broadview Heights City School District has received the highest possible rating on the State-mandated District Report Card since its debut in 2000. The High School Girls Gymnastics Team won its 17th state championship and 14th in a row in 2017. Brecksville is also home to the Cuyahoga Valley Career Center which is the area's vocational school for high school students and additionally provides a multitude of adult education programs for area residents.

Economic Development

The City of Brecksville is a business advocate and a connector. We help companies navigate site relocation and retention by uniting all the necessary elements to assure that Brecksville is an ultimate business destination. Some of the projects we have been overseeing include:

The 103 acre Veterans Administration hospital (VA) property at Miller and Brecksville Roads closed its doors effective November 1, 2012. The City has been working with the Veterans Administration to evaluate the property and facilitate transfer of ownership to the City. The City is very excited about the potential for this property as it is both strategically located to area transportation and faces Route 21 with abundant frontage. The City is in talks with a developer for both remediation and marketing of the property. The City received title for the land in early March of 2018.

The largest economic development project to date was entered in to with Metro Health System. They are a hospital and health provider system under Cuyahoga County with numerous locations around northeast Ohio. The facility opened with construction of the ambulatory health center complete on the approximately 21 acres near the intersection of State Routes 77 and 82. Phase I includes 65,000 square feet of emergency room, diagnostic and laboratory facilities, medical office space, and a helicopter pad. Phase II encompasses an additional 45,000 square feet of facilities. Ancillary businesses are anticipated to build around this facility in the coming years.

Lubrizol Advanced Materials, Incorporated is one of Brecksville's largest and most established employers. They are a technology-driven global company who combines complex specialty chemicals to optimize their products while reducing environmental impact. Products include advanced specialty polymers, polymer-based additives, and chemical additives used in everyday consumer and industrial applications. Lubrizol agreed to commence six phases of renovations totaling 100,000 square feet to be completed in three years starting in 2015. This expansion is expected to create 108 new jobs in Brecksville.

Two of our most successful economic development agreements to date are ones entered into with PNC Bank and Cross Country Mortgage. In 2004, the City entered into an agreement with National City Corporation which was later purchased by PNC Bank. This agreement provided for facility expansion at their Miller Road location. Since its implementation PNC has far surpassed its contract requirements of income tax withholding often doubling and more recently tripling the amount. Another company that has far surpassed its income tax contract requirements is Cross Country Mortgage. Their agreement called for the moving of their operations from other locations to the City which they did in 2010. Since that time, they have proven to be a very successful business and a strong asset for the City. We anticipate both of these companies to have strong growth in Brecksville in the coming years.

Another business success story is Caruso Coffee. The company engages in specialty coffee roasting and sales distribution. The City entered into an initial agreement with the company in 2007. Since that time, Caruso's had grown to the point where they required a second building. The City entered into a second agreement with them in 2017 through a \$160,000 economic incentive to purchase an additional building. The City continues to reap the benefits of their on-going expansion.

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

Accomplishments

The City is very pleased that Moody's Investors Services continues to rate our City a bond rating of Aaa. This is the highest gradation of credit worthiness, which attests to our strong economic health and prudent fiscal management.

The City of Brecksville's Finance Department was proud to receive its 27th consecutive, Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2016. It was also the 11th year that the Finance Department produced its award winning Popular Annual Financial Report. In addition, the City received the Ohio Auditor of State Award with Distinction for its annual financial reports for 2016. This award is given to entities that file an annual CAFR and timely financial reports as well as receive a "clean" audit report.

The Fire Department received a \$40,000 Safety Intervention grant from the Ohio Bureau of Workers' Compensation. With these funds they were able to purchase a PowerLOAD Lift System, a Power Pro Ambulance Cot, and a Power Hose Roller.

The Fire Department also received a \$175,365 grant from the Department of Homeland Security. This grant was used to purchase self-contained breathing units, masks, bottles, and a compressor.

The Service Department received a \$25,000 Tree Canopy grant from the Ohio Department of Natural Resources. This grant is designed to reduce urban run-off and is used by the City to replace and plant trees in the City right-of-ways.

Architectural design of the City's proposed aquatics facility was ongoing through the year. Several meetings were held to review the various design features and obtain feedback from the various interested parties including the administration, Recreation Commission and citizens. It is anticipated that the design will be finalized in the spring of 2018, with bidding of the project to follow shortly thereafter.

The City broke ground on its new police station. After years of planning, an architectural design was approved and a construction contract was entered in to with Panzica Construction. This new station of almost 29,000 square feet will contain up-to-date work areas for our police officers, a safe room, and a shooting range. In addition, a completely separate area is being built to house a dispatch center. This center is being built with capacity to contain dispatch services for up to twelve cities. Work continues on the station with an estimated completion date of October of 2018.

The City entered into an agreement with the cities of Broadview Heights, Independence, and Seven Hills to create the Cuyahoga Valley Council of Governments. The purpose of the Council shall be to foster cooperation among the members in all areas of municipal service. This shall include seeking effective and efficient solutions to common issues faced by the members. The first order of business was to implement the Cuyahoga Valley Emergency Dispatch Center, which is to be housed in the City of Brecksville's new dispatch center. The group agreed to become members of the Chagrin Valley Dispatch Center, an established group of twelve cities currently sharing dispatch services. By joining the Chagrin Valley Dispatch center, the Cuyahoga Valley Council of Governments will obtain access to technological and operational knowledge of an established dispatch center.

Storm drainage projects completed in 2017 include Valleybrook water mitigation in partnership with the Ohio Turnpike Commission, Riverview Road Culvert replacement with National Park grant funds, and Amber Lane culvert improvement with Cuyahoga County district 13 funds. Sanitary sewer projects completed during the year include Hickory Ridge storm repair, Whitewood and Meadow aerial sewer, and Old Quarry/Hemlock, Monticello and Bradford Village pump stations, all reimbursed with district 13 funds.

Over \$380,000 was spent on the Chippewa Creek Bridge. This bridge located north of Route 82 on Route 21 handles major traffic in the City. Extensive repairs were made to the bridge and the adjoining sidewalk area.

The City entered into a contract for the repair and restoration of the Community Center cupola and clock tower. The project, costing around \$300,000, will be complete in the spring of 2018. Other building projects in 2017 were electrical and lighting upgrades at Old Town Hall and boiler replacements at the Community Center. The fire station received major work including roof replacement, slab flooring and underground plumbing, new doors and new hose tower.

2018 Priorities:

- Completion and occupancy of the new police station. Discussion and design of remodel of City Hall will continue. Space currently used by the Police Department will be available for repurpose and renovation and will allow for the reconfiguration of all of City Hall.
- \$675,000 in sanitary sewer projects and \$30,000 in storm drainage projects have been budgeted for 2018 as part of the City's on-going commitment to improving infrastructure. In addition, watermain replacement will be performed on Route 21 between Parkview and Miller. The estimated \$750,000 cost to perform this project will be reimbursed by Cleveland Water Department Urban Watermain Renewal Program.
- The City has received an Ohio Department of Transportation Urban Paving grant totaling over \$1.2 million toward reconstruction of State Route 82. This project, slated to cost over \$4 million, includes a complete reconstruction of State Route 82 from Brecksville Road to the City's west corporation line. Construction was completed in the west bound lane in 2017 and completion of the east bound lane will occur in spring 2018.
- Engineering is being prepared for the reconstruction of ballfields A, B, and C behind City Hall. Upgrades will include new fencing and drainage. Additionally, a comfort station is being built on the site by the Service Department.
- In co-ordination with the Cuyahoga County Planning Commission, the City is embarking on the update of its master plan. A committee of business, resident, and City representatives has been selected, and meetings held, to evaluate and match the needs of the City going forward in to the future with its available and attainable assets. Information gathering will include the mailing of a prepared survey to a random sample of 1,400 households in Brecksville. Questions included in the survey cover community strengths, challenges, needs, services, and issues.
- The City's Safety Town facility is to be relocated to Blossom Hill. A complete redesign of the layout and structures has been created. Construction will be provided by the Service Department and Police Department and community donations have been received.

- The City continues to review the intersection of Interstate 77 interchange and Miller Road along with a widening of Miller Road. Conceptual plans are being prepared. This area has long been targeted for improvements as it will provide greater access to land designated for future economic development.
- The City has entered into a contract for roofing material and installation services totaling over \$500,000. This contract is for removal and replacement of the existing roof on the Community Center. This project has been long in the planning and is anticipated to be completed before summer of 2018.

Long-Term Financial Planning

As part of the annual budget process, the Mayor and City Council review five year capital budget projections. Based on these estimates, financial strategies are developed to maximize services supplied and infrastructure improvements desired. This budget is modified regularly as new projects present themselves and priorities change.

The City continues to adhere to a pay as you go philosophy as it relates to small projects and equipment purchases. By only borrowing for large projects and keeping debt levels low, it provides the City the opportunity to borrow in low interest environments. In 2017, the City issued \$8,000,000 in 20 year bonds to provide funding for the new police station combined with an additional \$1,980,000 to pay off the stadium drive service garage notes.

City Council adopted an Ordinance decreasing the City's income tax credit from 100 percent to 87.5 percent on 2 percent of withholding effective the first of 2015. These added dollars have accumulated to over \$3 million at the end of 2017. These additional funds supplement the cost of operating our fire rescue ambulance service and provide dollars for expanding our aquatics facilities. This recommendation came after studying several other options which led to this being the most appropriate. The credit reduction is set to expire at the earliest of ten years or three consecutive years of income tax receipts over \$18,000,000.

In 2016, a recreation facilities expansion fund was created to accumulate resources from income tax revenue, transfers or any other means for the purpose of acquiring, constructing, or improving recreation facilities. In the short term, this means financing for a new aquatics facility. At the end of 2017, there was \$1.3 million in the fund.

Relevant Financial Policies

By City ordinance, \$2,520,000 of total income tax proceeds are credited to the following capital projects funds: \$960,000 to the general municipal improvement fund, \$1,200,000 to the buildings and improvements fund, and \$360,000 to the road improvements fund. The remainder is credited to the general fund. In the 2018 budget, the amount of income tax proceeds credited to the building and improvements fund was increased to \$1,700,000 annually for total capital credits of \$3,020,000.

There are also ordinances in place to allocate 25 percent of all building permit fees collected into the recreation expansion fund along with corporate membership fees designated specifically for community center improvements. Sanitary sewer tap-in, septic conversion, and sanitary repair fees are deposited into the public utility improvement fund and used for utility services.

An ordinance is also in place to allocate water connection permit fees to the water system maintenance and repair fund and the water system bond retirement fund based on a legislated schedule. These funds shall be used for future improvements of the City's water distribution system and any necessary debt funding thereof.

The compensated absence, workers compensation, and hospitalization funds are all used to accumulate funds which can be used during times of higher expenditures or lower revenues. They are designed to smooth cash inflows and outflows in other operating funds. On a generally accepted accounting principles (GAAP) basis, the workers' compensation fund was allocated back into funds which contributed to it. The compensated absences fund was a part of the general fund on a GAAP basis. On a GAAP basis, the hospitalization fund is presented as an internal service.

Awards and Acknowledgements

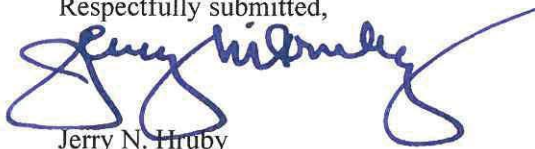
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The City of Brecksville received this honor for its Comprehensive Annual Financial Report for the year ended December 31, 2016. A Certificate of Achievement is valid for a period of one year only. The City of Brecksville believes the current report conforms to the Certificate of Achievement Program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors but especially to those employees in the Department of Finance who have spent their time and energy on various parts of the project and to Local Government Services for their assistance in helping the City prepare this report in conformity with generally accepted accounting principles (GAAP) and the requirements of the Government Finance Officers Association.

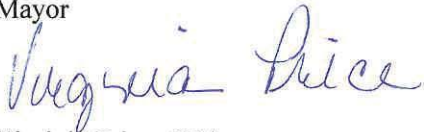
In addition, we would like to thank Brecksville City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

In closing, we would like to thank the residents and taxpayers of the City of Brecksville for entrusting us with the administration of their local government.

Respectfully submitted,



Jerry N. Hruby
Mayor



Virginia Price, CPA
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Brecksville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

City of Brecksville, Ohio

City Officials

ELECTED OFFICIALS

Mayor-Safety Director.....Jerry N. Hruby
President of Council.....Gregory Skaljac (1)
Vice-President of Council.....Michael T. Harwood (2)
Council Member.....Gerald F. Broski
Council Member.....Louis N. Carouse
Council Member.....Kimberly A. Veras
Council Member.....Nora L. Murphy (1) *
Council Member.....Laura Redinger (2) *

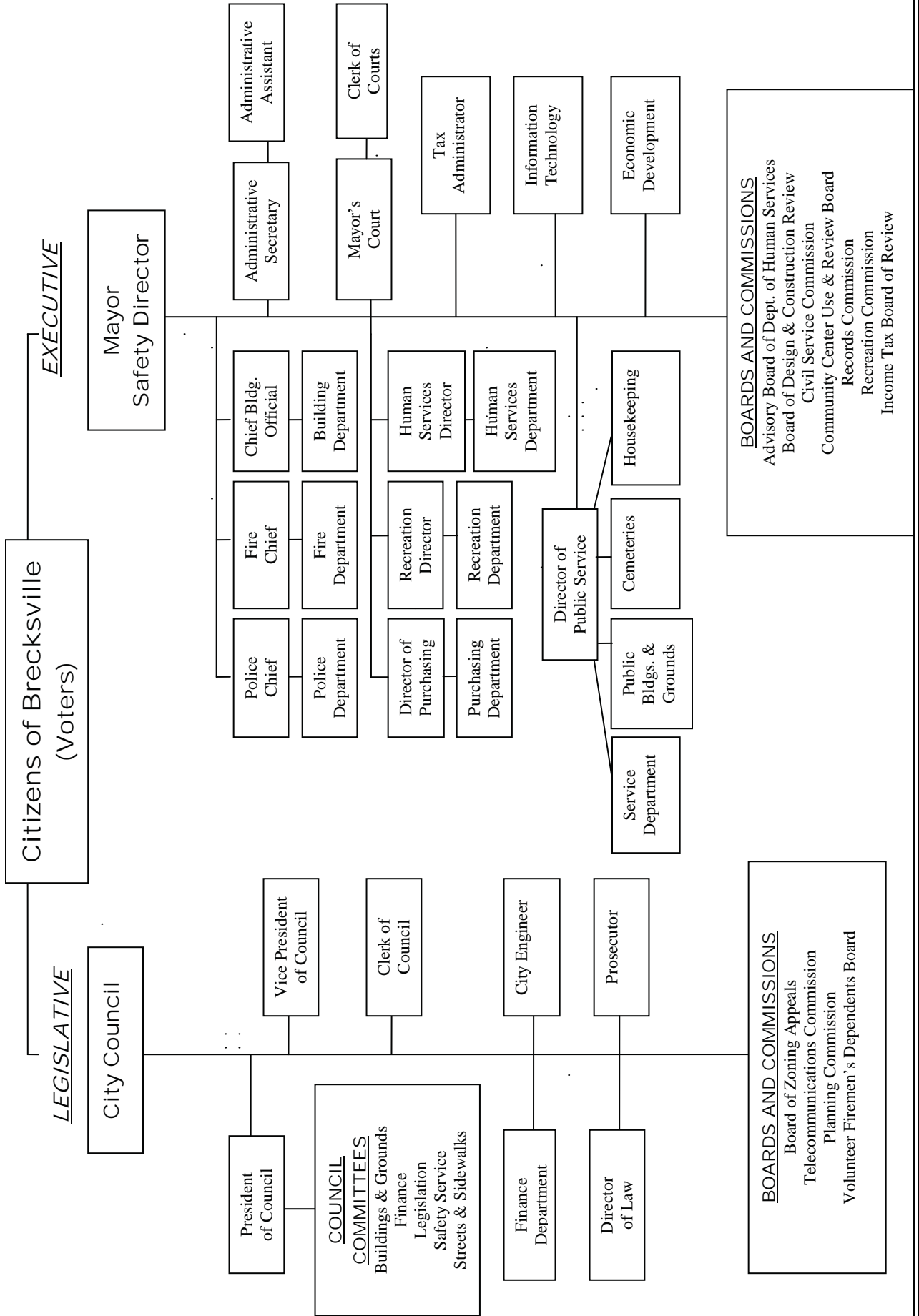
APPOINTED OFFICIALS

Director of Finance.....Virginia Price (3)
Police Chief.....William Goodrich
Fire Chief.....Nikola Zamiska
Service Director.....Jerry N. Hruby
Director of Purchasing.....Rebecca Riser
Chief Building Official.....Scott Packard
Clerk of Courts.....Shelley Kazimore
Director of Recreation.....Thomas Tupa
Director of Law.....David J. Matty
ProsecutorSergio I. Digeronimo
City Engineer.....Gerald M. Wise
Clerk of Council.....Tammy Tabor
Director of Human Services.....Steven L. Paciorek

- (1) This President of Council and this Council Member were replaced effective January 1, 2018.
- (2) This Vice-President of Council replaced this President of Council and this Council Member replaced this Vice-President of Council effective January 1, 2018.
- * These two Council Member seats are now occupied by Jack Petsche and Dennis R. Rose.
- (3) The Director of Finance retired effective March 31, 2018, and was replaced by Laura Starosta.

CITY OF BRECKSVILLE, OHIO

ORGANIZATIONAL CHART



(This Page Intentionally Left Blank)



1 Fire department personnel performing a rope rescue at an extremely steep angle in the Gorge. **2** It's not just about putting out fires, responding to medical emergencies, or rescuing cats from trees...here the fire department is conducting their annual rescue training in the park. **3** Brecksville Fire houses the regional water rescue team equipment that serves 19 communities as part of the Southwest Council of Governments and conducts training on a monthly basis as pictured here. **4** In 2017, the Brecksville Fire Department acquired a new lifting bag rescue system to assist with extricating patients who are trapped in vehicles and other machinery. This photo details the extensive training conducted by the department to ensure proper tool application in the most effective manner.

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Brecksville
Brecksville, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Fire Department for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

March 26, 2018

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The discussion and analysis of the City of Brecksville's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- The assets and deferred outflows of resources of the City of Brecksville exceeded its liabilities and deferred inflows of resources by \$83,915,777. This is an increase of \$702,359 from last year's net position. Of this amount, \$5,383,289 is available to use to meet the government's ongoing obligations to citizens and creditors.
- The City's return on assets was 0.54 percent. The return is consistently low as total assets increased from the prior year by \$14,275,270.
- Total costs of all City services were \$27,699,736 in 2017, an increase of \$2,548,693 from 2016. The increase (10.13 percent) can be attributed to normal cost of operations increase.
- Total liabilities increased by \$14,148,093 from 2016. This increase is mostly due to the issuance of new notes and bonds.
- Total capital assets increased by \$4,150,810 from 2016. While the City continues to invest heavily in storm water and sanitary sewer projects, the largest capital spending in 2017 was for buildings and improvements. The most significant investment was in the new Police Station, followed by major repairs to the Fire Station, and a boiler replacement at the Community Center. Road improvements were secondary in capital spending in 2017, led by the Route 82 reconstruction project. The City strives to keep its vehicles and equipment up to date and in good condition. In 2017, the City spent almost a million dollars toward that end.
- The cash balance at the end of 2017, in the general fund of \$6,598,264, represents 144 days of operating expenditures for the City and is a reflection of its on-going viability and its desire to protect the ability to provide future services.

Using This Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of Brecksville as a financial whole or as an entire operating entity. The statements provide a detailed look at the City's specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Reporting the City of Brecksville as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2017?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The statement of net position and the statement of activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning of Year and Year's End

Reporting the City of Brecksville's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City of Brecksville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The presentation of the City's major funds begins on page 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds, which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Brecksville, the major funds are the general, fire department, special assessment bond retirement, general municipal improvement, buildings and improvements, road improvements and police station building.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year-end available for future spending. Our funds are reported using the modified

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

accrual accounting method. The modified accrual method measures cash and all other financial assets expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps determine the level of financial resources that can be spent in the near future on residential services. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term 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 the comparison between governmental funds and governmental activities.

Proprietary Fund The City maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service fund accounts for medical and prescription drug self insurance. The proprietary fund uses the accrual basis of accounting.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds use the accrual basis of accounting.

The City of Brecksville as a Whole

Recall that the statement of net position pictures the City as a whole. Table 1 provides a summary of the City's net position for 2017 compared to 2016.

Table 1
Net Position

	Governmental Activities		
	2017	2016	Change
Assets			
Current and Other Assets	\$41,274,002	\$31,149,542	\$10,124,460
Capital Assets, Net	87,910,839	83,760,029	4,150,810
<i>Total Assets</i>	<u>129,184,841</u>	<u>114,909,571</u>	<u>14,275,270</u>
Deferred Outflows of Resources			
Pension	6,223,605	5,813,857	409,748
Deferred Charge on Refunding	183,447	213,557	(30,110)
<i>Total Deferred Outflows of Resources</i>	<u>6,407,052</u>	<u>6,027,414</u>	<u>379,638</u>
Liabilities			
Current and Other Liabilities	7,062,255	4,297,323	(2,764,932)
Long-Term Liabilities			
Due Within One Year	1,519,996	1,358,280	(161,716)
Due in More Than One Year:			
Net Pension Liability	21,804,326	19,243,068	(2,561,258)
Other Amounts	16,641,482	7,981,295	(8,660,187)
<i>Total Liabilities</i>	<u>\$47,028,059</u>	<u>\$32,879,966</u>	<u>(\$14,148,093)</u>

(continued)

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 1
Net Position (continued)

	Governmental Activities		
	2017	2016	Change
Deferred Inflows of Resources			
Pension	\$384,589	\$586,100	\$201,511
Property Taxes	4,263,468	4,257,501	(5,967)
<i>Total Deferred Inflows of Resources</i>	<u>4,648,057</u>	<u>4,843,601</u>	<u>195,544</u>
Net Position			
Net Investment in Capital Assets	65,981,738	73,353,987	(7,372,249)
Restricted for:			
Capital Projects	7,843,753	590,944	7,252,809
Debt Service	2,771,399	3,474,178	(702,779)
Other Purposes	1,935,598	1,986,155	(50,557)
Unrestricted	5,383,289	3,808,154	1,575,135
<i>Total Net Position</i>	<u>\$83,915,777</u>	<u>\$83,213,418</u>	<u>\$702,359</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For reasons discussed that follow, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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. As explained previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

Net position may serve as a useful indicator of a government's financial position over time. In the case of the City of Brecksville, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$83,915,777 at year-end 2017. By far the largest portion of the City of Brecksville's net position (78.63 percent) is its investment in capital assets including land, buildings, streets, water lines, storm water lines, and machinery net of related debt. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Brecksville's investment in its 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 sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's net position increased during the current year. Net position increased mainly due to additions to construction in progress, buildings and improvements and machinery and equipment capital assets. There was also a large rise in equity in pooled cash and cash equivalent due to notes and bonds proceeds, which was offset by the increase in notes payable and long-term liabilities from the new debt. At the end of 2017, the City's total liabilities to net position ratio was 56.04 percent.

The City carefully invests its cash and equivalents in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. The Investment Board, which consists of the Mayor, Finance Director, and Law Director, pay close attention to daily interest rates and long-term financial trends. The City realized \$286,340 in interest revenue. 2017's interest revenue is \$126,552 more than 2016's and is a result of slightly higher interest rates in 2017, and larger investment balances.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 2 shows the changes in net position for the year ended December 31, 2017 compared to 2016.

Table 2
Changes in Net Position

	Governmental Activities		
	2017	2016	Change
Program Revenues			
Charges for Services and Operating Assessments	\$2,257,189	\$2,418,694	(\$161,505)
Operating Grants and Contributions	1,066,331	1,053,641	12,690
Capital Grants and Contributions	1,594,756	1,271,409	323,347
<i>Total Program Revenues</i>	<u>4,918,276</u>	<u>4,743,744</u>	<u>174,532</u>
General Revenues			
Property Taxes	4,398,951	4,190,013	208,938
Income Taxes	17,620,950	19,257,227	(1,636,277)
Grants and Entitlements	519,469	434,179	85,290
Investment Earnings	286,340	159,788	126,552
Gain on Sale of Capital Assets	4,383	65,078	(60,695)
Other	653,726	450,162	203,564
<i>Total General Revenues</i>	<u>23,483,819</u>	<u>24,556,447</u>	<u>(1,072,628)</u>
<i>Total Revenues</i>	<u>28,402,095</u>	<u>29,300,191</u>	<u>(898,096)</u>
Program Expenses			
General Government:			
Legislative and Executive	6,962,354	6,569,538	(392,816)
Judicial	160,528	139,516	(21,012)
Public Safety:			
Police	5,487,502	5,028,825	(458,677)
Fire	2,842,061	2,761,668	(80,393)
Public Health and Social Services	1,345,241	1,206,467	(138,774)
Street Construction, Maintenance, and Repair	4,212,835	3,860,763	(352,072)
Housing and Community Development	1,139,785	852,380	(287,405)
Basic Utility Services	2,799,212	2,260,630	(538,582)
Recreational Activities	2,362,129	2,173,693	(188,436)
Interest and Fiscal Charges	388,089	297,563	(90,526)
<i>Total Program Expenses</i>	<u>27,699,736</u>	<u>25,151,043</u>	<u>(2,548,693)</u>
<i>Change in Net Position</i>	702,359	4,149,148	(3,446,789)
Net Position Beginning of Year	<u>83,213,418</u>	<u>79,064,270</u>	<u>4,149,148</u>
Net Position End of Year	<u><u>\$83,915,777</u></u>	<u><u>\$83,213,418</u></u>	<u><u>\$702,359</u></u>

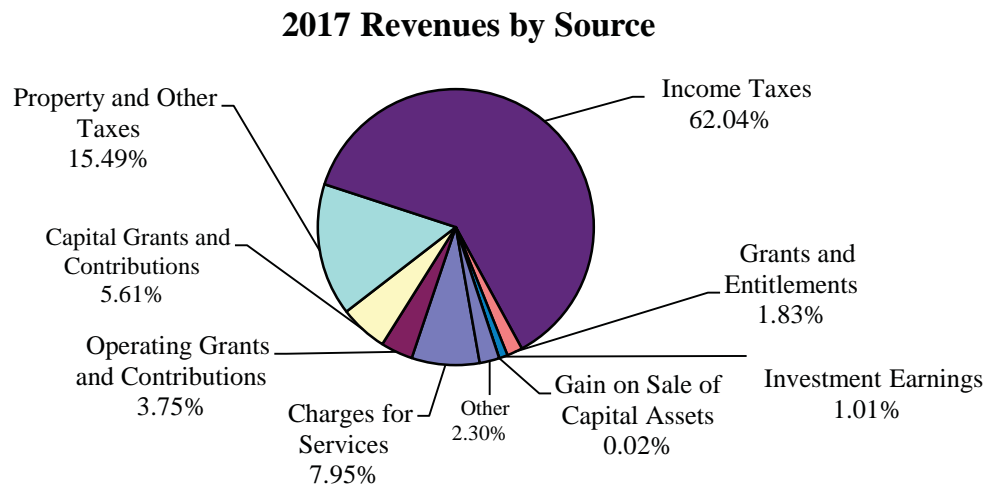
City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with City income tax being the largest contributor. The income tax rate of 2 percent was created by City Charter and became effective January 1990. This tax created by Charter amendment will remain until such time as the City's electorate changes the rate, which is not anticipated. The income tax revenue amount for 2017 was \$17,620,950, which is \$1,636,277 (8.5 percent) below the 2016 total. This decrease can be attributed to two primary factors. The first was the timing of collection of the reduction of credit for taxes paid to other cities from 100 percent to 87.5 percent. Effective in 2015, the City implemented the change in credit to provide for additional revenue to help support the Fire Department whose property tax income has been decreasing for the last ten years as a result of stagnant assessed property valuations and reductions in State funding. The balance of the new revenue is intended for future capital projects. Because the reduced credit was effective for 2015, the implementation effect created large collections in 2016, which then fell to normal collections in 2017. Secondly, the State of Ohio legislated change in tax due dates causing taxes that normally would have been collected in 2017 to shift to 2016.

In 2017, City income tax revenue of \$2,520,000 per year is earmarked for specific City improvements. \$80,000 per month, or \$960,000 per year, is allocated toward general municipal improvements. \$100,000 per month, or \$1,200,000 per year, is allocated toward building improvements. \$30,000 per month, or \$360,000 per year, is part of the funding designated for road improvements. In 2018, the building improvements fund increased to \$141,667 per month, or \$1,700,000 per year. These revenues are allocated by ordinance of City Council providing that a substantial portion of our income tax collections is designated for roads, City facilities and capital needs.

Of the \$28,402,095 in total revenue, the following is the portion provided by each revenue source:



Typically, property tax is the City's second largest revenue source, which was true for 2017. The City recognized an increase of \$208,938 in property tax collections in 2017. Property values have fluctuated very slightly in the past several years, keeping property tax revenue stable. In the next few years we anticipate a steady increase in valuations as corporate renovation and expansion are recognized, and as several housing developments become populated with new homes. No new special assessments were levied in 2017.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Public safety, including the police and fire departments, accounted for program expenses of \$8,329,563. Our police department continues to improve their equipment to better serve our community and at the same time provide extra safety for our officers. We continue to strive to provide better police and fire service at a lower cost per man-hour.

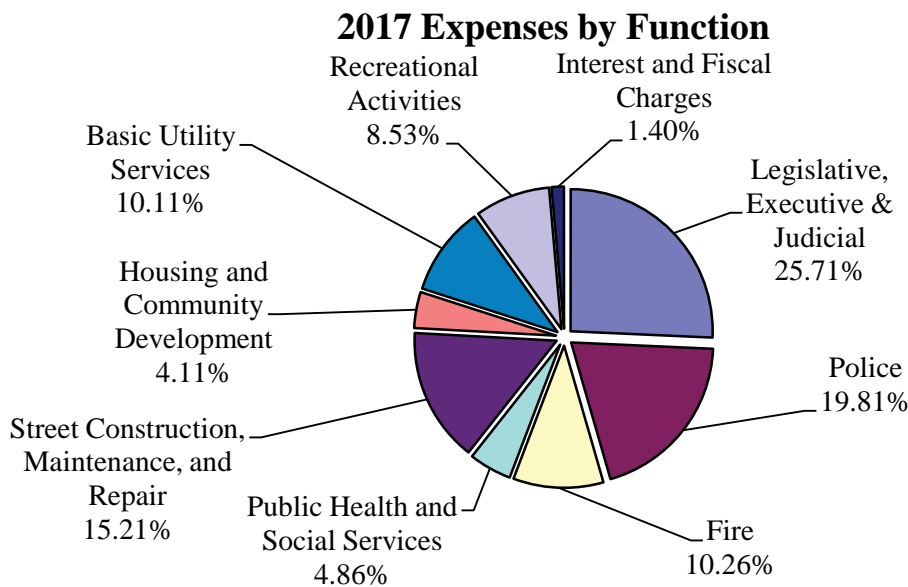
The fire department is funded through Charter levy millage. The majority of operating costs for maintaining the fire department 24 hours a day, 7 days a week are financed with this millage. In 2017, the fire department also received a \$450,000 transfer in from the general fund. As indicated previously, this became necessary as stagnant property tax collections and elimination of State intergovernmental revenue sources over the past several years depleted its reserves and required an infusion of cash to maintain its operation level. Billing for ambulance services provides additional stable funding designated for the purchase of fire equipment.

The City's on-going commitment to infrastructure maintenance is reflected in the \$2,799,212 spent on utilities and \$4,212,835 spent on street construction and preservation. Combined, these two City services account for 25.31 percent of City expenses. Services provided by these activities include garbage removal, recycling, leaf pick-up, storm drainage, snow removal, street maintenance and vehicle upkeep.

Public health and social services expenses include charges for county health programs, cemetery maintenance, and the human service department. There was an increase in this expense between 2016 and 2017 due to overall operating increases in the human services department.

Costs contained within the legislative category include all administrative, legal, economic development, engineering and income tax collection costs. The legislative category also contains all costs associated with maintenance of City land and buildings as well as major supplies such as gasoline and utility costs.

Total program expenses for 2017 by function are as follows:



City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of \$29,136,573 and expenditures of \$31,101,070. The most significant fund is our general fund with an unassigned fund balance at year-end of \$5,563,611. With annual operating expenditures of \$16,718,421 and operating revenues of \$19,466,915, the general fund experienced operating gains of \$2,748,494. The fund realized a net decrease of \$16,005 after other financing sources and uses were factored in.

Another significant fund is the fire department fund with revenues of \$2,060,126 and expenditures of \$2,513,340, resulting in an operating deficit of \$453,214 in fund balance before transfers. Its primary revenue source, property tax, had a slight increase in 2017. Although expenditures were only slightly higher than 2016, the fire department fund, for the fifth year in a row, required a transfer in from the general fund.

The City has five other funds presented as major funds. These five funds are the special assessment bond retirement fund, the general municipal improvement fund, the buildings and improvements fund, the road improvements fund and the police station building fund. Special assessment collections were outpaced by debt service expenses by \$111,399, but due to previous year's early assessment payoffs, the fund ended with an ample \$85,486 balance in the special assessment bond retirement fund. The general municipal improvement fund had transfers out to other funds in the amount of \$349,380, and an ending balance of \$1,274,739. The buildings and improvements fund balance was increased by \$1,653,187 due to bonds being issued. The income tax revenue received by the road improvements fund was utilized for the City's road repair program during 2017. The police station building fund balance was increased by \$6,273,330 due to bond proceeds, offset by the construction costs of the building.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of 2017, the City amended its general fund budget several times. The final budgeted revenues were \$268,112 higher than original budgeted revenues because the City prefers to take a conservative approach in original budgeting for its revenue projections and make necessary revisions after actual revenues become known. Actual expenditures were well below both original and final appropriations due to the City's conservative approach to budgeting. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The general fund supports many of our major activities including the police department, recreation department, and most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Capital Assets and Debt Administration

Capital Assets

Table 3
 Capital Assets at Year-End

	Governmental Activities	
	2017	2016
Land	\$7,460,576	\$7,460,576
Construction in Progress	6,376,005	3,631,755
Land Improvements	2,400,649	2,235,988
Buildings and Improvements	22,312,844	21,977,952
Machinery and Equipment	6,244,670	6,282,769
Furniture and Fixtures	183,904	186,563
Infrastructure	42,932,191	41,984,426
Total Capital Assets	\$87,910,839	\$83,760,029

Total capital assets, net of depreciation, increased \$4,150,810 from 2016. Numerous projects that had been recorded as construction in progress in prior years were completed during 2017, including Hemlock pump station quarry, Riverview Road culvert, post office parking lot, concrete floor and trench drain at the fire station old bay, Chippewa Creek bridge repair and Ford utility interceptor. There were also large additions to construction in progress for the current year, including the police station and State Route 82.

The City is committed to a long-term goal of rebuilding its infrastructure and facilities. We have a five year capital plan in place providing for rebuilding major residential streets, water, sewer and storm sewer lines. The five year plan also includes adding additional facilities to complement our current structures and updating our current structures to improve their integrity and usefulness. Use of grants and loans, as well as short-term notes and long-term bonds, enable the City to improve its capital assets, and at the same time, maintain our fund levels. See Note 10 for additional information on the City's capital assets.

Debt

As of December 31, 2017, the City of Brecksville had the following bonds, notes, and loans outstanding:

Table 4
 Outstanding Debt at Year End

	Governmental Activities	
	2017	2016
General Obligation Bonds	\$14,346,178	\$5,067,679
Special Assessment Bonds	2,454,031	2,907,837
Notes	4,116,135	2,002,685
OPWC Loans	371,281	424,885
Total	\$21,287,625	\$10,403,086

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The general obligation bond retirement bonds are composed of a 2017 Police Facility Project Bond for \$7,921,406, a 2017 Service Center Garage Bond for \$1,965,332, a 2015 Refunding Tree Farm Property Bond for \$2,065,000 and a Human Services Facility Refunding Bond of \$2,394,440.

The special assessment bonds consist of Southpointe Parkway, Service Road Sewer and Water, Four Seasons Sewer and Water, Route 21/Hilton/Whitewood Sewer and Storm, Katherine Boulevard Improvements, and Riverview Road Sewer. Principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer.

During 2017, the City issued notes in the anticipation of bonds for the improvement to State Route 82. The Ohio Public Works Commission (OPWC) loans are paid semi-annually and will be paid in full in the year 2033.

The City's overall debt increased in 2017 as the result of an increase in the City's new general obligation bonds and notes payable. The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2017 was \$63.44 million. The aggregated outstanding debt subject to the five and one half percent limitation is \$18.42 million. The difference of \$45.02 million between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation. See Notes 15 and 16 for additional information on the City's debt.

Current Financial Related Activities

The City of Brecksville continues to remain financially strong. Economic development agreements entered into in previous years are proving fruitful as indicated by our increasing income tax revenue. Our agreement with Metro Health Systems is under way as their facility opened in summer of 2016, at which time the City realized a steady new income tax stream. Due to our increased income tax we are able to support our Fire Department without asking for additional property tax. The additional cash balances allow us to take advantage of any other economic development opportunities that may arise.

In order to help support operations and provide for capital investment, the City actively pursues grant opportunities. Annually, the City receives support for safety training, law enforcement, drug prevention, recycling promotion, safety equipment, and tree planting. In addition, some funding for large capital projects comes in the form of grants and loans from various agencies. Having capital funds in reserve to be able to meet matching grant requirements has proven to be a winning philosophy for the City and has allowed for improvement of streets, storm drainage systems, bridges, retaining walls, water and sewer lines, and recreation facilities.

Another method used by the City to reduce costs is to cooperate with neighboring communities in the purchase of commodity items such as salt and asphalt. Research and communication with neighboring communities creates opportunities to negotiate lower pricing on electric and gas services. Cooperative agreements have been entered into for sharing equipment, joint training, and back up services when in need. The Service Department continues to perform many functions in house that are typically outsourced; which not only provides excellent service, but also saves money.

The City has entered into an agreement with a neighboring city to provide building inspection services for them. Brecksville collects a fee for the service and the neighboring community saves money by not having to hire their own employee. In 2017, the City entered into an agreement with three other area cities to create the Cuyahoga Valley Council of Government (COG). This COG will be used to consolidate dispatch services for the four cities into the new police station and has the capacity for additional cities to join. Also, the COG will be used to share jail services and other community services, which lend itself to consolidation.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

For many years the City has reduced its health care costs by operating a self-funded insurance program and aggressively shopping our benefits. The City continues to maintain a health care cost committee comprised of representatives from all departments to address the issue of rising health care and develop strategies to minimize increases.

The City monitors its fund balances, particularly the general fund, to ensure that adequate balances are in place to safeguard future years. In particular, the general fund balance is compared to forty-five percent of the previous year's expenses in accordance with rating agency standards. Annual budgeting is prepared using very conservative estimates. Using this methodology has allowed the City to maintain safe fund balances and have funds available for unanticipated expenses or revenue downturns. This fiscally moderate management style has also allowed the City to continue to provide excellent services without any increase in property tax rates.

The Mayor, City Council, and the Finance Director work extremely hard at keeping our debt low. We plan our finances so that we can pay cash for many of the facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain our level of services. Since 2001, the City of Brecksville has enjoyed a Moody's Investors Service bond rating of Aa1. In 2010, Moody's recalibrated their rating criteria to level the ratings between government and private ratings. The result of this recalibration is that Brecksville's bond rating was increased to Aaa. This rating places Brecksville at an elite level of government ratings.

The City has received the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence since 1990, the year of our first Comprehensive Annual Financial Report. The City has prepared a Popular Annual Financial Report (PAFR) since 2006. The financial information for this report is taken from the Comprehensive Annual Financial Report and condensed into a ten page, reader friendly financial publication. The PAFR has been submitted to the GFOA annually and has received an Award for Outstanding Achievement each year. Our commitment to our residents has always been one of full disclosure of the financial position of the City and work to make that information available to them. The City's website www.brecksville.oh.us contains the CAFR and PAFR, as well as other financial information related to revenue, expenditures, and property and income tax.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and demonstrate the City's accountability for all money it receives, spends, and invests. Please direct any questions about this report or financial information inquiries to Finance Director Laura Starosta, City of Brecksville, 9069 Brecksville Road, Brecksville, Ohio 44141, email lstarosta@brecksville.oh.us or telephone 440-526-4351.

City of Brecksville, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$26,797,111
Cash and Cash Equivalents in Segregated Accounts	94,609
Materials and Supplies Inventory	333,914
Accounts Receivable	97,592
Accrued Interest Receivable	80,107
Intergovernmental Receivable	1,206,201
Prepaid Items	303,626
Municipal Income Taxes Receivable	4,993,471
Property Taxes Receivable	4,515,160
Special Assessments Receivable	2,715,111
Assets Held for Resale	137,100
Nondepreciable Capital Assets	13,836,581
Depreciable Capital Assets, Net	74,074,258
<i>Total Assets</i>	129,184,841
Deferred Outflows of Resources	
Pension	6,223,605
Deferred Charge on Refunding	183,447
<i>Total Deferred Outflows of Resources</i>	6,407,052
Liabilities	
Accounts Payable	224,166
Contracts Payable	1,192,688
Retainage Payable	226,032
Accrued Wages	529,775
Intergovernmental Payable	105,730
Matured Compensated Absences Payable	13,592
Accrued Interest Payable	44,315
Claims Payable	204,791
Notes Payable	4,116,135
Vacation Benefits Payable	405,031
Long-Term Liabilities:	
Due Within One Year	1,519,996
Due In More Than One Year:	
Net Pension Liability (See Note 11)	21,804,326
Other Amounts	16,641,482
<i>Total Liabilities</i>	47,028,059
Deferred Inflows of Resources	
Pension	384,589
Property Taxes	4,263,468
<i>Total Deferred Inflows of Resources</i>	4,648,057
Net Position	
Net Investment in Capital Assets	65,981,738
Restricted for:	
Capital Projects	7,843,753
Debt Service	2,771,399
Court Computerization	174,606
Fire Department	254,211
Police Department	509,726
Road Maintenance	174,144
Street Construction, Maintenance, and Repair	700,642
Other Purposes	122,269
Unrestricted	5,383,289
<i>Total Net Position</i>	\$83,915,777

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position
					Governmental Activities
Governmental Activities					
General Government:					
Legislative and Executive	\$6,962,354	\$276,352	\$5,030	\$0	(\$6,680,972)
Judicial System	160,528	16,699	105	0	(143,724)
Public Safety:					
Police	5,487,502	227,076	44,717	0	(5,215,709)
Fire	2,842,061	291,958	228,960	224,133	(2,097,010)
Public Health and Social Services	1,345,241	46,885	826	0	(1,297,530)
Street Construction, Maintenance, and Repair	4,212,835	91,515	745,911	1,259,818	(2,115,591)
Housing and Community Development	1,139,785	52,589	25,643	0	(1,061,553)
Basic Utility Services	2,799,212	174,702	4,737	110,805	(2,508,968)
Recreational Activities	2,362,129	1,079,413	10,402	0	(1,272,314)
Interest and Fiscal Charges	388,089	0	0	0	(388,089)
<i>Total Governmental Activities</i>	<u>\$27,699,736</u>	<u>\$2,257,189</u>	<u>\$1,066,331</u>	<u>\$1,594,756</u>	<u>(22,781,460)</u>
General Revenues					
Property Taxes Levied for:					
					1,880,670
					1,821,727
					535,794
					160,760
Municipal Income Taxes Levied for:					
					15,017,616
					2,603,334
Grants and Entitlements not Restricted to Specific Programs					
					519,469
					286,340
					4,383
					653,726
<i>Total General Revenues</i>					<u>23,483,819</u>
Change in Net Position					702,359
<i>Net Position Beginning of Year</i>					<u>83,213,418</u>
<i>Net Position End of Year</i>					<u><u>\$83,915,777</u></u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio

*Balance Sheet
Governmental Funds
December 31, 2017*

	General	Fire Department	Special Assessment Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements
Assets						
Equity in Pooled Cash and Cash Equivalents	\$6,492,197	\$287,715	\$85,486	\$5,461,393	\$592,861	\$213,102
Cash and Cash Equivalents						
In Segregated Accounts	92,609	0	0	0	0	0
Materials and Supplies Inventory	242,017	63,425	0	0	0	0
Accounts Receivable	63,450	461	0	88	0	0
Interfund Receivable	134,000	0	0	0	0	0
Accrued Interest Receivable	80,107	0	0	0	0	0
Intergovernmental Receivable	181,160	113,453	0	521,477	0	0
Prepaid Items	261,075	22,799	0	0	0	0
Municipal Income Taxes Receivable	4,490,137	0	0	160,000	283,334	60,000
Property Taxes Receivable	1,930,354	1,869,859	0	0	0	0
Special Assessments Receivable	0	0	2,715,111	0	0	0
Assets Held for Resale	137,100	0	0	0	0	0
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	13,458	0	0	0	0	0
Total Assets	\$14,117,664	\$2,357,712	\$2,800,597	\$6,142,958	\$876,195	\$273,102
Liabilities						
Accounts Payable	\$155,319	\$12,046	\$0	\$12,376	\$0	\$0
Contracts Payable	101,780	0	0	128,526	268,422	0
Retainage Payable	0	0	0	147,456	41,749	0
Notes Payable	0	0	0	4,090,000	0	0
Accrued Wages	398,692	97,664	0	0	0	0
Interfund Payable	0	0	0	93,331	0	40,669
Accrued Interest Payable	0	0	0	7,191	0	171
Matured Compensated Absences Payable	7,672	5,920	0	0	0	0
Intergovernmental Payable	89,061	10,031	0	0	0	0
Total Liabilities	752,524	125,661	0	4,478,880	310,171	40,840
Deferred Inflows of Resources						
Property Taxes	1,822,749	1,765,626	0	0	0	0
Unavailable Revenue	1,728,343	217,686	2,715,111	389,339	0	0
Total Deferred Inflows of Resources	3,551,092	1,983,312	2,715,111	389,339	0	0
Fund Balances						
Nonspendable	653,650	86,224	0	0	0	0
Restricted	0	162,515	85,486	0	0	0
Committed	190,043	0	0	1,274,739	566,024	232,262
Assigned	3,406,744	0	0	0	0	0
Unassigned	5,563,611	0	0	0	0	0
Total Fund Balances	9,814,048	248,739	85,486	1,274,739	566,024	232,262
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$14,117,664	\$2,357,712	\$2,800,597	\$6,142,958	\$876,195	\$273,102

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2017*

Police Station Building	Other Governmental Funds	Total Governmental Funds
\$7,070,868	\$4,941,049	\$25,144,671
0	2,000	94,609
0	28,472	333,914
0	33,593	97,592
0	0	134,000
0	0	80,107
0	390,111	1,206,201
0	19,752	303,626
0	0	4,993,471
0	714,947	4,515,160
0	0	2,715,111
0	0	137,100
0	0	13,458
<u>\$7,070,868</u>	<u>\$6,129,924</u>	<u>\$39,769,020</u>
\$9,777	\$33,267	\$222,785
442,726	251,234	1,192,688
36,827	0	226,032
0	26,135	4,116,135
0	33,419	529,775
0	0	134,000
0	0	7,362
0	0	13,592
0	6,638	105,730
489,330	350,693	6,548,099
0	675,093	4,263,468
0	301,049	5,351,528
0	976,142	9,614,996
0	48,224	788,098
6,581,538	1,764,682	8,594,221
0	1,444,110	3,707,178
0	1,546,073	4,952,817
0	0	5,563,611
6,581,538	4,803,089	23,605,925
<u>\$7,070,868</u>	<u>\$6,129,924</u>	<u>\$39,769,020</u>

Total Governmental Fund Balances \$23,605,925

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 87,910,839

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

Property Taxes	251,692	
Municipal Income Taxes	1,444,835	
Intergovernmental	927,633	
Special Assessments	2,715,111	
Miscellaneous	<u>12,257</u>	
Total		5,351,528

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,432,810

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (36,953)

Vacation benefits payable are not expected to be paid with expendable available financial resources and therefore are not reported in the funds. (405,031)

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

General Obligation Bonds	(14,346,178)	
Special Assessment Bonds	(2,454,031)	
OPWC Loans	(371,281)	
Compensated Absences	<u>(989,988)</u>	
Total		(18,161,478)

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

Deferred Outflows - Pension	6,223,605	
Deferred Inflows - Pension	(384,589)	
Net Pension Liability	<u>(21,804,326)</u>	
Total		(15,965,310)

Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position. 183,447

Net Position of Governmental Activities \$83,915,777

City of Brecksville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Fire Department	Special Assessment Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements
Revenues						
Property Taxes	\$1,856,195	\$1,798,017	\$0	\$0	\$0	\$0
Municipal Income Taxes	15,930,007	0	0	960,000	1,283,334	360,000
Charges for Services	87,312	0	0	0	0	0
Licenses and Permits	340,669	0	0	0	0	0
Fines and Forfeitures	203,580	0	0	0	0	0
Intergovernmental	516,858	228,194	0	981,284	0	0
Special Assessments	0	0	445,586	26,186	0	6,208
Interest	117,330	9,007	0	51,585	10,214	3,743
Donations	12,907	200	0	0	0	0
Rentals	101,164	0	0	0	0	0
Miscellaneous	300,893	24,708	0	158,332	1,680	0
<i>Total Revenues</i>	<u>19,466,915</u>	<u>2,060,126</u>	<u>445,586</u>	<u>2,177,387</u>	<u>1,295,228</u>	<u>369,951</u>
Expenditures						
Current:						
General Government:						
Legislative and Executive	5,909,206	0	0	0	0	0
Judicial System	137,498	0	0	0	0	0
Public Safety:						
Police	4,858,129	0	0	0	0	0
Fire	17,810	2,513,340	0	0	0	0
Public Health and Social Services	1,076,825	0	0	0	0	0
Street Construction, Maintenance, and Repair	1,941,299	0	0	0	0	0
Housing and Community Development	898,726	0	0	0	0	0
Basic Utility Services	1,878,928	0	0	0	0	0
Recreational Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	2,577,280	1,109,952	327,628
Debt Service:						
Principal Retirement	0	0	450,000	0	0	0
Interest and Fiscal Charges	0	0	102,248	11,930	12,222	2,236
Bond Issuance Costs	0	0	4,737	0	0	0
<i>Total Expenditures</i>	<u>16,718,421</u>	<u>2,513,340</u>	<u>556,985</u>	<u>2,589,210</u>	<u>1,122,174</u>	<u>329,864</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,748,494</u>	<u>(453,214)</u>	<u>(111,399)</u>	<u>(411,823)</u>	<u>173,054</u>	<u>40,087</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	13,969	3,568	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	1,980,000	0
Premium on Bonds Issued	0	0	0	0	0	0
Transfers In	76,484	450,000	0	0	20,000	0
Transfers Out	(2,854,952)	0	0	(349,380)	(519,867)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,764,499)</u>	<u>453,568</u>	<u>0</u>	<u>(349,380)</u>	<u>1,480,133</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(16,005)	354	(111,399)	(761,203)	1,653,187	40,087
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>9,830,053</u>	<u>248,385</u>	<u>196,885</u>	<u>2,035,942</u>	<u>(1,087,163)</u>	<u>192,175</u>
<i>Fund Balances End of Year</i>	<u>\$9,814,048</u>	<u>\$248,739</u>	<u>\$85,486</u>	<u>\$1,274,739</u>	<u>\$566,024</u>	<u>\$232,262</u>

See accompanying notes to the basic financial statements

City of Brecksville, 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, 2017*

Police Station Building	Other Governmental Funds	Total Governmental Funds
\$0	\$687,489	\$4,341,701
0	0	18,533,341
0	1,229,553	1,316,865
0	157,326	497,995
0	23,539	227,119
0	1,037,261	2,763,597
0	0	477,980
27,286	45,502	264,667
0	10,882	23,989
0	63,594	164,758
0	38,948	524,561
<u>27,286</u>	<u>3,294,094</u>	<u>29,136,573</u>
0	134	5,909,340
0	1,628	139,126
0	187,514	5,045,643
0	0	2,531,150
0	0	1,076,825
0	1,276,897	3,218,196
0	65,009	963,735
0	27,420	1,906,348
0	1,892,774	1,892,774
1,757,702	730,865	6,503,427
0	918,604	1,368,604
0	230,500	359,136
0	182,029	186,766
<u>1,757,702</u>	<u>5,513,374</u>	<u>31,101,070</u>
<u>(1,730,416)</u>	<u>(2,219,280)</u>	<u>(1,964,497)</u>
0	576	18,113
8,000,000	0	9,980,000
0	180,777	180,777
325,000	3,281,677	4,153,161
(321,254)	(107,708)	(4,153,161)
<u>8,003,746</u>	<u>3,355,322</u>	<u>10,178,890</u>
6,273,330	1,136,042	8,214,393
308,208	3,667,047	15,391,532
<u>\$6,581,538</u>	<u>\$4,803,089</u>	<u>\$23,605,925</u>

Net Change in Fund Balances - Total Governmental Funds \$8,214,393

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Asset Additions	7,133,880	
Current Year Depreciation	<u>(2,969,340)</u>	
Total		4,164,540

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (13,730)

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

Property Taxes	57,250	
Intergovernmental	392,970	
Municipal Income Taxes	(912,391)	
Special Assessments	(427,528)	
Miscellaneous	12,257	
Total	<u>12,257</u>	(877,442)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,368,604

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	(19,927)	
Amortization of Premium on Bonds	21,084	
Amortization of Deferred Charge on Refunding	<u>(30,110)</u>	
Total		(28,953)

Proceeds of debt, such as general obligation bonds issued, are other financing sources in the governmental funds, but increase liabilities in the governmental activities. (10,160,777)

Some expenses require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(50,814)	
Vacation Payable	<u>(6,483)</u>	
Total		(57,297)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,657,770

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,607,769)

The internal service fund used by management to charge the individual funds is reported in the district-wide statement of activities.

Governmental fund expenditures and related internal service fund revenues are eliminated.	<u>43,020</u>	
---	---------------	--

Change in Net Position of Governmental Activities \$702,359

City of Brecksville, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,856,223	\$1,856,223	\$1,856,195	(\$28)
Municipal Income Taxes	16,196,655	16,369,000	15,503,678	(865,322)
Charges for Services	115,867	117,100	123,210	6,110
Licenses and Permits	316,631	320,000	327,064	7,064
Fines and Forfeitures	212,736	215,000	195,910	(19,090)
Intergovernmental	365,231	365,978	390,864	24,886
Interest	99,937	101,000	100,408	(592)
Donations	9,647	9,750	12,907	3,157
Rentals	106,863	108,000	115,973	7,973
Miscellaneous	132,661	218,512	293,755	75,243
<i>Total Revenues</i>	<u>19,412,451</u>	<u>19,680,563</u>	<u>18,919,964</u>	<u>(760,599)</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	7,854,842	7,825,342	6,163,539	1,661,803
Judicial System	145,552	145,552	136,183	9,369
Public Safety:				
Police	5,331,538	5,194,538	4,977,976	216,562
Fire	29,547	29,547	17,810	11,737
Public Health and Social Services	1,140,340	1,142,340	1,077,900	64,440
Street Construction, Maintenance, and Repair	2,091,596	2,136,596	1,926,960	209,636
Housing and Community Development	970,644	960,644	907,439	53,205
Basic Utility Services	2,252,494	2,068,494	1,963,868	104,626
<i>Total Expenditures</i>	<u>19,816,553</u>	<u>19,503,053</u>	<u>17,171,675</u>	<u>2,331,378</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(404,102)</u>	<u>177,510</u>	<u>1,748,289</u>	<u>1,570,779</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	6,300	13,969	7,669
Transfers In	0	76,484	76,484	0
Transfers Out	(2,715,000)	(2,854,952)	(2,854,952)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,715,000)</u>	<u>(2,772,168)</u>	<u>(2,764,499)</u>	<u>7,669</u>
<i>Net Change in Fund Balance</i>	<u>(3,119,102)</u>	<u>(2,594,658)</u>	<u>(1,016,210)</u>	<u>1,578,448</u>
<i>Fund Balance Beginning of Year</i>	6,730,224	6,730,224	6,730,224	0
Prior Year Encumbrances Appropriated	725,358	725,358	725,358	0
<i>Fund Balance End of Year</i>	<u>\$4,336,480</u>	<u>\$4,860,924</u>	<u>\$6,439,372</u>	<u>\$1,578,448</u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,763,312	\$1,763,312	\$1,798,017	\$34,705
Intergovernmental	226,268	230,751	228,194	(2,557)
Interest	17,326	48,678	9,007	(39,671)
Donations	385	1,081	200	(881)
Miscellaneous	8,236	26,337	24,528	(1,809)
<i>Total Revenues</i>	<u>2,015,527</u>	<u>2,070,159</u>	<u>2,059,946</u>	<u>(10,213)</u>
Expenditures				
Current:				
Public Safety:				
Fire	2,634,422	2,634,422	2,532,283	102,139
<i>Excess of Revenues Under Expenditures</i>	<u>(618,895)</u>	<u>(564,263)</u>	<u>(472,337)</u>	<u>91,926</u>
Other Financing Sources				
Sale of Capital Assets	0	0	3,568	3,568
Transfers In	450,000	450,000	450,000	0
<i>Total Other Financing Sources</i>	<u>450,000</u>	<u>450,000</u>	<u>453,568</u>	<u>3,568</u>
<i>Net Change in Fund Balance</i>	<u>(168,895)</u>	<u>(114,263)</u>	<u>(18,769)</u>	<u>95,494</u>
<i>Fund Balance Beginning of Year</i>	289,203	289,203	289,203	0
Prior Year Encumbrances Appropriated	10,256	10,256	10,256	0
<i>Fund Balance End of Year</i>	<u>\$130,564</u>	<u>\$185,196</u>	<u>\$280,690</u>	<u>\$95,494</u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2017

	Internal Service Fund - Insurance
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,638,982</u>
Liabilities	
Accounts Payable	1,381
Claims Payable	<u>204,791</u>
<i>Total Liabilities</i>	<u>206,172</u>
Net Position	
Unrestricted	<u><u>\$1,432,810</u></u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2017*

	Internal Service Fund - Insurance
Operating Revenues	
Charges for Services	\$1,905,921
Miscellaneous	116,908
<i>Total Operating Revenues</i>	2,022,829
Operating Expenses	
Purchased Services	5,977
Claims	1,995,505
<i>Total Operating Expenses</i>	2,001,482
<i>Operating Income</i>	21,347
Non-Operating Revenues	
Interest	21,673
<i>Change in Net Position</i>	43,020
<i>Net Position Beginning of Year</i>	1,389,790
<i>Net Position End of Year</i>	\$1,432,810

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2017

	Internal Service Fund - Insurance
<i>Increase (Decrease) In Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Customers	\$1,905,921
Cash Received from Other Operating Sources	116,908
Cash Payments to Suppliers for Goods and Services	(5,459)
Cash Payments for Claims	(1,927,481)
<i>Net Cash Provided By Operating Activities</i>	89,889
Cash Flows from Investing Activities	
Interest	21,673
<i>Net Increase In Cash and Cash Equivalents</i>	111,562
<i>Cash and Cash Equivalents Beginning of Year</i>	1,527,420
<i>Cash and Cash Equivalents End of Year</i>	\$1,638,982
 Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
<i>Operating Income</i>	\$21,347
Adjustments:	
Increase in Accounts Payable	518
Increase in Claims Payable	68,024
<i>Net Cash Provided By Operating Activities</i>	\$89,889

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Private Purpose Trust	
	Cemetery	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$3,174	\$941,632
Liabilities		
Undistributed Monies	0	\$25,500
Deposits Held and Due to Others	0	916,132
<i>Total Liabilities</i>	0	\$941,632
Net Position		
Held in Trust for Cemetery	174	
Endowments	3,000	
<i>Total Net Position</i>	\$3,174	

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2017

	Private Purpose Trust
	Cemetery
Additions	
Interest	\$43
Deductions	0
<i>Change in Net Position</i>	43
<i>Net Position Beginning of Year</i>	3,131
<i>Net Position End of Year</i>	\$3,174

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 – Description of the City and Reporting Entity

The City of Brecksville (the "City") was incorporated under the laws of the State of Ohio in 1921, and adopted its first charter in 1956. The Charter provides for a Mayor-Council form of government. The Mayor is elected for a four-year term and the seven Council members are elected at large for staggered terms. Four Council members are elected at each regular municipal election in November of odd numbered years. Of the four elected, the three receiving the highest number of votes serve a term of four years and the fourth serves a term of two years.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Brecksville, this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, human services, street maintenance and repair and general administrative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or levying the taxes. There are no component units included as part of this report.

The City participates in one insurance purchasing pool, the Ohio Municipal League rating pool; three jointly governed organizations, the Southwest Council of Governments, the Northeast Ohio Public Energy Council, and the Cuyahoga Valley Council of Governments; and one related organization, the Brecksville Community Improvement Corporation. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is neither ongoing financial interest nor responsibility on the part of the participating governments. These organizations are discussed in Notes 18, 19, and 20 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

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

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

Fund Accounting

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

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

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

Fire Department Fund This fund is used to account for and report monies derived from a 3.4 mill charter levy restricted to providing equipment and personnel for the fire department.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Special Assessment Bond Retirement Fund This fund is used to account for and report the collection of special assessments levied against benefited properties restricted for the payment of special assessment related costs.

General Municipal Improvement Fund This fund accounts for and reports the .5 percent increase in City income tax committed for the acquisition, construction, and improvement of various facilities within the City.

Buildings and Improvements Fund This fund accounts for and reports City income tax committed to the acquisition, construction, and improvement of major capital facilities.

Road Improvements Fund This fund accounts for and reports income tax monies committed to the improvements of various City roads.

Police Station Building Fund This fund accounts for and reports monies assigned for the financing, construction, and related costs of improvements to the police station building.

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

Proprietary Fund Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's only proprietary fund is classified as an internal service fund.

Internal Service Fund Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a health fund that accounts for prescription drug and hospital/medical claims of the City employees.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private purpose trust which accounts for the perpetual care and maintenance of an individual family's burial plots in the City's cemetery through an endowment. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for donations from citizens held for and used by senior citizens for home visitations, street opening fees, and deposits pledged by contractors.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

The private purpose trust fund is reported using a flow of economic resources measurement focus.

Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 6) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding and pension reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes municipal income taxes, delinquent property taxes, special assessments, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 11).

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

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

Budgetary Process

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

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest-bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

During 2017, investments were limited to government securities, commercial paper, STAR Ohio, and municipal bonds.

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

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating certificates of deposit, which are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to all funds. Interest revenue credited to the general fund during 2017 amounted to \$117,330, of which \$48,175 was assigned from other funds.

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

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Capital Assets

The City's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Land Improvements	5 - 50 years
Buildings and Improvements	5 - 60 years
Machinery and Equipment	3 - 50 years
Furniture and Fixtures	5 - 40 years
Infrastructure	10 - 99 years

The City's infrastructure consists of roads, sidewalks, guardrails, traffic signals, storm sewers, sanitary sewers, and water lines and includes infrastructure acquired prior to December 31, 1980.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net position.

Pensions

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

Compensated Absences

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes property acquired for resale, unless the use of the proceeds from the sale of those properties is restricted, committed, or assigned.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level formal action (ordinance or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between 2018's estimated revenue and appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Net Position

Net position represents the difference between all other elements in the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes included resources which will be used for unclaimed monies and tree programs.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for services for self insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Internal Activity

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

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

Premiums

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Estimates

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

Note 3 – Change in Accounting Principle

For 2017, the City implemented the Governmental Accounting Standards Board's (GASB) Implementation Guide No. 2016-1. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 4 – Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments reported at cost (budget) rather than fair value (GAAP).
3. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned fund balances (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the Budget basis are as follows:

Net Change in Fund Balance		
General and Fire Department Special Revenue Funds		
	General	Fire Department
GAAP Basis	(\$16,005)	\$354
Net Adjustment for Revenue Accruals	(588,004)	(180)
Beginning Fair Value Adjustment for Investments	(62,595)	0
Ending Fair Value Adjustment for Investments	103,648	0
Net Adjustment for Expenditure Accruals	(149,323)	(11,918)
Encumbrances	(303,931)	(7,025)
Budget Basis	(\$1,016,210)	(\$18,769)

Note 5 – Deposits and Investments

The City is a charter City and follows their established investment policy. The City has elected to follow the provisions of State statute.

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivision of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,610,982 of the City's bank balance of \$14,550,902 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

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

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

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

Two of the City's four financial institutions were in the process of joining OPCS; however, at December 31, 2017, the financial institutions still maintained their own collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Investments

Investments are reported at fair value. As of December 31, 2017, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value:				
Federal Home Loan Bank Notes	\$248,133	Less than one year	AA+	1.81 %
Federal Home Loan Bank Notes	211,755	Less than five years	AA+	1.54
Federal Home Loan Mortgage Corporation Notes	4,007,390	Less than three years	AA+	29.16
Federal Home Loan Mortgage Corporation Notes	246,272	Less than five years	AA+	1.79
Federal Farm Credit Bank Notes	1,177,065	Less than three years	AA+	8.56
Federal National Mortgage Association Notes	248,263	Less than one year	AA+	1.81
Federal National Mortgage Association Notes	736,377	Less than three years	AA+	5.36
Federal National Mortgage Association Notes	543,378	Less than five years	AA+	3.95
Amortized Cost:				
Commerical Paper	3,391,300	Less than one year	AA+	24.68
NAV Share:				
STAR Ohio	2,933,161	52.1 Days	AAAm	21.34
Total Investments	<u>\$13,743,094</u>			<u>100.00 %</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2017. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Credit Risk STAR Ohio carries a credit rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk. The remaining investments of the City carry a rating of AA+ by Standard & Poor's. The City does not have an investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside part. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has an investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

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

Note 6 – Receivables

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property taxes, accounts (billings for user charged services and court fines), special assessments, interfund, and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for special assessments and delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$2,715,111 in the special assessments bond retirement fund. At December 31, 2017, the amount of delinquent special assessments was \$146,111.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes were levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The full tax rate for all City operations for the year ended December 31, 2017, was \$8.21 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate:	
Residential/Agricultural	\$482,603,830
Other Real Estate	100,874,550
Tangible Personal Property Public Utility	20,721,470
Total Assessed Values	\$604,199,850

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2017, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Tax

The City levies a municipal income tax of two percent on substantially all income earned within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted 87.5 percent credit for taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, \$2,520,000 of total income tax proceeds are credited to the following capital projects funds: \$960,000 to the general municipal improvement fund, \$1,200,000 to the buildings and improvements fund, and \$360,000 to the road improvements fund. In 2018, \$1,700,000 was credited to the buildings and improvements capital projects fund.

Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

Governmental Activities:	
ODOT Transportation Grant	\$390,665
Homestead and Rollback	273,956
Excise and Gasoline Tax	253,614
Storm Sewer Grants	102,750
Auto Registration	55,380
Local Government	52,542
Riverview Stream Relocation Grant	26,037
Permissive Tax	17,730
DARE Grant	11,494
Ohio Peace Officer Training Academy Reimbursement	11,240
Assistance to Firefighters Grant	8,768
Culvert Grant	2,025
Total	\$1,206,201

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Tax Abatements

As of December 31, 2017, the City provides tax abatements through two economic development agreements.

Pursuant to Council Ordinance, the City established both economic development agreements to provide income tax abatements to encourage employment growth in the City. Abatements are obtained if the entity meets the established level of employment. The amount of the abatement is refunded to the recipient. City income taxes were not reduced during 2017 as neither recipient qualified for a refund.

Note 8 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2017, the City contracted with Wichert Insurance Services and Curtis Insurance Services for various types of insurance as follows:

Company	Type of Coverage	Coverage Amount
Wichert Insurance Services	Blanket Building/Contents	\$55,568,234
	Boiler and Machinery	Unlimited
	Inland Marine	1,705,468
	Crime	1,000,000
	Public Officials Liability	1,000,000
	General Liability	2,000,000
	Garage Keepers Liability	120,000
	Auto	1,000,000
	Umbrella Liability	10,000,000
	Cyber Liability	500,000
Custis Insurance Services	Law Enforcement	1,000,000

Settled claims have not exceeded commercial coverage in any of the last four years. There were no significant reductions in coverage from the prior year.

Workers' Compensation

The City participates in the Ohio Municipal League's (OML) group retrospective rating pool (See Note 18). The intent of the OML is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management by virtue of its grouping and representation with other participants. The workers' compensation experience rating of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the group. Each participant pays its workers' compensation premium to the State based on the rate for the OML group rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the OML. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the OML. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of Comp Management, Incorporated provides administrative, cost control and actuarial services to the OML.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Employee Insurance Benefits

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

The claims liability of \$204,791, reported in the self insurance fund at December 31, 2017, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last two years follow:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payment	Balance at End of Year
2016	\$180,837	\$1,714,487	\$1,758,557	\$136,767
2017	136,767	1,995,505	1,927,481	204,791

Note 9 – Interfund Transfers and Balances

Interfund Balances

The general municipal improvement and road improvements major capital projects funds had interfund payable balances of \$93,331 and \$40,669, respectively, and the general fund had an interfund receivable balance of \$134,000 due to the issuance of a manuscript bond. The manuscript bond represents a special assessment bond that was issued on August 13, 2008, at 5.05 percent. This bond is due on December 1, 2025, and was used for construction of an access road off Route 21. The manuscript bond was issued by the City and purchased by the general fund.

Interfund Transfers

Interfund transfers for the year ended December 31, 2017, consisted of the following:

Transfers From	Transfers To					Totals
	General	Fire Department	Buildings and Improvements	Police Station Building	Other Governmental Funds	
General	\$0	\$450,000	\$0	\$325,000	\$2,079,952	\$2,854,952
General Municipal Improvement	0	0	0	0	349,380	349,380
Buildings and Improvements	0	0	0	0	519,867	519,867
Police Station Building	0	0	0	0	321,254	321,254
Other Governmental Funds	76,484	0	20,000	0	11,224	107,708
<i>Total All Funds</i>	<u>\$76,484</u>	<u>\$450,000</u>	<u>\$20,000</u>	<u>\$325,000</u>	<u>\$3,281,677</u>	<u>\$4,153,161</u>

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Fund close out transfers were made from the indigent drivers, indigent drivers interlock, vehicle immobilization, and memorial funds to the general fund in the amount of \$76,484. Transfers from the general fund to the community center, fire department, and police station facility funds of \$850,000, \$450,000, and \$325,000, respectively, were to fund their operations. A transfer from the general fund to the recreation facility expansion fund of \$1,229,952 was made in anticipation of expenditures that were budgeted to happen during the current year. To provide funds for loan payments, transfers totaling \$53,604 were made to the issue II fund from the general municipal improvement and road maintenance funds. The general bond retirement fund is funded for loan payment obligations from the general municipal improvement, building and improvements, and police station facility funds. In 2017, this amount was \$1,148,121. There was a transfer of \$20,000 on a modified accrual basis to bring a note payment from the general bond retirement fund to the building and improvements fund where the liability resides.

Note 10 – Capital Assets

A summary of changes in capital assets during 2017 follows:

	Balance 12/31/2016	Additions	Deductions	Balance 12/31/2017
Governmental Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$7,460,576	\$0	\$0	\$7,460,576
Construction in Progress	3,631,755	5,377,961	(2,633,711)	6,376,005
<i>Total Capital Assets not being Depreciated</i>	<u>11,092,331</u>	<u>5,377,961</u>	<u>(2,633,711)</u>	<u>13,836,581</u>
<i>Capital Assets being Depreciated:</i>				
Land Improvements	4,918,302	375,799	0	5,294,101
Buildings and Improvements	35,131,233	1,029,781	(12,663)	36,148,351
Machinery and Equipment	14,963,840	959,905	(554,498)	15,369,247
Furniture and Fixtures	432,420	14,658	0	447,078
Infrastructure:				
Roads	43,890,011	769,624	(724,270)	43,935,365
Sidewalks	3,597,083	0	0	3,597,083
Guardrails	538,811	44,675	(40,257)	543,229
Traffic Signals	2,314,614	0	0	2,314,614
Storm Sewers	12,593,694	663,017	0	13,256,711
Sanitary Sewers	15,445,669	532,171	0	15,977,840
Water Lines	226,460	0	0	226,460
<i>Total Capital Assets being Depreciated</i>	<u>\$134,052,137</u>	<u>\$4,389,630</u>	<u>(\$1,331,688)</u>	<u>\$137,110,079</u>

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Governmental Activities (continued):	Balance 12/31/2016	Additions	Deductions	Balance 12/31/2017
<i>Capital Assets being Depreciated:</i>				
Less Accumulated Depreciation:				
Land Improvements	(\$2,682,314)	(\$211,138)	\$0	(\$2,893,452)
Buildings and Improvements	(13,153,281)	(686,025)	3,799	(13,835,507)
Machinery and Equipment	(8,681,071)	(993,138)	549,632	(9,124,577)
Furniture and Fixtures	(245,857)	(17,317)	0	(263,174)
Infrastructure:				
Roads	(24,647,247)	(614,572)	724,270	(24,537,549)
Sidewalks	(3,239,433)	(14,609)	0	(3,254,042)
Guardrails	(323,050)	(8,864)	40,257	(291,657)
Traffic Signals	(1,450,394)	(107,329)	0	(1,557,723)
Storm Sewers	(2,723,651)	(127,209)	0	(2,850,860)
Sanitary Sewers	(4,106,468)	(183,492)	0	(4,289,960)
Water Lines	(131,673)	(5,647)	0	(137,320)
<i>Total Accumulated Depreciation</i>	<u>(61,384,439)</u>	<u>(2,969,340) *</u>	<u>1,317,958</u>	<u>(63,035,821)</u>
<i>Total Capital Assets being Depreciated, Net</i>	<u>72,667,698</u>	<u>1,420,290</u>	<u>(13,730)</u>	<u>74,074,258</u>
<i>Governmental Activities Capital Assets, Net</i>	<u><u>\$83,760,029</u></u>	<u><u>\$6,798,251</u></u>	<u><u>(\$2,647,441)</u></u>	<u><u>\$87,910,839</u></u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$381,538
Public Safety:	
Police	167,284
Fire	184,266
Public Health Services	189,314
Street Construction, Maintenance and Repair	916,808
Housing and Community Development	32,452
Basic Utility Services	725,833
Recreational Activities	371,845
Total Depreciation Expense	<u><u>\$2,969,340</u></u>

Note 11 – 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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

	<u>State and Local</u>
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$872,969 for 2017. Of this amount, \$43,750 is reported as an intergovernmental payable.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF 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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OPF CAFR referenced previously for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.)

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$784,801 for 2017. Of this amount \$17,742 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OPF	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.05082200%	0.16204100%	0.21286300%
Prior Measurement Date	0.05089900%	0.16208000%	0.21297900%
Change in Proportionate Share	-0.00007700%	-0.00003900%	-0.00011600%
Proportionate Share of the Net Pension Liability	\$11,540,812	\$10,263,514	\$21,804,326
Pension Expense	\$2,396,183	\$1,211,586	\$3,607,769

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred OPERS	Deferred OPF	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$15,643	\$2,903	\$18,546
Changes of assumptions	1,830,514	0	1,830,514
Net difference between projected and actual earnings on pension plan investments	1,718,693	998,082	2,716,775
City contributions subsequent to the measurement date	<u>872,969</u>	<u>784,801</u>	<u>1,657,770</u>
Total Deferred Outflows of Resources	<u>\$4,437,819</u>	<u>\$1,785,786</u>	<u>\$6,223,605</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$68,685	\$23,631	\$92,316
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>62,728</u>	<u>229,545</u>	<u>292,273</u>
Total Deferred Inflows of Resources	<u>\$131,413</u>	<u>\$253,176</u>	<u>\$384,589</u>

\$1,657,770 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OPF	Total
Year Ending December 31:			
2018	\$1,390,831	\$324,046	\$1,714,877
2019	1,482,294	324,046	1,806,340
2020	610,691	233,598	844,289
2021	(50,379)	(122,732)	(173,111)
2022	0	(11,173)	(11,173)
Thereafter	<u>0</u>	<u>24</u>	<u>24</u>
Total	<u>\$3,433,437</u>	<u>\$747,809</u>	<u>\$4,181,246</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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented as follows:

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the previously described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table that follows displays the Board-approved asset allocation policy for 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. 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 County’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$17,631,168	\$11,540,812	\$6,465,575

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented as follows:

Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
	plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

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 OPF's target asset allocation as of December 31, 2016 are summarized as follows:

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF'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 in the preceding table, 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 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$13,669,785	\$10,263,514	\$7,376,654

Changes Between Measurement Date and Report Date

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it was the potential to impact to the City's net pension liability.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 12 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced that follows for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. 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 2017, state and local employers contributed at a rate of 14 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was one percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was four percent.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contributions for the years ended December 31, 2017, 2016, and 2015 were \$67,151, \$131,396, and \$126,697, respectively. For 2017, 94.99 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF 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 OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

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

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was .5 percent of covered payroll. The amount of employer contributions allocated to 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 OPF Board of Trustees is also authorized to established 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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The City's contributions to OPF for the years ended December 31, 2017, 2016, and 2015 were \$803,878, \$754,872, and \$740,072, respectively, of which \$19,077, \$17,916, and \$17,473, respectively, were allocated to the healthcare plan. For 2017, 97.74 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Note 13 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Vacation accumulation is limited to one year. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at the rate of 6.47 hours per pay for firefighters and 4.62 hours per pay for all other employees. Sick leave accumulation is unlimited for all employees except police officers who need chief approval to exceed over 960 hours. Upon retirement or death, an employee shall be paid 33 percent of accumulated sick leave. Employees may deduct up to 120 hours from their sick balance and defer payment on it until the following January.

Dental Insurance

The City provides dental benefits to employees through Cigna. The family and single premiums for 2017 were \$83.16 and \$27.56, respectively.

Note 14 – Contingencies

Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2017.

Litigation

The City is party to various legal proceedings. City management is of the opinion that ultimate settlement of such claims not covered by insurance will not result in a material adverse effect on the City's financial position.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 15 – Long-Term Obligations

The original issue date, interest rate, original issuance amount and maturity date for each of the City's long-term obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:				
Human Services Facility Refunding	2012	1.25% to 2.25%	\$3,580,000	December 1, 2023
Various Purpose Tree Farm Refunding	2015	2.03	2,525,000	December 1, 2025
Police Facility Project	2017	2.00 to 3.00	8,000,000	December 1, 2036
Service Center Garage	2017	2.00 to 3.00	1,980,000	December 1, 2036
Special Assessment Bonds:				
Southpointe Parkway	1997	3.85 to 5.35	1,190,000	December 1, 2017
Service Road Sewer and Water	2001	4.00 to 4.90	935,000	December 1, 2021
Four Seasons Sewer and Water	2001	4.00 to 4.90	1,265,000	December 1, 2021
Route 21, Hilton, Whitewood Sewer and Storm	2005	3.00 to 5.00	1,075,000	December 1, 2025
Katherine Boulevard Improvements	2012	1.25 to 2.25	1,430,000	December 1, 2022
Riverview Road Sewer	2012	1.25 to 2.75	575,000	December 1, 2032
Various Purpose Route 21 Access Road Refunding	2015	2.03	115,000	December 1, 2025
OPWC Loans:				
Fairview, Pershing, Wallings Water Main	1999	0.00	224,480	January 1, 2019
Brecksville Center and Old Town Water Main	1999	0.00	224,475	July 1, 2019
Route 21, Hilton, Whitewood Sanitary Sewer	2005	0.00	231,143	July 1, 2025
Fitzwater, Riverview, Wiese, Carriage Hill Cleaning	2006	0.00	162,934	January 1, 2027
Wiese Road Retaining Wall Improvement	2013	0.00	229,030	January 1, 2033

A schedule of changes in bonds and other long-term obligations of the City during 2017 follows:

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Amounts Due in One Year
Governmental Activities:					
<i>General Obligations Bonds:</i>					
2012 Human Services Facility Refunding	\$2,710,000	\$0	(\$365,000)	\$2,345,000	\$375,000
Premium on Bonds	57,679	0	(8,239)	49,440	0
2015 Various Purpose Tree Farm Refunding	2,300,000	0	(235,000)	2,065,000	245,000
2017 Police Facility Project					
Serial Bond	0	3,290,000	(215,000)	3,075,000	100,000
Term Bond	0	4,710,000	0	4,710,000	0
Premium on Bonds	0	143,585	(7,179)	136,406	0
2017 Service Center Garage					
Serial Bond	0	1,045,000	(50,000)	995,000	80,000
Term Bond	0	935,000	0	935,000	0
Premium on Bonds	0	37,192	(1,860)	35,332	0
Total General Obligation Bonds	\$5,067,679	\$10,160,777	(\$882,278)	\$14,346,178	\$800,000

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Amounts Due in One Year
Governmental Activities (continued):					
<i>Special Assessment Bonds:</i>					
1997 Southpointe Parkway	\$90,000	\$0	(\$90,000)	\$0	\$0
2001 Service Road Sewer and Water	285,000	0	(55,000)	230,000	55,000
2001 Four Seasons Sewer and Water	440,000	0	(80,000)	360,000	80,000
2005 Route 21, Hilton, Whitewood Sewer and Storm	605,000	0	(50,000)	555,000	60,000
2012 Katherine Boulevard Improvements	885,000	0	(140,000)	745,000	145,000
Premium on Bonds	22,837	0	(3,806)	19,031	0
2012 Riverview Road Sewer					
Serial Bond	185,000	0	(25,000)	160,000	25,000
Term Bond	290,000	0	0	290,000	0
2015 Various Purpose Route 21 Access Road Refunding	105,000	0	(10,000)	95,000	10,000
<i>Total Special Assessment Bonds</i>	<u>2,907,837</u>	<u>0</u>	<u>(453,806)</u>	<u>2,454,031</u>	<u>375,000</u>
<i>OPWC Loans:</i>					
1999 Fairview, Pershing, Wallings Water Main	22,448	0	(11,224)	11,224	11,224
1999 Brecksville Center and Old Town Water Main	28,059	0	(11,224)	16,835	11,223
2005 Route 21, Hilton, Whitewood Sanitary Sewer	98,236	0	(11,557)	86,679	11,558
2006 Fitzwater, Riverview Wiese, Carriage Hill Cleaning	81,467	0	(8,147)	73,320	8,146
2013 Wiese Road Retaining Wall Improvement	194,675	0	(11,452)	183,223	11,451
<i>Total OPWC Loans</i>	<u>424,885</u>	<u>0</u>	<u>(53,604)</u>	<u>371,281</u>	<u>53,602</u>
<i>Net Pension Liability:</i>					
OPERS	8,816,348	2,724,464	0	11,540,812	0
OPF	10,426,720	0	(163,206)	10,263,514	0
<i>Total Net Pension Liability</i>	<u>19,243,068</u>	<u>2,724,464</u>	<u>(163,206)</u>	<u>21,804,326</u>	<u>0</u>
Compensated Absences	939,174	175,993	(125,179)	989,988	291,394
<i>Total Governmental Activities</i>	<u>\$28,582,643</u>	<u>\$13,061,234</u>	<u>(\$1,678,073)</u>	<u>\$39,965,804</u>	<u>\$1,519,996</u>

All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from taxes receipted in the debt service fund. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

The OPWC loans will be paid with monies from the Issue II capital projects fund. The OPWC administers Issue II loans. There is no repayment schedule for net pension liability; however, employer pension contributions are made from the general fund and the fire department and community center special revenue funds. For additional information related to the net pension liability see Note 11. Compensated absences will be paid from the general fund and the fire department and community center special revenue funds, as well.

On September 20, 2012, the City issued \$3,580,000 in general obligation bonds for the purpose of refunding a portion of the 2004 Human Services Facility Bonds. These bonds were issued for a twelve year period with a final maturity of December 1, 2023. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2017, \$2,305,000 of the defeased bonds are still outstanding.

During 2015, the City issued \$2,525,000 of various purpose refunding bonds for the purpose of retiring the 2005 tree farm property bonds and \$115,000 of various purpose refunding bonds for the purpose of retiring the 2005 Route 21 Access Road special assessment bonds. The new bonds were issued for a period of 10 years at an interest rate of 2.03 percent. The proceeds of the new bonds were placed in an

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2017, \$2,165,000 of the defeased bonds are still outstanding.

On June 7, 2017, the City issued \$8,000,000 and \$1,980,000 in general obligation bonds for the purpose of the construction of the new police station building and the retirement of 2016 bond anticipation notes, respectively. These bonds were issued for a twenty year period with a final maturity of December 1, 2036.

On October 9, 1997, the City issued \$1,190,000 in special assessment bonds for improvements to Southpointe Parkway including storm sewers, sanitary sewers, water mains and road construction. The bonds were issued for a twenty year period with final maturity at December 1, 2017.

On September 1, 2001, the City issued \$935,000 in special assessment bonds for sanitary sewer and water main construction on Service Road. The bonds were issued for a twenty year period with final maturity at December 1, 2021.

On September 1, 2001, the City issued \$1,265,000 in special assessment bonds for sanitary sewer and water main construction in the Four Seasons of Brecksville subdivision. The bonds were issued for a twenty year period with final maturity at December 1, 2021.

On September 8, 2005, the City issued \$1,075,000 in special assessment bonds for sanitary sewer construction on Route 21 and on Hilton and Whitewood Roads. The bonds were issued for a twenty year period with final maturity at December 1, 2025. These bonds were refunded in 2015.

On September 20, 2012 the City issued \$1,430,000 in special assessment bonds for infrastructure improvements on Katherine Boulevard. The bonds were issued for a ten year period with final maturity on December 1, 2022.

On September 20, 2012 the City issued \$575,000 in special assessment bonds for sanitary sewer construction on Riverview Road. The bonds were issued for a twenty year period with final maturity on December 1, 2032.

The Riverview Road bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2024	\$30,000
2025	30,000
2026	30,000
2027	30,000
2028	30,000
2029	35,000
2030	35,000
2031	35,000
Total	\$255,000

The remaining principal amount of the bonds (\$35,000) will mature at stated maturity on December 1, 2032.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The bonds maturing on or after December 1, 2022, will be subject to prior redemption, on or after December 1, 2021, by and at the option of the City, either in whole or in part on any date, and in integral multiples of \$5,000, at par, plus accrued interest to the redemption date.

The City's overall legal debt margin was \$63,440,984 at December 31, 2017. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017, are as follows:

	General Obligation Bonds				OPWC Loans
	Serial Portion		Term Portion		
	Principal	Interest	Principal	Interest	
2018	\$800,000	\$357,802	\$0	\$0	\$53,602
2019	810,000	341,729	0	0	36,768
2020	830,000	325,455	0	0	31,156
2021	845,000	308,779	0	0	31,156
2022	860,000	290,816	0	0	31,156
2023-2027	3,715,000	1,176,558	0	0	118,737
2028-2032	620,000	179,482	2,665,000	532,238	57,255
2033-2036	0	0	2,980,000	215,177	11,451
Total	\$8,480,000	\$2,980,621	\$5,645,000	\$747,415	\$371,281

	Special Assessment Bonds			
	Serial Portion		Term Portion	
	Principal	Interest	Principal	Interest
2018	\$375,000	\$77,665	\$0	\$7,975
2019	385,000	64,446	0	7,975
2020	405,000	50,736	0	7,975
2021	405,000	36,189	0	7,975
2022	260,000	21,204	0	7,975
2023-2027	315,000	27,206	120,000	34,925
2028-2032	0	0	170,000	14,300
Total	\$2,145,000	\$277,446	\$290,000	\$89,100

Note 16 – Short-Term Obligations

In 2016, the City issued bond anticipation notes in the amount of \$2,000,000, with a premium of \$2,685 outstanding at December 31, 2016, to retire the 2015 notes issued for the Stadium Drive Service Garage project, and the notes retired on June 14, 2017.

On June 8, 2017, the City issued bond anticipation notes in the amount of \$4,090,000 for the purpose of Route 82 street improvements. The 2017 notes were issued at an interest rate of two percent and mature on June 7, 2018. The notes were issued with a premium of \$26,135, leaving an outstanding note balance of \$4,116,135 as of December 31, 2017.

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017
Governmental Activities:				
Service Center Garage Notes	\$2,000,000	\$0	(\$2,000,000)	\$0
Premium	2,685	0	(2,685)	0
State Route 82 Notes	0	4,090,000	0	4,090,000
Premium	0	26,135	0	26,135
<i>Total Notes Payable</i>	\$2,002,685	\$4,116,135	(\$2,002,685)	\$4,116,135

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 17 – Operating Lease

During 2017, the City entered into an operating lease with Falls Motor City, for the period of November 2, 2017 to October 1, 2020, for the use of a van for the human services department. The terms of the lease require payment in monthly installments in the amount of \$256.

Note 18 – Insurance Purchasing Pool

The Ohio Municipal League has created a group insurance pool for purpose of creating a group rating plan for workers' compensation. The governing body is comprised of the members who have been appointed by the respective governing body of each member.

The intent of the pool is to achieve a reduced rate for the City and the other group members. The injury claim history of all participating members is used to calculate a common rate for the group. An annual fee is paid to Comp Management, Incorporated to administer the group and to manage any injury claims. Premium savings created by the group are prorated to each member entity annually based on claims experience of each member as compared to the total claims experience of the group.

Note 19 – Jointly Governed Organizations

Southwest Council of Governments

The Southwest Council of Governments (the Council) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the sixteen participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2017, the City contributed \$18,000, which represents 5.23 percent of total contributions.

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZ MAT") which provides hazardous material protections and assistance and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT Team. The Council's financial statements may be obtained by contacting the Southwest Council of Governments, 11 Berea Commons, Berea, Ohio 44017.

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 134 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. In 2017, the City made no contributions. The Board oversees and manages

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Ronald McVoy, the Board Chairman, at 31360 Solon Road, Suite 33, Solon, Ohio, 44139 or at the website www.nopecinfo.org.

Cuyahoga Valley Council of Governments

The City participates in the Cuyahoga Valley Council of Governments (the Council). The Council was formed to share jail and community services, foster municipal service, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. The Council is controlled by an executive Board which is composed of a President, Vice President, Secretary and Fiscal Officer, who serves as Treasurer. The elected officers shall serve for a period of two years. Each member's control over the operation of the Council is limited to its representation on the Board. In 2017, the City made no contributions. Complete financial statements can be obtained from the Cuyahoga Valley Council of Governments, Cuyahoga County, Ohio.

Note 20 – Related Organization

The Brecksville Community Improvement Corporation (CIC) was formed to promote and assist in economic development within the City. City Council created the CIC during 2014 and appointed the initial CIC Board members. The CIC does not represent a potential financial benefit for or burden on the City. In 2017, the City hired an attorney that is currently working on developing a memorandum of understanding for development of the Veterans Administration property. The City anticipates that there will be land transfers from the City to the CIC in 2018, and forward.

Note 21 – Fund Balances

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

Fund Balances	General	Fire Department	Special Assessments Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements	Police Station Building	Other Governmental Funds	Total
<u>Nonspendable:</u>									
Inventory	\$242,017	\$63,425	\$0	\$0	\$0	\$0	\$0	\$28,472	\$333,914
Prepays	261,075	22,799	0	0	0	0	0	19,752	303,626
Assets Held for Resale	137,100	0	0	0	0	0	0	0	137,100
Unclaimed Funds	13,458	0	0	0	0	0	0	0	13,458
<i>Total Nonspendable</i>	<u>\$653,650</u>	<u>\$86,224</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$48,224</u>	<u>\$788,098</u>

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund Balances (continued)	General	Fire Department	Special Assessments Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements	Police Station Building	Other Governmental Funds	Total
<u>Restricted for:</u>									
Police Department	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$490,516	\$490,516
Police Station Building	0	0	0	0	0	0	6,581,538	0	6,581,538
Fire Department	0	162,515	0	0	0	0	0	0	162,515
Debt Service Retirement	0	0	85,486	0	0	0	0	205,886	291,372
Street Maintenance	0	0	0	0	0	0	0	564,475	564,475
Public Utility Improvement	0	0	0	0	0	0	0	220,388	220,388
Court Computerization	0	0	0	0	0	0	0	174,606	174,606
Recycling Demo	0	0	0	0	0	0	0	5,817	5,817
Tree Planting	0	0	0	0	0	0	0	102,044	102,044
Recreation	0	0	0	0	0	0	0	950	950
<i>Total Restricted</i>	<u>0</u>	<u>162,515</u>	<u>85,486</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,581,538</u>	<u>1,764,682</u>	<u>8,594,221</u>
<u>Committed to:</u>									
Building and Improvements	0	0	0	1,274,739	566,024	0	0	0	1,840,763
Road Improvements	0	0	0	0	0	232,262	0	0	232,262
Police Department	0	0	0	0	0	0	0	8,187	8,187
Community Center	0	0	0	0	0	0	0	262,263	262,263
Fire Ambulance Capital	0	0	0	0	0	0	0	990,190	990,190
Public Utility Improvement	0	0	0	0	0	0	0	183,470	183,470
Professional Services	21,226	0	0	0	0	0	0	0	21,226
Economic Development	11,192	0	0	0	0	0	0	0	11,192
Special Services	15,232	0	0	0	0	0	0	0	15,232
Machinery & Equipment	132,470	0	0	0	0	0	0	0	132,470
Materials & Supplies	423	0	0	0	0	0	0	0	423
Income Tax Collections	9,500	0	0	0	0	0	0	0	9,500
<i>Total Committed</i>	<u>190,043</u>	<u>0</u>	<u>0</u>	<u>1,274,739</u>	<u>566,024</u>	<u>232,262</u>	<u>0</u>	<u>1,444,110</u>	<u>3,707,178</u>
<u>Assigned to:</u>									
Capital Improvements	0	0	0	0	0	0	0	1,546,073	1,546,073
Purchases on Order	15,376	0	0	0	0	0	0	0	15,376
2018 Appropriations	3,391,368	0	0	0	0	0	0	0	3,391,368
<i>Total Assigned</i>	<u>3,406,744</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,546,073</u>	<u>4,952,817</u>
Unassigned	<u>5,563,611</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,563,611</u>
Total Fund Balances	<u>\$9,814,048</u>	<u>\$248,739</u>	<u>\$85,486</u>	<u>\$1,274,739</u>	<u>\$566,024</u>	<u>\$232,262</u>	<u>\$6,581,538</u>	<u>\$4,803,089</u>	<u>\$23,605,925</u>

Note 22 – Significant Commitments

Encumbrances

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

General	\$303,931
Fire Department	7,025
General Municipal Improvement	2,293,685
Buildings and Improvements	364,882
Other Governmental Funds	6,178,924
Total	<u><u>\$9,148,447</u></u>

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Contractual Commitments

At December 31, 2017, the City's significant contractual commitments consisted of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
Professional Services	\$56,996	\$15,319	\$41,677
Police Equipment	25,870	1,280	24,590
Service Equipment	94,091	0	94,091
Fire Equipment	22,275	855	21,420
Building Improvements	427,445	29,973	397,472
Land Improvements	121,630	23,826	97,804
Storm Sewers	327,089	154,440	172,649
Sanitary Sewers	21,900	17,469	4,431
New Buildings	8,653,018	31,282	8,621,736
Roads	423,870	189,461	234,409
Water Lines	20,250	17,208	3,042
Totals	<u>\$10,194,434</u>	<u>\$481,113</u>	<u>\$9,713,321</u>

The amounts remaining on these contracts were encumbered at year end.

Note 23 – Donor Restricted Endowments

The City's private purpose trust fund includes donor restricted endowments. Endowments, in the amount of \$3,000, represent the principal portion. The amount of interest on donor restricted investments that is available for expenditures by the City is \$174 and is included as held in trust for cemetery. State law permits the City to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used for the decoration of specifically named graves.

Note 24 – Subsequent Event

On March 8, 2018, the City received the deed to the 103 acre property located at 10000 Brecksville Road. This property was the former site of the Veterans Administration Hospital. The City values this property at \$10,000,000.

City of Brecksville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
*Last Four Years (1) **

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.05082200%	0.05089900%	0.05221000%	0.05221000%
City's Proportionate Share of the Net Pension Liability	\$11,540,812	\$8,816,348	\$6,297,110	\$6,154,879
City's Covered Payroll	\$6,569,792	\$6,334,843	\$6,400,950	\$6,342,796
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.66%	139.17%	98.38%	97.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.16204100%	0.16208000%	0.16886840%	0.16886840%
City's Proportionate Share of the Net Pension Liability	\$10,263,514	\$10,426,720	\$8,748,087	\$8,224,421
City's Covered Payroll	\$3,583,217	\$3,494,644	\$3,429,025	\$3,374,994
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	286.43%	298.36%	255.12%	243.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

City of Brecksville, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$872,969	\$788,375	\$760,181	\$768,114	\$824,563
Contributions in Relation to the Contractually Required Contribution	<u>(872,969)</u>	<u>(788,375)</u>	<u>(760,181)</u>	<u>(768,114)</u>	<u>(824,563)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,715,146	\$6,569,792	\$6,334,843	\$6,400,950	\$6,342,796
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$784,801	\$736,956	\$722,599	\$706,703
Contributions in Relation to the Contractually Required Contribution	<u>(784,801)</u>	<u>(736,956)</u>	<u>(722,599)</u>	<u>(706,703)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,036,931	\$3,583,217	\$3,494,644	\$3,429,025
Contributions as a Percentage of Covered Payroll	13.00%	20.57%	20.68%	20.61%

2013	2012	2011	2010	2009	2008
\$589,056	\$485,500	\$463,725	\$488,638	\$492,677	\$496,059
(589,056)	(485,500)	(463,725)	(488,638)	(492,677)	(496,059)
\$0	\$0	\$0	\$0	\$0	\$0
\$3,374,994	\$3,380,216	\$3,217,478	\$3,414,468	\$3,445,306	\$3,463,189
17.45%	14.36%	14.41%	14.31%	14.30%	14.32%

City of Brecksville, Ohio
Notes to Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented as follows:

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

(This Page Intentionally Left Blank)



5 Fighting fires is a dangerous job and the hazards are amplified when having to operate in the darkness.

6 Many fires occur during the night and it's especially important to make sure your smoke detector batteries are changed each time the clocks change!

7 When fires occur, our personnel spend extensive time checking to make sure the fire has not extended to other parts of a structure. After the fire is extinguished, we ensure the homeowners have made contact with their insurance company and have a safe place to stay, whether with family, friends, or in a hotel.

8 The Brecksville Fire Department houses a 100 foot ladder truck that provides us the capability of making rescues and extinguishing fires from an elevated platform. This also provides the department with the capability to view hazards that may not be visible to the crews operating below.

Combining and Individual Fund Statements and Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Motor Vehicle License Tax Fund - This fund accounts for and reports the City's share of additional motor vehicle registration fees. Expenditures are restricted by State law for the maintenance and repair of streets and bridges within the City.

Street Repair and Maintenance Fund - This fund accounts for and reports 92.5 percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

State Highway Fund - This fund accounts for and reports 7.5 percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of State highways within the City.

Community Center Fund - This fund accounts for and reports membership fees, program fees, and general fund subsidies committed to the operations of the Community Center.

Road Maintenance Fund - This fund accounts for and reports revenues received from the 1 mill Charter Levy. These monies are restricted for the maintenance, repair, reconstruction and improvement of roads within the City.

Federal Equitable Sharing Fund - This fund accounts and reports federal forfeiture monies returned to the City restricted for certain law enforcement purposes.

Indigent Drivers Fund - This fund accounts for and reports \$25 of any fine imposed for a violation of a municipal ordinance relating to operating a vehicle while under the influence of alcohol and/or drugs. These monies are restricted for the rehabilitation and treatment of indigent individuals.

Indigent Drivers Interlock Fund - This fund accounts for and reports funds distributed by the State Department of Public Safety pursuant to ORC 4511.19(G). These monies are restricted for the purchase of immobilizing or disabling devices to be used by an offender who is ordered to use the device and is determined not to have the means to pay for the use of such device.

Enforcement and Education Fund - This fund accounts for and reports fines restricted to educating the public about the dangers of and enforcing the laws against operating a motor vehicle while under the influence of alcohol and to reinforce the "Say No to Drugs" message.

Court Computerization Fund - This fund accounts for and reports court fees and fines restricted for the purchase and maintenance of computers for the Mayor's court.

Natureworks Grants Fund - This fund accounts for and reports grant monies and investment interest restricted for the purpose of adding a recreational facility to the Blossom Complex.

Recycling Demo Fund - This fund accounts for and reports grant monies received from the Ohio Department of Natural Resources plus City matching funds. Expenditures are restricted by the rules set by the Ohio Department of Natural Resources Litter Prevention and Recycling Grant agreement.

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Tree Planting Grants Fund - This fund accounts for and reports monies collected, which are restricted to the planting of trees within the City's right-of-way.

Law Enforcement Fund - This fund accounts for and reports restricted monies received from the sale or disposition of seized contraband.

Law Enforcement Mandatory Drug Fund - This fund accounts for and reports monies received from drug fines and forfeited bonds restricted for drug investigations.

Vehicle Immobilization Fund - This fund accounts for and reports restricted revenues and expenditures pursuant to changes in Ohio Law relative to operating a motor vehicle while intoxicated or driving under suspension of license. The Bureau of Motor Vehicles pays the City \$100 for immobilization costs incurred.

Police Pension Fund - This fund accounts for and reports amounts paid for police department employees, which are restricted to the State administered disability and pension fund.

Memorial Fund - This fund accounts for and reports donations committed to memorials for deceased community members.

Peace Officer Training Fund - This fund accounts for and reports the collection and disbursement of certain grant funds received from the State of Ohio restricted to certain law enforcement trainings.

Nonmajor Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

General Obligation Bond Retirement Fund - This fund accounts for and reports transfers in and tax levies that are restricted for the repayment of general obligation debt.

Nonmajor Capital Projects Funds

Capital projects funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

Issue II Fund - This fund accounts for and reports grant monies received from the Ohio Public Works Commission plus City matching funds. Expenditures are restricted to specific projects within the City.

Recreation Expansion Fund - This fund accounts for and reports 25 percent of building permit revenues assigned for the purchase of equipment and for capital improvements for recreation.

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

Recreation Facilities Expansion Fund – This fund accounts for and reports income tax and other monies determined as necessary for the purpose of acquiring, constructing, or improving recreation facilities and any other appurtenances thereto.

Public Utility Improvement Fund - This fund accounts for and reports sanitary sewer tap-in-fees and fees for converting from septic tank to sanitary sewer assigned to costs to repair, construct, and reline any public utility line within the City.

Fire Ambulance Capital Fund - This fund accounts for and reports portions of charges for services for ambulance operations provided by the fire department. Expenditures from this fund are committed to the acquisition of fire department equipment.

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,682,050	\$232,021	\$3,026,978	\$4,941,049
Cash and Cash Equivalents In Segregated Accounts	2,000	0	0	2,000
Materials and Supplies Inventory	28,472	0	0	28,472
Accounts Receivable	2,780	0	30,813	33,593
Intergovernmental Receivable	381,343	0	8,768	390,111
Prepaid Items	19,752	0	0	19,752
Property Taxes Receivable	714,947	0	0	714,947
<i>Total Assets</i>	<u>\$2,831,344</u>	<u>\$232,021</u>	<u>\$3,066,559</u>	<u>\$6,129,924</u>
Liabilities				
Accounts Payable	\$30,281	\$0	\$2,986	\$33,267
Contracts Payable	127,782	0	123,452	251,234
Notes Payable	0	26,135	0	26,135
Accrued Wages	33,419	0	0	33,419
Intergovernmental Payable	6,638	0	0	6,638
<i>Total Liabilities</i>	<u>198,120</u>	<u>26,135</u>	<u>126,438</u>	<u>350,693</u>
Deferred Inflows of Resources				
Property Taxes	675,093	0	0	675,093
Unavailable Revenue	301,049	0	0	301,049
<i>Total Deferred Inflows of Resources</i>	<u>976,142</u>	<u>0</u>	<u>0</u>	<u>976,142</u>
Fund Balances				
Nonspendable	48,224	0	0	48,224
Restricted	1,338,408	205,886	220,388	1,764,682
Committed	270,450	0	1,173,660	1,444,110
Assigned	0	0	1,546,073	1,546,073
<i>Total Fund Balances</i>	<u>1,657,082</u>	<u>205,886</u>	<u>2,940,121</u>	<u>4,803,089</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$2,831,344</u>	<u>\$232,021</u>	<u>\$3,066,559</u>	<u>\$6,129,924</u>

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$687,489	\$0	\$0	\$687,489
Charges for Services	938,373	0	291,180	1,229,553
Licenses and Permits	13,200	0	144,126	157,326
Fines and Forfeitures	23,539	0	0	23,539
Intergovernmental	813,128	0	224,133	1,037,261
Interest	21,121	0	24,381	45,502
Donations	10,882	0	0	10,882
Rentals	63,594	0	0	63,594
Miscellaneous	33,448	0	5,500	38,948
<i>Total Revenues</i>	<u>2,604,774</u>	<u>0</u>	<u>689,320</u>	<u>3,294,094</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	134	0	0	134
Judicial System	1,628	0	0	1,628
Public Safety:				
Police	187,514	0	0	187,514
Street Construction, Maintenance, and Repair	1,276,897	0	0	1,276,897
Housing and Community Development	65,009	0	0	65,009
Basic Utility Services	27,420	0	0	27,420
Recreational Activities	1,892,774	0	0	1,892,774
Capital Outlay	0	0	730,865	730,865
Debt Service:				
Principal Retirement	0	865,000	53,604	918,604
Interest and Fiscal Charges	0	230,500	0	230,500
Bond Issuance Costs	0	182,029	0	182,029
<i>Total Expenditures</i>	<u>3,451,376</u>	<u>1,277,529</u>	<u>784,469</u>	<u>5,513,374</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(846,602)</u>	<u>(1,277,529)</u>	<u>(95,149)</u>	<u>(2,219,280)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	576	0	0	576
Premium on Bonds Issued	0	180,777	0	180,777
Transfers In	850,000	1,148,121	1,283,556	3,281,677
Transfers Out	(87,708)	(20,000)	0	(107,708)
<i>Total Other Financing Sources (Uses)</i>	<u>762,868</u>	<u>1,308,898</u>	<u>1,283,556</u>	<u>3,355,322</u>
<i>Net Change in Fund Balances</i>	(83,734)	31,369	1,188,407	1,136,042
<i>Fund Balances Beginning of Year</i>	<u>1,740,816</u>	<u>174,517</u>	<u>1,751,714</u>	<u>3,667,047</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,657,082</u></u>	<u><u>\$205,886</u></u>	<u><u>\$2,940,121</u></u>	<u><u>\$4,803,089</u></u>

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Community Center	Road Maintenance	Federal Equitable Sharing
Assets						
Equity in Pooled Cash and Cash Equivalents	\$12,469	\$341,770	\$102,837	\$324,860	\$110,706	\$18,204
Cash and Cash Equivalents In Segregated Accounts	0	0	0	2,000	0	0
Materials and Supplies Inventory	0	28,472	0	0	0	0
Accounts Receivable	0	0	0	2,780	0	0
Intergovernmental Receivable	17,730	285,822	23,172	0	33,367	0
Prepaid Items	0	0	0	19,752	0	0
Property Taxes Receivable	0	0	0	0	549,959	0
<i>Total Assets</i>	<u>\$30,199</u>	<u>\$656,064</u>	<u>\$126,009</u>	<u>\$349,392</u>	<u>\$694,032</u>	<u>\$18,204</u>
Liabilities						
Accounts Payable	\$0	\$336	\$0	\$27,650	\$585	\$0
Contracts Payable	0	111,294	0	0	0	0
Accrued Wages	0	0	0	33,094	0	0
Intergovernmental Payable	0	0	0	6,633	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>111,630</u>	<u>0</u>	<u>67,377</u>	<u>585</u>	<u>0</u>
Deferred Inflows of Resources						
Property Taxes	0	0	0	0	519,303	0
Unavailable Revenue	11,821	190,548	15,447	0	64,023	0
<i>Total Deferred Inflows of Resources</i>	<u>11,821</u>	<u>190,548</u>	<u>15,447</u>	<u>0</u>	<u>583,326</u>	<u>0</u>
Fund Balances						
Nonspendable	0	28,472	0	19,752	0	0
Restricted	18,378	325,414	110,562	0	110,121	18,204
Committed	0	0	0	262,263	0	0
<i>Total Fund Balances</i>	<u>18,378</u>	<u>353,886</u>	<u>110,562</u>	<u>282,015</u>	<u>110,121</u>	<u>18,204</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$30,199</u>	<u>\$656,064</u>	<u>\$126,009</u>	<u>\$349,392</u>	<u>\$694,032</u>	<u>\$18,204</u>

(continued)

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

	Enforcement and Education	Court Computerization	Natureworks Grants	Recycling Demo	Tree Planting Grants	Law Enforcement
Assets						
Equity in Pooled Cash and Cash Equivalents	\$31,442	\$174,606	\$950	\$5,817	\$102,044	\$114,704
Cash and Cash Equivalents						
In Segregated Accounts	0	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$31,442</u>	<u>\$174,606</u>	<u>\$950</u>	<u>\$5,817</u>	<u>\$102,044</u>	<u>\$114,704</u>
Liabilities						
Accounts Payable	\$210	\$0	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0	16,488
Accrued Wages	325	0	0	0	0	0
Intergovernmental Payable	5	0	0	0	0	0
<i>Total Liabilities</i>	<u>540</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,488</u>
Deferred Inflows of Resources						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances						
Nonspendable	0	0	0	0	0	0
Restricted	22,715	174,606	950	5,817	102,044	98,216
Committed	8,187	0	0	0	0	0
<i>Total Fund Balances</i>	<u>30,902</u>	<u>174,606</u>	<u>950</u>	<u>5,817</u>	<u>102,044</u>	<u>98,216</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$31,442</u>	<u>\$174,606</u>	<u>\$950</u>	<u>\$5,817</u>	<u>\$102,044</u>	<u>\$114,704</u>

Law Enforcement Mandatory Drug	Police Pension	Peace Officer Training	Total Nonmajor Special Revenue Funds
\$39,694	\$292,719	\$9,228	\$1,682,050
0	0	0	2,000
0	0	0	28,472
0	0	0	2,780
0	10,012	11,240	381,343
0	0	0	19,752
0	164,988	0	714,947
<u>\$39,694</u>	<u>\$467,719</u>	<u>\$20,468</u>	<u>\$2,831,344</u>
\$0	\$0	\$1,500	\$30,281
0	0	0	127,782
0	0	0	33,419
0	0	0	6,638
0	0	1,500	198,120
0	155,790	0	675,093
0	19,210	0	301,049
0	175,000	0	976,142
0	0	0	48,224
39,694	292,719	18,968	1,338,408
0	0	0	270,450
39,694	292,719	18,968	1,657,082
<u>\$39,694</u>	<u>\$467,719</u>	<u>\$20,468</u>	<u>\$2,831,344</u>

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Community Center
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	938,373
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	36,201	592,972	48,080	0
Interest	278	4,082	1,051	5,715
Donations	0	0	0	10,402
Rentals	0	0	0	63,594
Miscellaneous	0	0	0	33,448
<i>Total Revenues</i>	<u>36,479</u>	<u>597,054</u>	<u>49,131</u>	<u>1,051,532</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial System	0	0	0	0
Public Safety:				
Police	0	0	0	0
Street Construction, Maintenance, and Repair	38,000	583,745	0	0
Housing and Community Development	0	0	0	0
Basic Utility Services	0	0	0	0
Recreational Activities	0	0	0	1,892,774
<i>Total Expenditures</i>	<u>38,000</u>	<u>583,745</u>	<u>0</u>	<u>1,892,774</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,521)</u>	<u>13,309</u>	<u>49,131</u>	<u>(841,242)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	576
Transfers In	0	0	0	850,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>850,576</u>
<i>Net Change in Fund Balances</i>	(1,521)	13,309	49,131	9,334
<i>Fund Balances Beginning of Year</i>	<u>19,899</u>	<u>340,577</u>	<u>61,431</u>	<u>272,681</u>
<i>Fund Balances End of Year</i>	<u><u>\$18,378</u></u>	<u><u>\$353,886</u></u>	<u><u>\$110,562</u></u>	<u><u>\$282,015</u></u>

<u>Road Maintenance</u>	<u>Federal Equitable Sharing</u>	<u>Indigent Drivers</u>	<u>Indigent Drivers Interlock</u>	<u>Enforcement and Education</u>	<u>Court Computerization</u>
\$528,822	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	411	0	838	10,656
66,737	0	0	0	3,252	0
3,546	246	279	67	472	2,291
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>599,105</u>	<u>246</u>	<u>690</u>	<u>67</u>	<u>4,562</u>	<u>12,947</u>
0	0	0	0	0	0
0	0	0	0	0	1,628
0	0	13,879	5,500	8,833	0
655,152	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>655,152</u>	<u>0</u>	<u>13,879</u>	<u>5,500</u>	<u>8,833</u>	<u>1,628</u>
<u>(56,047)</u>	<u>246</u>	<u>(13,189)</u>	<u>(5,433)</u>	<u>(4,271)</u>	<u>11,319</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>(11,224)</u>	<u>0</u>	<u>(10,090)</u>	<u>(218)</u>	<u>0</u>	<u>0</u>
<u>(11,224)</u>	<u>0</u>	<u>(10,090)</u>	<u>(218)</u>	<u>0</u>	<u>0</u>
(67,271)	246	(23,279)	(5,651)	(4,271)	11,319
<u>177,392</u>	<u>17,958</u>	<u>23,279</u>	<u>5,651</u>	<u>35,173</u>	<u>163,287</u>
<u>\$110,121</u>	<u>\$18,204</u>	<u>\$0</u>	<u>\$0</u>	<u>\$30,902</u>	<u>\$174,606</u>

(continued)

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2017

	Natureworks Grants	Recycling Demo	Tree Planting Grants	Law Enforcement
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	13,200	0
Fines and Forfeitures	0	0	0	10,969
Intergovernmental	0	3,295	24,949	0
Interest	0	345	0	1,472
Donations	0	0	0	0
Rentals	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>3,640</u>	<u>38,149</u>	<u>12,441</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial System	0	0	0	0
Public Safety:				
Police	0	0	0	16,488
Street Construction, Maintenance, and Repair	0	0	0	0
Housing and Community Development	0	0	65,009	0
Basic Utility Services	0	27,420	0	0
Recreational Activities	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>27,420</u>	<u>65,009</u>	<u>16,488</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(23,780)</u>	<u>(26,860)</u>	<u>(4,047)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(23,780)	(26,860)	(4,047)
<i>Fund Balances Beginning of Year</i>	<u>950</u>	<u>29,597</u>	<u>128,904</u>	<u>102,263</u>
<i>Fund Balances End of Year</i>	<u><u>\$950</u></u>	<u><u>\$5,817</u></u>	<u><u>\$102,044</u></u>	<u><u>\$98,216</u></u>

Law Enforcement Mandatory Drug	Vehicle Immobilization	Police Pension	Memorial	Peace Officer Training	Total Nonmajor Special Revenue Funds
\$0	\$0	\$158,667	\$0	\$0	\$687,489
0	0	0	0	0	938,373
0	0	0	0	0	13,200
0	665	0	0	0	23,539
0	0	20,022	0	17,620	813,128
537	740	0	0	0	21,121
0	0	0	480	0	10,882
0	0	0	0	0	63,594
0	0	0	0	0	33,448
<u>537</u>	<u>1,405</u>	<u>178,689</u>	<u>480</u>	<u>17,620</u>	<u>2,604,774</u>
0	0	0	134	0	134
0	0	0	0	0	1,628
0	0	140,062	0	2,752	187,514
0	0	0	0	0	1,276,897
0	0	0	0	0	65,009
0	0	0	0	0	27,420
0	0	0	0	0	1,892,774
<u>0</u>	<u>0</u>	<u>140,062</u>	<u>134</u>	<u>2,752</u>	<u>3,451,376</u>
<u>537</u>	<u>1,405</u>	<u>38,627</u>	<u>346</u>	<u>14,868</u>	<u>(846,602)</u>
0	0	0	0	0	576
0	0	0	0	0	850,000
0	(63,201)	0	(2,975)	0	(87,708)
<u>0</u>	<u>(63,201)</u>	<u>0</u>	<u>(2,975)</u>	<u>0</u>	<u>762,868</u>
537	(61,796)	38,627	(2,629)	14,868	(83,734)
<u>39,157</u>	<u>61,796</u>	<u>254,092</u>	<u>2,629</u>	<u>4,100</u>	<u>1,740,816</u>
<u>\$39,694</u>	<u>\$0</u>	<u>\$292,719</u>	<u>\$0</u>	<u>\$18,968</u>	<u>\$1,657,082</u>

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Issue II	Recreation Expansion	Recreation Facilities Expansion	Public Utility Improvement	Fire Ambulance Capital	Total Nonmajor Capital Projects Funds
Assets						
Equity in Pooled Cash and						
Cash Equivalents	\$220,388	\$48,138	\$1,383,690	\$403,822	\$970,940	\$3,026,978
Accounts Receivable	0	0	0	0	30,813	30,813
Intergovernmental Receivable	0	0	0	0	8,768	8,768
<i>Total Assets</i>	<u>\$220,388</u>	<u>\$48,138</u>	<u>\$1,383,690</u>	<u>\$403,822</u>	<u>\$1,010,521</u>	<u>\$3,066,559</u>
Liabilities						
Accounts Payable	\$0	\$0	\$0	\$0	\$2,986	\$2,986
Contracts Payable	0	0	106,107	0	17,345	123,452
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>106,107</u>	<u>0</u>	<u>20,331</u>	<u>126,438</u>
Fund Balances						
Restricted	220,388	0	0	0	0	220,388
Committed	0	0	0	183,470	990,190	1,173,660
Assigned	0	48,138	1,277,583	220,352	0	1,546,073
<i>Total Fund Balances</i>	<u>220,388</u>	<u>48,138</u>	<u>1,277,583</u>	<u>403,822</u>	<u>990,190</u>	<u>2,940,121</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$220,388</u>	<u>\$48,138</u>	<u>\$1,383,690</u>	<u>\$403,822</u>	<u>\$1,010,521</u>	<u>\$3,066,559</u>

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	Issue II	Recreation Expansion	Recreation Facilities Expansion	Public Utility Improvement	Fire Ambulance Capital	Total Nonmajor Capital Projects Funds
Revenues						
Charges for Services	\$0	\$0	\$0	\$0	\$291,180	\$291,180
Licenses and Permits	0	77,446	0	66,680	0	144,126
Intergovernmental	0	0	0	0	224,133	224,133
Interest	3,453	1,604	4,719	1,477	13,128	24,381
Miscellaneous	0	0	0	5,500	0	5,500
<i>Total Revenues</i>	<u>3,453</u>	<u>79,050</u>	<u>4,719</u>	<u>73,657</u>	<u>528,441</u>	<u>689,320</u>
Expenditures						
Capital Outlay	0	120,759	115,107	8,236	486,763	730,865
Debt Service:						
Principal Retirement	53,604	0	0	0	0	53,604
<i>Total Expenditures</i>	<u>53,604</u>	<u>120,759</u>	<u>115,107</u>	<u>8,236</u>	<u>486,763</u>	<u>784,469</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(50,151)	(41,709)	(110,388)	65,421	41,678	(95,149)
Other Financing Sources						
Transfers In	53,604	0	1,229,952	0	0	1,283,556
<i>Net Change in Fund Balances</i>	3,453	(41,709)	1,119,564	65,421	41,678	1,188,407
<i>Fund Balances Beginning of Year</i>	216,935	89,847	158,019	338,401	948,512	1,751,714
<i>Fund Balances End of Year</i>	<u>\$220,388</u>	<u>\$48,138</u>	<u>\$1,277,583</u>	<u>\$403,822</u>	<u>\$990,190</u>	<u>\$2,940,121</u>

Combining Statements - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is the cemetery private purpose trust. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private Purpose Trust Fund

Cemetery Endowment Fund - This fund received a \$3,000 endowment with the interest to be used for the perpetual care and maintenance of certain burial plots.

Agency Funds

Senior Citizens' Programs Fund - This fund accounts for donations to the City's senior citizens. The senior citizens use the money for home visitations. The City's role is limited to that of custodian of funds.

Street Openings Fund - This fund accounts for deposits held by the City for construction of new street openings. These monies are returned when the work is completed.

Deposits and Fees Fund - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

Contractors Deposit Fund - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

City of Brecksville, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Beginning Balance 12/31/16	Additions	Deductions	Ending Balance 12/31/17
Senior Citizens' Programs				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$30,806	\$13,173	\$18,479	\$25,500
Liabilities				
Undistributed Monies	\$30,806	\$13,173	\$18,479	\$25,500
Street Openings				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$313,081	\$46,950	\$56,251	\$303,780
Liabilities				
Deposits Held and Due to Others	\$313,081	\$46,950	\$56,251	\$303,780
Deposits and Fees				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$527,695	\$351,772	\$425,815	\$453,652
Liabilities				
Deposits Held and Due to Others	\$527,695	\$351,772	\$425,815	\$453,652
Contractors Deposit				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$256,750	\$145,700	\$243,750	\$158,700
Liabilities				
Deposits Held and Due to Others	\$256,750	\$145,700	\$243,750	\$158,700
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,128,332	\$557,595	\$744,295	\$941,632
Liabilities				
Undistributed Monies	\$30,806	\$13,173	\$18,479	\$25,500
Deposits Held and Due to Others	1,097,526	544,422	725,816	916,132
<i>Total Liabilities</i>	\$1,128,332	\$557,595	\$744,295	\$941,632

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

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,856,223	\$1,856,223	\$1,856,195	(\$28)
Municipal Income Taxes	16,196,655	16,369,000	15,503,678	(865,322)
Charges for Services	115,867	117,100	123,210	6,110
Licenses and Permits	316,631	320,000	327,064	7,064
Fines and Forfeitures	212,736	215,000	195,910	(19,090)
Intergovernmental	365,231	365,978	390,864	24,886
Interest	99,937	101,000	100,408	(592)
Donations	9,647	9,750	12,907	3,157
Rentals	106,863	108,000	115,973	7,973
Miscellaneous	132,661	218,512	293,755	75,243
<i>Total Revenues</i>	<u>19,412,451</u>	<u>19,680,563</u>	<u>18,919,964</u>	<u>(760,599)</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Salaries and Wages	202,827	202,827	197,217	5,610
Fringe Benefits	67,613	67,613	65,743	1,870
Materials and Supplies	2,576	2,576	1,194	1,382
Purchased Services	3,310	3,310	1,794	1,516
Total Mayor	<u>276,326</u>	<u>276,326</u>	<u>265,948</u>	<u>10,378</u>
Finance Director:				
Salaries and Wages	315,555	318,323	318,323	0
Fringe Benefits	104,067	106,299	104,980	1,319
Materials and Supplies	4,633	4,633	3,328	1,305
Purchased Services	4,667	4,667	3,135	1,532
Total Finance Director	<u>428,922</u>	<u>433,922</u>	<u>429,766</u>	<u>4,156</u>
Purchasing Department:				
Salaries and Wages	148,534	148,534	147,543	991
Fringe Benefits	52,394	52,394	52,044	350
Materials and Supplies	2,974	2,974	1,550	1,424
Purchased Services	1,026	1,026	535	491
Total Purchasing Department	<u>204,928</u>	<u>204,928</u>	<u>201,672</u>	<u>3,256</u>
Legal Department:				
Salaries and Wages	52,882	52,882	52,882	0
Fringe Benefits	21,574	21,574	21,574	0
Contractual Services	200,000	200,000	187,945	12,055
Total Legal Department	<u>274,456</u>	<u>274,456</u>	<u>262,401</u>	<u>12,055</u>
Legislative:				
Salaries and Wages	206,121	201,121	192,941	8,180
Fringe Benefits	66,162	66,162	61,932	4,230
Materials and Supplies	7,108	7,108	1,140	5,968
Purchased Services	3,392	3,392	544	2,848
Total Legislative	<u>\$282,783</u>	<u>\$277,783</u>	<u>\$256,557</u>	<u>\$21,226</u>

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Civil Service:				
Salaries and Wages	\$7,214	\$7,214	\$4,791	\$2,423
Fringe Benefits	1,110	1,110	737	373
Contractual Services	34,850	34,850	13,943	20,907
Materials and Supplies	1,150	1,150	537	613
Total Civil Service	<u>44,324</u>	<u>44,324</u>	<u>20,008</u>	<u>24,316</u>
Information Technology:				
Salaries and Wages	210,996	210,996	210,996	0
Fringe Benefits	76,278	76,278	76,278	0
Contractual Services	49,002	49,002	40,765	8,237
Materials and Supplies	26,531	37,531	21,749	15,782
Purchased Services	47,931	47,931	38,055	9,876
Capital Outlay	69,000	19,000	0	19,000
Total Information Technology	<u>479,738</u>	<u>440,738</u>	<u>387,843</u>	<u>52,895</u>
County Fiscal Officer and Treasurer:				
Contractual Services	91,000	91,000	64,641	26,359
Income Tax Administration:				
Contractual Services	25,761	25,761	24,000	1,761
Other	573,689	573,689	543,968	29,721
Total Income Tax Administration	<u>599,450</u>	<u>599,450</u>	<u>567,968</u>	<u>31,482</u>
Administrative Support:				
Salaries and Wages	40,475	78,460	78,460	0
Fringe Benefits	641,199	603,214	466,142	137,072
Contractual Services	537,130	537,130	342,662	194,468
Materials and Supplies	561,296	561,296	326,795	234,501
Purchased Services	38,576	38,576	12,209	26,367
Capital Outlay	604,961	604,961	346,857	258,104
Other	179,061	179,061	95,741	83,320
Total Administrative Support	<u>2,602,698</u>	<u>2,602,698</u>	<u>1,668,866</u>	<u>933,832</u>
Land and Building:				
Salaries and Wages	946,540	946,540	900,478	46,062
Fringe Benefits	356,624	356,624	339,270	17,354
Contractual Services	88,630	88,630	56,398	32,232
Materials and Supplies	161,948	171,448	97,908	73,540
Purchased Services	851,295	851,295	521,793	329,502
Capital Outlay	6,000	6,000	0	6,000
Total Land and Building	<u>2,411,037</u>	<u>2,420,537</u>	<u>1,915,847</u>	<u>504,690</u>
Engineer:				
Salaries and Wages	38,679	38,679	17,760	20,919
Fringe Benefits	7,501	7,501	3,444	4,057
Contractual Services	113,000	113,000	100,818	12,182
Total Engineer	<u>159,180</u>	<u>159,180</u>	<u>122,022</u>	<u>37,158</u>
Total Legislative and Executive	<u>\$7,854,842</u>	<u>\$7,825,342</u>	<u>\$6,163,539</u>	<u>\$1,661,803</u>

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Judicial System:				
Mayor's Court:				
Salaries and Wages	\$105,602	\$105,602	\$104,076	\$1,526
Fringe Benefits	27,354	27,354	26,959	395
Contractual Services	2,429	2,429	1,000	1,429
Materials and Supplies	8,540	8,540	3,478	5,062
Purchased Services	1,627	1,627	670	957
Total Judicial System	<u>145,552</u>	<u>145,552</u>	<u>136,183</u>	<u>9,369</u>
Total General Government	<u>8,000,394</u>	<u>7,970,894</u>	<u>6,299,722</u>	<u>1,671,172</u>
Public Safety:				
Police:				
Law Enforcement:				
Salaries and Wages	3,048,058	3,018,058	2,975,454	42,604
Fringe Benefits	999,218	999,218	974,378	24,840
Contractual Services	68,512	68,512	55,059	13,453
Materials and Supplies	91,317	91,317	83,914	7,403
Purchased Services	92,848	73,848	73,758	90
Capital Outlay	517,437	417,437	345,946	71,491
Total Law Enforcement	<u>4,817,390</u>	<u>4,668,390</u>	<u>4,508,509</u>	<u>159,881</u>
Prisoner Support:				
Salaries and Wages	161,522	171,831	166,242	5,589
Fringe Benefits	57,867	59,558	59,558	0
Contractual Services	1,704	1,704	650	1,054
Materials and Supplies	28,838	28,838	11,499	17,339
Purchased Services	2,058	2,058	785	1,273
Total Prisoner Support	<u>251,989</u>	<u>263,989</u>	<u>238,734</u>	<u>25,255</u>
Traffic Control				
Materials and Supplies	6,864	6,864	4,650	2,214
Purchased Services	52,036	52,036	40,460	11,576
Total Traffic Control	<u>58,900</u>	<u>58,900</u>	<u>45,110</u>	<u>13,790</u>
Street Lighting:				
Purchased Services	120,000	120,000	104,267	15,733
Animal Control:				
Salaries and Wages	53,457	53,457	53,405	52
Fringe Benefits	22,952	22,952	22,930	22
Contractual Services	4,794	4,794	3,514	1,280
Materials and Supplies	1,795	1,795	1,316	479
Purchased Services	261	261	191	70
Total Animal Control	<u>83,259</u>	<u>83,259</u>	<u>81,356</u>	<u>1,903</u>
Total Police	<u>\$5,331,538</u>	<u>\$5,194,538</u>	<u>\$4,977,976</u>	<u>\$216,562</u>

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire:				
Hydrants:				
Salaries and Wages	\$12,601	\$12,601	\$12,501	\$100
Fringe Benefits	1,946	1,946	1,931	15
Materials and Supplies	15,000	15,000	3,378	11,622
Total Fire	29,547	29,547	17,810	11,737
Total Public Safety	5,361,085	5,224,085	4,995,786	228,299
Public Health and Social Services:				
Board of Health:				
Contractual Services	56,263	56,263	53,532	2,731
Cemetery:				
Salaries and Wages	95,910	95,910	90,227	5,683
Fringe Benefits	22,405	22,405	21,077	1,328
Materials and Supplies	10,133	10,133	7,035	3,098
Other	867	867	600	267
Total Cemetery	129,315	129,315	118,939	10,376
Human Services Department:				
Salaries and Wages	383,655	395,459	393,711	1,748
Fringe Benefits	121,943	125,139	125,139	0
Contractual Services	46,820	46,820	31,457	15,363
Materials and Supplies	94,160	94,160	88,710	5,450
Purchased Services	273,158	295,158	266,387	28,771
Capital Outlay	35,000	0	0	0
Other	26	26	25	1
Total Human Services Department	954,762	956,762	905,429	51,333
Total Public Health and Social Services	1,140,340	1,142,340	1,077,900	64,440
Street Construction, Maintenance, and Repair:				
Street Repairs and Maintenance:				
Salaries and Wages	772,676	817,676	767,722	49,954
Fringe Benefits	359,209	359,209	356,906	2,303
Materials and Supplies	22,253	22,253	18,165	4,088
Total Street Repairs and Maintenance	1,154,138	1,199,138	1,142,793	56,345
Vehicle Maintenance:				
Salaries and Wages	346,293	365,631	361,498	4,133
Fringe Benefits	128,956	134,618	134,618	0
Materials and Supplies	46,125	46,125	39,170	6,955
Purchased Services	120,875	120,875	106,872	14,003
Total Vehicle Maintenance	\$642,249	\$667,249	\$642,158	\$25,091

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Snow and Ice Removal:				
Salaries and Wages	\$200,835	\$175,835	\$99,891	\$75,944
Fringe Benefits	30,974	30,974	15,406	15,568
Contractual Services	49,773	49,773	22,780	26,993
Materials and Supplies	13,627	13,627	3,932	9,695
Total Snow and Ice Removal	<u>295,209</u>	<u>270,209</u>	<u>142,009</u>	<u>128,200</u>
Total Street Construction, Maintenance and Repair	<u>2,091,596</u>	<u>2,136,596</u>	<u>1,926,960</u>	<u>209,636</u>
Housing and Community Development:				
Housing and Building Inspection:				
Salaries and Wages	387,681	387,681	382,708	4,973
Fringe Benefits	135,939	135,939	134,195	1,744
Contractual Services	12,579	12,579	10,162	2,417
Materials and Supplies	11,975	11,975	9,674	2,301
Purchased Services	6,697	6,697	5,374	1,323
Capital Outlay	9,434	9,434	9,434	0
Other	2,794	2,794	2,257	537
Total Housing and Building Inspection	<u>567,099</u>	<u>567,099</u>	<u>553,804</u>	<u>13,295</u>
Board of Zoning Appeals:				
Contractual Services	8,985	8,985	2,317	6,668
Planning Commission:				
Salaries and Wages	2,499	2,499	1,629	870
Fringe Benefits	387	387	252	135
Contractual Services	2,796	2,796	628	2,168
Total Planning Commission	<u>5,682</u>	<u>5,682</u>	<u>2,509</u>	<u>3,173</u>
Urban Forestry:				
Salaries and Wages	243,932	233,932	231,019	2,913
Fringe Benefits	91,725	91,725	86,869	4,856
Contractual Services	35,405	35,405	20,177	15,228
Materials and Supplies	3,973	3,973	2,854	1,119
Purchased Services	13,843	13,843	7,890	5,953
Total Urban Forestry	<u>388,878</u>	<u>378,878</u>	<u>348,809</u>	<u>30,069</u>
Total Housing and Community Development	<u>970,644</u>	<u>960,644</u>	<u>907,439</u>	<u>53,205</u>
Basic Utility Services:				
Service Department:				
Salaries and Wages	287,640	287,640	276,307	11,333
Fringe Benefits	118,585	118,585	113,913	4,672
Contractual Services	1,339	1,339	937	402
Materials and Supplies	20,168	20,168	14,052	6,116
Purchased Services	6,800	136,210	136,210	0
Capital Outlay	716,657	387,247	380,986	6,261
Total Service Department	<u>\$1,151,189</u>	<u>\$951,189</u>	<u>\$922,405</u>	<u>\$28,784</u>

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Solid Waste and Recycling:				
Salaries and Wages	\$446,952	\$446,952	\$446,951	\$1
Fringe Benefits	114,945	114,945	114,945	0
Contractual Services	416,915	424,915	358,185	66,730
Materials and Supplies	2,422	2,752	2,752	0
Purchased Services	30,750	30,420	29,480	940
Total Solid Waste and Recycling	1,011,984	1,019,984	952,313	67,671
Storm Sewers and Drains:				
Salaries and Wages	63,096	70,819	64,891	5,928
Fringe Benefits	9,725	10,002	10,002	0
Materials and Supplies	7,184	7,184	6,207	977
Purchased Services	9,316	9,316	8,050	1,266
Total Storm Sewers and Drains	89,321	97,321	89,150	8,171
Total Basic Utility Services	2,252,494	2,068,494	1,963,868	104,626
Total Expenditures	19,816,553	19,503,053	17,171,675	2,331,378
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(404,102)</i>	<i>177,510</i>	<i>1,748,289</i>	<i>1,570,779</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	6,300	13,969	7,669
Transfers In	0	76,484	76,484	0
Transfers Out	(2,715,000)	(2,854,952)	(2,854,952)	0
Total Other Financing Sources (Uses)	(2,715,000)	(2,772,168)	(2,764,499)	7,669
Net Change in Fund Balance	(3,119,102)	(2,594,658)	(1,016,210)	1,578,448
Fund Balance Beginning of Year	6,730,224	6,730,224	6,730,224	0
Prior Year Encumbrances Appropriated	725,358	725,358	725,358	0
Fund Balance End of Year	\$4,336,480	\$4,860,924	\$6,439,372	\$1,578,448

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,763,312	\$1,763,312	\$1,798,017	\$34,705
Intergovernmental	226,268	230,751	228,194	(2,557)
Interest	17,326	48,678	9,007	(39,671)
Donations	385	1,081	200	(881)
Miscellaneous	8,236	26,337	24,528	(1,809)
<i>Total Revenues</i>	<u>2,015,527</u>	<u>2,070,159</u>	<u>2,059,946</u>	<u>(10,213)</u>
Expenditures				
Current:				
Public Safety:				
Fire:				
Salaries and Wages	1,769,500	1,769,500	1,724,189	45,311
Fringe Benefits	658,916	658,916	627,573	31,343
Contractual Services	19,568	19,568	15,837	3,731
Materials and Supplies	58,041	58,041	55,157	2,884
Purchased Services	128,397	128,397	109,527	18,870
<i>Total Expenditures</i>	<u>2,634,422</u>	<u>2,634,422</u>	<u>2,532,283</u>	<u>102,139</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(618,895)</u>	<u>(564,263)</u>	<u>(472,337)</u>	<u>91,926</u>
Other Financing Sources				
Sale of Capital Assets	0	0	3,568	3,568
Transfers In	450,000	450,000	450,000	0
<i>Total Other Financing Sources</i>	<u>450,000</u>	<u>450,000</u>	<u>453,568</u>	<u>3,568</u>
<i>Net Change in Fund Balance</i>	(168,895)	(114,263)	(18,769)	95,494
<i>Fund Balance Beginning of Year</i>	289,203	289,203	289,203	0
Prior Year Encumbrances Appropriated	10,256	10,256	10,256	0
<i>Fund Balance End of Year</i>	<u>\$130,564</u>	<u>\$185,196</u>	<u>\$280,690</u>	<u>\$95,494</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$460,000	\$460,000	\$466,009	\$6,009
Expenditures				
Debt Service:				
Principal Retirement	463,000	463,000	463,000	0
Interest and Fiscal Charges	109,670	109,671	109,671	0
Bond Issuance Costs	15,000	14,999	4,737	10,262
<i>Total Expenditures</i>	<u>587,670</u>	<u>587,670</u>	<u>577,408</u>	<u>10,262</u>
<i>Net Change in Fund Balance</i>	(127,670)	(127,670)	(111,399)	16,271
<i>Fund Balance Beginning of Year</i>	<u>196,885</u>	<u>196,885</u>	<u>196,885</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$69,215</u>	<u>\$69,215</u>	<u>\$85,486</u>	<u>\$16,271</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Municipal Improvement Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$960,000	\$960,000	\$960,000	\$0
Intergovernmental	644,477	945,700	959,539	13,839
Special Assessments	8,040	11,798	11,971	173
Interest	34,647	50,841	51,585	744
Miscellaneous	106,285	155,962	158,244	2,282
<i>Total Revenues</i>	<u>1,753,449</u>	<u>2,124,301</u>	<u>2,141,339</u>	<u>17,038</u>
Expenditures				
Capital Outlay:				
Capital Outlay	6,806,682	6,806,682	4,715,160	2,091,522
<i>Excess of Revenues Under Expenditures</i>	<u>(5,053,233)</u>	<u>(4,682,381)</u>	<u>(2,573,821)</u>	<u>2,108,560</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	4,090,000	4,090,000	4,090,000	0
Transfers Out	(349,380)	(349,380)	(349,380)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,740,620</u>	<u>3,740,620</u>	<u>3,740,620</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,312,613)</u>	<u>(941,761)</u>	<u>1,166,799</u>	<u>2,108,560</u>
<i>Fund Balance Beginning of Year</i>	1,460,227	1,460,227	1,460,227	0
Prior Year Encumbrances Appropriated	540,682	540,682	540,682	0
<i>Fund Balance End of Year</i>	<u>\$688,296</u>	<u>\$1,059,148</u>	<u>\$3,167,708</u>	<u>\$2,108,560</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Buildings and Improvements Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$1,200,000	\$1,200,000	\$1,200,000	\$0
Interest	23,186	6,011	10,214	4,203
Miscellaneous	3,814	989	1,680	691
<i>Total Revenues</i>	<u>1,227,000</u>	<u>1,207,000</u>	<u>1,211,894</u>	<u>4,894</u>
Expenditures				
Capital Outlay:				
Capital Outlay	1,271,922	1,271,922	1,179,363	92,559
Debt Service:				
Principal Retirement	2,000,000	1,980,000	1,980,000	0
Interest and Fiscal Charges	20,000	20,000	20,000	0
Total Debt Service	<u>2,020,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,291,922</u>	<u>3,271,922</u>	<u>3,179,363</u>	<u>92,559</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,064,922)</u>	<u>(2,064,922)</u>	<u>(1,967,469)</u>	<u>97,453</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	1,980,000	1,980,000	1,980,000	0
Transfers Out	(530,000)	(519,867)	(519,867)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,450,000</u>	<u>1,460,133</u>	<u>1,460,133</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(614,922)	(604,789)	(507,336)	97,453
<i>Fund Balance Beginning of Year</i>	705,893	705,893	705,893	0
Prior Year Encumbrances Appropriated	29,422	29,422	29,422	0
<i>Fund Balance End of Year</i>	<u>\$120,393</u>	<u>\$130,526</u>	<u>\$227,979</u>	<u>\$97,453</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvements Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$360,000	\$360,000	\$360,000	\$0
Interest	2,500	2,500	3,743	1,243
<i>Total Revenues</i>	362,500	362,500	363,743	1,243
Expenditures				
Capital Outlay:				
Road Repaving:				
Purchased Services	431,686	431,686	343,505	88,181
<i>Net Change in Fund Balance</i>	(69,186)	(69,186)	20,238	89,424
<i>Fund Balance Beginning of Year</i>	191,178	191,178	191,178	0
Prior Year Encumbrances Appropriated	1,686	1,686	1,686	0
<i>Fund Balance End of Year</i>	<u>\$123,678</u>	<u>\$123,678</u>	<u>\$213,102</u>	<u>\$89,424</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Station Building Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$0	\$17,000	\$27,286	\$10,286
Expenditures				
Capital Outlay:				
Capital Outlay	8,402,287	8,402,287	7,441,350	960,937
<i>Excess of Revenues Under Expenditures</i>	(8,402,287)	(8,385,287)	(7,414,064)	971,223
Other Financing Sources (Uses)				
General Obligation Bonds Issued	8,000,000	8,000,000	8,000,000	0
Transfers In	325,000	325,000	325,000	0
Transfers Out	(325,000)	(321,254)	(321,254)	0
<i>Total Other Financing Sources (Uses)</i>	8,000,000	8,003,746	8,003,746	0
<i>Net Change in Fund Balance</i>	(402,287)	(381,541)	589,682	971,223
<i>Fund Balance Beginning of Year</i>	108,602	108,602	108,602	0
Prior Year Encumbrances Appropriated	402,287	402,287	402,287	0
<i>Fund Balance End of Year</i>	\$108,602	\$129,348	\$1,100,571	\$971,223

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$36,222	\$36,222	\$36,231	\$9
Interest	278	278	278	0
<i>Total Revenues</i>	36,500	36,500	36,509	9
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Street Repair and Maintenance:				
Capital Outlay	45,000	45,000	38,000	7,000
<i>Net Change in Fund Balance</i>	(8,500)	(8,500)	(1,491)	7,009
<i>Fund Balance Beginning of Year</i>	13,960	13,960	13,960	0
<i>Fund Balance End of Year</i>	<u>\$5,460</u>	<u>\$5,460</u>	<u>\$12,469</u>	<u>\$7,009</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Repair and Maintenance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$573,352	\$588,250	\$592,826	\$4,576
Interest	3,948	4,050	4,082	32
<i>Total Revenues</i>	577,300	592,300	596,908	4,608
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Snow and Ice Removal:				
Purchased Services	714,214	714,214	554,352	159,862
<i>Net Change in Fund Balance</i>	(136,914)	(121,914)	42,556	164,470
<i>Fund Balance Beginning of Year</i>	199,822	199,822	199,822	0
Prior Year Encumbrances Appropriated	14,214	14,214	14,214	0
<i>Fund Balance End of Year</i>	<u>\$77,122</u>	<u>\$92,122</u>	<u>\$256,592</u>	<u>\$164,470</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$45,456	\$45,456	\$48,067	\$2,611
Interest	994	994	1,051	57
<i>Total Revenues</i>	46,450	46,450	49,118	2,668
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Route 21 Center Strip:				
Purchased Services	75,000	75,000	0	75,000
<i>Net Change in Fund Balance</i>	(28,550)	(28,550)	49,118	77,668
<i>Fund Balance Beginning of Year</i>	53,719	53,719	53,719	0
<i>Fund Balance End of Year</i>	<u>\$25,169</u>	<u>\$25,169</u>	<u>\$102,837</u>	<u>\$77,668</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$902,617	\$892,921	\$937,758	\$44,837
Interest	5,501	5,442	5,715	273
Donations	10,012	9,905	10,402	497
Rentals	60,580	59,929	62,938	3,009
Miscellaneous	22,015	32,300	33,199	899
<i>Total Revenues</i>	<u>1,000,725</u>	<u>1,000,497</u>	<u>1,050,012</u>	<u>49,515</u>
Expenditures				
Current:				
Recreational Activities:				
Community Center:				
Salaries and Wages	970,082	998,082	964,087	33,995
Fringe Benefits	335,235	330,235	323,871	6,364
Contractual Services	195,955	195,955	175,997	19,958
Materials and Supplies	128,091	119,830	115,775	4,055
Purchased Services	313,951	284,212	284,212	0
Capital Outlay	45,000	45,000	0	45,000
Other	33,500	33,500	30,088	3,412
<i>Total Expenditures</i>	<u>2,021,814</u>	<u>2,006,814</u>	<u>1,894,030</u>	<u>112,784</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,021,089)</u>	<u>(1,006,317)</u>	<u>(844,018)</u>	<u>162,299</u>
Other Financing Sources				
Sale of Capital Assets	0	0	576	576
Transfers In	850,000	850,000	850,000	0
<i>Total Other Financing Sources</i>	<u>850,000</u>	<u>850,000</u>	<u>850,576</u>	<u>576</u>
<i>Net Change in Fund Balance</i>	(171,089)	(156,317)	6,558	162,875
<i>Fund Balance Beginning of Year</i>	302,813	302,813	302,813	0
Prior Year Encumbrances Appropriated	6,597	6,597	6,597	0
<i>Fund Balance End of Year</i>	<u>\$138,321</u>	<u>\$153,093</u>	<u>\$315,968</u>	<u>\$162,875</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Maintenance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$518,951	\$518,951	\$528,822	\$9,871
Intergovernmental	65,491	65,491	66,737	1,246
Interest	9,086	20,610	3,546	(17,064)
Miscellaneous	2,347	5,324	916	(4,408)
<i>Total Revenues</i>	<u>595,875</u>	<u>610,376</u>	<u>600,021</u>	<u>(10,355)</u>
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Street Repair and Maintenance:				
Contractual Services	4,937	4,937	3,650	1,287
Purchased Services	65,821	48,222	33,318	14,904
Capital Outlay	600,000	617,599	617,599	0
<i>Total Expenditures</i>	<u>670,758</u>	<u>670,758</u>	<u>654,567</u>	<u>16,191</u>
<i>Excess of Revenues Under Expenditures</i>	(74,883)	(60,382)	(54,546)	5,836
Other Financing Uses				
Transfers Out	(11,224)	(11,224)	(11,224)	0
<i>Net Change in Fund Balance</i>	(86,107)	(71,606)	(65,770)	5,836
<i>Fund Balance Beginning of Year</i>	155,718	155,718	155,718	0
Prior Year Encumbrances Appropriated	20,758	20,758	20,758	0
<i>Fund Balance End of Year</i>	<u>\$90,369</u>	<u>\$104,870</u>	<u>\$110,706</u>	<u>\$5,836</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Sharing Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$200	\$200	\$246	\$46
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Federal Equitable Sharing				
Materials and Supplies	15,000	15,000	0	15,000
<i>Net Change in Fund Balance</i>	(14,800)	(14,800)	246	15,046
<i>Fund Balance Beginning of Year</i>	17,958	17,958	17,958	0
<i>Fund Balance End of Year</i>	<u>\$3,158</u>	<u>\$3,158</u>	<u>\$18,204</u>	<u>\$15,046</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$421	\$411	\$411	\$0
Interest	279	279	279	0
<i>Total Revenues</i>	700	690	690	0
Expenditures				
Current:				
Public Safety:				
Police:				
Contractual Services	16,000	13,879	13,879	0
<i>Excess of Revenues Under Expenditures</i>	(15,300)	(13,189)	(13,189)	0
Other Financing Uses				
Transfers Out	0	(10,090)	(10,090)	0
<i>Net Change in Fund Balance</i>	(15,300)	(23,279)	(23,279)	0
<i>Fund Balance Beginning of Year</i>	23,279	23,279	23,279	0
<i>Fund Balance End of Year</i>	<u>\$7,979</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Interlock Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$60	\$67	\$67	\$0
Expenditures				
Current:				
Public Safety:				
Police:				
Contractual Services	4,000	5,500	5,500	0
<i>Excess of Revenues Under Expenditures</i>	(3,940)	(5,433)	(5,433)	0
Other Financing Uses				
Transfers Out	0	(218)	(218)	0
<i>Net Change in Fund Balance</i>	(3,940)	(5,651)	(5,651)	0
<i>Fund Balance Beginning of Year</i>	5,651	5,651	5,651	0
<i>Fund Balance End of Year</i>	<u>\$1,711</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$774	\$774	\$838	\$64
Intergovernmental	3,005	3,005	3,252	247
Interest	436	436	472	36
<i>Total Revenues</i>	<u>4,215</u>	<u>4,215</u>	<u>4,562</u>	<u>347</u>
Expenditures				
Current:				
Public Safety:				
Police:				
Fringe Benefits	4,000	4,000	3,831	169
Purchased Services	22,875	22,875	4,846	18,029
<i>Total Expenditures</i>	<u>26,875</u>	<u>26,875</u>	<u>8,677</u>	<u>18,198</u>
<i>Net Change in Fund Balance</i>	(22,660)	(22,660)	(4,115)	18,545
<i>Fund Balance Beginning of Year</i>	35,193	35,193	35,193	0
Prior Year Encumbrances Appropriated	<u>25</u>	<u>25</u>	<u>25</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,558</u></u>	<u><u>\$12,558</u></u>	<u><u>\$31,103</u></u>	<u><u>\$18,545</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computerization Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$11,193	\$11,193	\$10,656	(\$537)
Interest	2,407	2,407	2,291	(116)
<i>Total Revenues</i>	13,600	13,600	12,947	(653)
Expenditures				
Current:				
General Government:				
Judicial:				
Court Computerization:				
Materials and Supplies	65,600	65,600	1,628	63,972
<i>Net Change in Fund Balance</i>	(52,000)	(52,000)	11,319	63,319
<i>Fund Balance Beginning of Year</i>	162,687	162,687	162,687	0
Prior Year Encumbrances Appropriated	600	600	600	0
<i>Fund Balance End of Year</i>	<u>\$111,287</u>	<u>\$111,287</u>	<u>\$174,606</u>	<u>\$63,319</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Natureworks Grants Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Recreation:				
Natureworks Grant:				
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>950</u>	<u>950</u>	<u>950</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$950</u></u>	<u><u>\$950</u></u>	<u><u>\$950</u></u>	<u><u>\$0</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling Demo Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$4,571	\$3,045	\$3,295	\$250
Interest	479	319	345	26
<i>Total Revenues</i>	<u>5,050</u>	<u>3,364</u>	<u>3,640</u>	<u>276</u>
Expenditures				
Current:				
Basic Utility Services:				
Rubbish Recycling:				
Materials and Supplies	10,000	3,313	3,295	18
Purchased Services	0	24,125	24,125	0
<i>Total Expenditures</i>	<u>10,000</u>	<u>27,438</u>	<u>27,420</u>	<u>18</u>
<i>Net Change in Fund Balance</i>	(4,950)	(24,074)	(23,780)	294
<i>Fund Balance Beginning of Year</i>	<u>29,597</u>	<u>29,597</u>	<u>29,597</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,647</u></u>	<u><u>\$5,523</u></u>	<u><u>\$5,817</u></u>	<u><u>\$294</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tree Planting Grants Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses and Permits	\$13,000	\$13,000	\$13,200	\$200
Intergovernmental	0	25,000	24,949	(51)
<i>Total Revenues</i>	<u>13,000</u>	<u>38,000</u>	<u>38,149</u>	<u>149</u>
Expenditures				
Current:				
Housing and Community Development:				
Tree Planning:				
Salaries and Wages	27,818	27,818	13,873	13,945
Fringe Benefits	3,772	3,772	1,881	1,891
Contractual Services	9,518	9,582	9,139	443
Materials and Supplies	40,349	40,349	38,741	1,608
Other	1,433	1,433	1,375	58
<i>Total Expenditures</i>	<u>82,890</u>	<u>82,954</u>	<u>65,009</u>	<u>17,945</u>
<i>Net Change in Fund Balance</i>	(69,890)	(44,954)	(26,860)	18,094
<i>Fund Balance Beginning of Year</i>	<u>128,904</u>	<u>128,904</u>	<u>128,904</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$59,014</u></u>	<u><u>\$83,950</u></u>	<u><u>\$102,044</u></u>	<u><u>\$18,094</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$4,414	\$6,622	\$11,096	\$4,474
Interest	586	878	1,472	594
<i>Total Revenues</i>	5,000	7,500	12,568	5,068
Expenditures				
Current:				
Public Safety:				
Police:				
Purchased Services	100,000	100,000	19,820	80,180
<i>Net Change in Fund Balance</i>	(95,000)	(92,500)	(7,252)	85,248
<i>Fund Balance Beginning of Year</i>	102,136	102,136	102,136	0
<i>Fund Balance End of Year</i>	<u>\$7,136</u>	<u>\$9,636</u>	<u>\$94,884</u>	<u>\$85,248</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Mandatory Drug Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$400	\$400	\$537	\$137
Expenditures				
Current:				
Public Safety:				
Police:				
Materials and Supplies	25,000	25,000	0	25,000
<i>Net Change in Fund Balance</i>	(24,600)	(24,600)	537	25,137
<i>Fund Balance Beginning of Year</i>	39,157	39,157	39,157	0
<i>Fund Balance End of Year</i>	<u>\$14,557</u>	<u>\$14,557</u>	<u>\$39,694</u>	<u>\$25,137</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vehicle Immobilization Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$710	\$665	\$665	\$0
Interest	790	740	740	0
<i>Total Revenues</i>	1,500	1,405	1,405	0
Expenditures				
Current:				
Public Safety:				
Police:				
Purchased Services	35,000	0	0	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,500)	1,405	1,405	0
Other Financing Uses				
Transfers Out	0	(63,201)	(63,201)	0
<i>Net Change in Fund Balance</i>	(33,500)	(61,796)	(61,796)	0
<i>Fund Balance Beginning of Year</i>	61,796	61,796	61,796	0
<i>Fund Balance End of Year</i>	<u>\$28,296</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$155,687	\$155,687	\$158,667	\$2,980
Intergovernmental	19,646	19,646	20,022	376
<i>Total Revenues</i>	<u>175,333</u>	<u>175,333</u>	<u>178,689</u>	<u>3,356</u>
Expenditures				
Current:				
Public Safety:				
Police:				
Fringe Benefits	140,000	140,000	140,000	0
Contractual Services	300	300	62	238
<i>Total Expenditures</i>	<u>140,300</u>	<u>140,300</u>	<u>140,062</u>	<u>238</u>
<i>Net Change in Fund Balance</i>	35,033	35,033	38,627	3,594
<i>Fund Balance Beginning of Year</i>	<u>254,092</u>	<u>254,092</u>	<u>254,092</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$289,125</u></u>	<u><u>\$289,125</u></u>	<u><u>\$292,719</u></u>	<u><u>\$3,594</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Memorial Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Donations	\$24,100	\$480	\$480	\$0
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Memorials:				
Purchased Services	2,183	683	134	549
<i>Excess of Revenues Over (Under) Expenditures</i>	21,917	(203)	346	549
Other Financing Uses				
Transfers Out	0	(2,425)	(2,975)	(550)
<i>Net Change in Fund Balance</i>	21,917	(2,628)	(2,629)	(1)
<i>Fund Balance Beginning of Year</i>	1,946	1,946	1,946	0
Prior Year Encumbrances Appropriated	683	683	683	0
<i>Fund Balance End of Year</i>	<u>\$24,546</u>	<u>\$1</u>	<u>\$0</u>	<u>(\$1)</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Peace Officer Training Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,400	\$5,900	\$6,380	\$480
Expenditures				
Current:				
Public Safety:				
Police:				
Purchased Services	3,450	9,950	2,802	7,148
<i>Net Change in Fund Balance</i>	(1,050)	(4,050)	3,578	7,628
<i>Fund Balance Beginning of Year</i>	3,050	3,050	3,050	0
Prior Year Encumbrances Appropriated	1,050	1,050	1,050	0
<i>Fund Balance End of Year</i>	<u>\$3,050</u>	<u>\$50</u>	<u>\$7,678</u>	<u>\$7,628</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Debt Service:				
Principal Retirement	865,000	885,000	885,000	0
Interest and Fiscal Charges	247,005	247,005	233,185	13,820
Bond Issuance Costs	49,995	251,277	182,029	69,248
<i>Total Expenditures</i>	<u>1,162,000</u>	<u>1,383,282</u>	<u>1,300,214</u>	<u>83,068</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,162,000)</u>	<u>(1,383,282)</u>	<u>(1,300,214)</u>	<u>83,068</u>
Other Financing Sources				
Premium on Issuance of Notes	283,949	26,135	26,135	0
Premium on Issuance of Bonds	41,051	180,777	180,777	0
Transfers In	837,000	1,148,121	1,148,121	0
<i>Total Other Financing Sources</i>	<u>1,162,000</u>	<u>1,355,033</u>	<u>1,355,033</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(28,249)	54,819	83,068
<i>Fund Balance Beginning of Year</i>	<u>177,202</u>	<u>177,202</u>	<u>177,202</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$177,202</u>	<u>\$148,953</u>	<u>\$232,021</u>	<u>\$83,068</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$550	\$3,550	\$3,453	(\$97)
Expenditures				
Capital Outlay:				
Purchased Services	5,000	5,000	0	5,000
Capital Outlay	100,000	100,000	0	100,000
Total Capital Outlay	105,000	105,000	0	105,000
Debt Service:				
Principal Retirement	53,604	53,604	53,604	0
<i>Total Expenditures</i>	158,604	158,604	53,604	105,000
<i>Excess of Revenues Under Expenditures</i>	(158,054)	(155,054)	(50,151)	104,903
Other Financing Sources				
Transfers In	53,604	53,604	53,604	0
<i>Net Change in Fund Balance</i>	(104,450)	(101,450)	3,453	104,903
<i>Fund Balance Beginning of Year</i>	216,935	216,935	216,935	0
<i>Fund Balance End of Year</i>	\$112,485	\$115,485	\$220,388	\$104,903

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Expansion Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and Permits	\$64,661	\$69,069	\$77,446	\$8,377
Interest	1,339	1,431	1,604	173
<i>Total Revenues</i>	<u>66,000</u>	<u>70,500</u>	<u>79,050</u>	<u>8,550</u>
Expenditures				
Capital Outlay:				
Materials and Supplies	2,777	2,777	2,660	117
Purchased Services	6,559	6,559	6,282	277
Capital Outlay	138,000	138,000	113,477	24,523
Other	764	764	731	33
<i>Total Expenditures</i>	<u>148,100</u>	<u>148,100</u>	<u>123,150</u>	<u>24,950</u>
<i>Net Change in Fund Balance</i>	(82,100)	(77,600)	(44,100)	33,500
<i>Fund Balance Beginning of Year</i>	<u>89,970</u>	<u>89,970</u>	<u>89,970</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,870</u></u>	<u><u>\$12,370</u></u>	<u><u>\$45,870</u></u>	<u><u>\$33,500</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Facilities Expansion Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$0	\$4,719	\$4,719
Expenditures				
Capital Outlay:				
Capital Outlay	1,099,000	1,238,952	77,575	1,161,377
<i>Excess of Revenues Under Expenditures</i>	(1,099,000)	(1,238,952)	(72,856)	1,166,096
Other Financing Sources				
Transfers In	1,090,000	1,229,951	1,229,952	1
<i>Net Change in Fund Balance</i>	(9,000)	(9,001)	1,157,096	1,166,097
<i>Fund Balance Beginning of Year</i>	149,019	149,019	149,019	0
Prior Year Encumbrances Appropriated	9,000	9,000	9,000	0
<i>Fund Balance End of Year</i>	<u>\$149,019</u>	<u>\$149,018</u>	<u>\$1,315,115</u>	<u>\$1,166,097</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Utility Improvement Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and Permits	\$39,832	\$39,832	\$66,680	\$26,848
Interest	882	882	1,477	595
Miscellaneous	3,286	3,286	5,500	2,214
<i>Total Revenues</i>	44,000	44,000	73,657	29,657
Expenditures				
Capital Outlay:				
Contractual Services	46,000	46,000	8,236	37,764
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	65,421	67,421
<i>Fund Balance Beginning of Year</i>	338,401	338,401	338,401	0
<i>Fund Balance End of Year</i>	<u>\$336,401</u>	<u>\$336,401</u>	<u>\$403,822</u>	<u>\$67,421</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Ambulance Capital Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$321,282	\$294,463	\$282,656	(\$11,807)
Intergovernmental	244,796	224,361	215,365	(8,996)
Interest	14,922	13,676	13,128	(548)
<i>Total Revenues</i>	<u>581,000</u>	<u>532,500</u>	<u>511,149</u>	<u>(21,351)</u>
Expenditures				
Capital Outlay:				
Contractual Services	21,000	41,734	41,734	0
Capital Outlay	1,199,540	1,183,806	578,448	605,358
<i>Total Expenditures</i>	<u>1,220,540</u>	<u>1,225,540</u>	<u>620,182</u>	<u>605,358</u>
<i>Net Change in Fund Balance</i>	(639,540)	(693,040)	(109,033)	584,007
<i>Fund Balance Beginning of Year</i>	928,869	928,869	928,869	0
Prior Year Encumbrances Appropriated	<u>130,540</u>	<u>130,540</u>	<u>130,540</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$419,869</u></u>	<u><u>\$366,369</u></u>	<u><u>\$950,376</u></u>	<u><u>\$584,007</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$21,817	\$21,973	\$21,673	(\$300)
Miscellaneous	117,683	118,527	116,908	(1,619)
<i>Total Revenues</i>	<u>139,500</u>	<u>140,500</u>	<u>138,581</u>	<u>(1,919)</u>
Expenses				
Purchased Services	12,000	12,000	6,900	5,100
Claims	335,000	335,000	21,560	313,440
<i>Total Expenses</i>	<u>347,000</u>	<u>347,000</u>	<u>28,460</u>	<u>318,540</u>
<i>Net Change in Fund Equity</i>	(207,500)	(206,500)	110,121	316,621
<i>Fund Equity Beginning of Year</i>	<u>1,527,420</u>	<u>1,527,420</u>	<u>1,527,420</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,319,920</u></u>	<u><u>\$1,320,920</u></u>	<u><u>\$1,637,541</u></u>	<u><u>\$316,621</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Cemetery Endowment Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$20	\$45	\$43	(\$2)
Expenses				
Other	100	100	0	100
<i>Net Change in Fund Equity</i>	(80)	(55)	43	98
<i>Fund Equity Beginning of Year</i>	3,131	3,131	3,131	0
<i>Fund Equity End of Year</i>	<u>\$3,051</u>	<u>\$3,076</u>	<u>\$3,174</u>	<u>\$98</u>



CodeRED Weather Warning is automated and requires no human intervention. Notifications are delivered so quickly they often arrive prior to any other public notifications, including television or weather radio broadcasts. The system delivers voice calls, text messages and emails to subscribed users within the direct path of the storm. Messages provide residents extra time to prepare that could save lives. Types of alerts include tornado warn-

ings, severe thunderstorm warnings, flash flood warnings, tsunami warnings and winter storm warnings.

Visit the City website fire department page today to sign up for free access!



Southwest Emergency Response Team (SERT)

The Southwest Council of Governments recognized that there are emergency incidents where the rapid deployment of specialty trained and equipped response teams can provide a better likelihood of a favorable outcome. It was determined that the most cost-efficient means to meet that need was by combining regional assets.

The Southwest Council of Governments agreed to create SERT, the Southwest Emergency Response Team. The regional group includes a Type 2 HazMat team, water and land based technical rescue teams, a fire investigation unit, and tactical EMS.

The City of Brecksville is a member of the 19-community Southwest Council of Governments and currently has members on all five teams.



Public Education Programs

We offer CPR training to the residents and businesses of Brecksville and teach them using the American Heart Association standard. The fire department also provides basic fire extinguisher training. This lecture and hands-on class is available to local businesses and organizations in the community.

Got little ones?

Car Seat Inspection Stations are a free service offered to the public for those who wish to check that their child's car seat is safely and securely installed. Inspections are conducted by certified Child Passenger Safety Technicians at the Brecksville Fire Department.

Community Emergency Response Team (CERT)

"Neighbors helping Neighbors"



After Hurricane Katrina, we learned that recovery from a disaster, whether it's manmade or an act of nature begins within each community. Our community continues to prepare for such emergencies: planning, training and evaluating in order to respond to any incident in a quick and efficient manner. County-wide, cities have formed CERT teams (Community Emergency Response Team). These volunteer teams can be put into action quickly, already trained in the basics of disaster mitigation and work closely with the fire department to assist during disasters.



Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S11</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S12 – S19</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	<i>S20 – S23</i>
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.	
<i>Economic and Demographic Information</i>	<i>S24 – S25</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S26 – S31</i>
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.	

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

City of Brecksville, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2017	2016	2015	2014
Governmental Activities				
Net Investment in Capital Assets	\$65,981,738	\$73,353,987	\$69,946,323	\$74,133,853
Restricted:				
Capital Projects	7,843,753	590,944	900,027	1,420,845
Debt Service	2,771,399	3,474,178	3,973,179	4,415,231
Community Center	N/A	N/A	N/A	N/A
Court Computerization	174,606	163,287	150,372	242,043
Fire Department	254,211	226,751	148,663	177,816
Police Department	509,726	549,496	524,703	480,237
Road Maintenance	174,144	234,283	218,201	245,463
Street Construction, Maintenance, and Repair	700,642	639,465	731,322	872,497
Other Purposes	122,269	172,873	176,243	159,198
Unrestricted (1)	5,383,289	3,808,154	2,295,237	654,223
<i>Total Governmental Activities Net Position</i>	<u>\$83,915,777</u>	<u>\$83,213,418</u>	<u>\$79,064,270</u>	<u>\$82,801,406</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2014.

2013	2012	2011	2010	2009	2008
\$72,417,114	\$70,119,261	\$66,408,438	\$65,615,699	\$63,486,515	\$60,276,377
329,701	232,792	3,045,641	801,922	1,937,585	5,036,864
4,805,954	4,901,981	5,840,447	5,713,451	6,445,832	4,407,165
146,894	N/A	N/A	N/A	361,444	538,139
235,719	N/A	N/A	N/A	N/A	N/A
238,486	99,629	311,661	424,696	706,135	514,548
410,660	N/A	N/A	N/A	N/A	N/A
215,326	345,691	137,076	402,803	570,816	589,223
1,015,590	853,116	725,291	825,033	1,170,024	927,115
37,646	860,505	1,309,947	788,783	716,987	734,022
16,694,528	15,190,625	9,915,091	10,215,534	6,771,495	8,367,960
<u>\$96,547,618</u>	<u>\$92,603,600</u>	<u>\$87,693,592</u>	<u>\$84,787,921</u>	<u>\$82,166,833</u>	<u>\$81,391,413</u>

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

	2017	2016	2015	2014
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$276,352	\$344,701	\$359,173	\$354,858
Judicial System	16,699	19,564	17,080	18,808
Public Safety:				
Police	227,076	227,804	206,834	333,532
Fire	291,958	291,535	284,088	234,018
Public Health and Social Services	46,885	49,812	46,217	44,774
Street Construction, Maintenance, and Repair	91,515	100,066	93,240	95,899
Housing and Community Development	52,589	63,540	55,154	43,901
Basic Utility Services	174,702	171,080	130,548	117,458
Recreational Activities	1,079,413	1,150,592	995,080	994,881
Subtotal - Charges for Services	<u>2,257,189</u>	<u>2,418,694</u>	<u>2,187,414</u>	<u>2,238,129</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	5,030	3,834	5,988	200,435
Judicial System	105	81	115	1,737
Public Safety:				
Police	44,717	27,355	32,454	29,374
Fire	228,960	230,305	228,841	244,241
Public Health and Social Services	826	606	941	727
Street Construction, Maintenance, and Repair	745,911	749,205	763,645	805,157
Housing and Community Development	25,643	525	791	25,154
Basic Utility Services	4,737	30,886	5,771	6,571
Recreational Activities	10,402	10,844	4,940	14,615
Subtotal - Operating Grants and Contributions	<u>1,066,331</u>	<u>1,053,641</u>	<u>1,043,486</u>	<u>1,328,011</u>
Capital Grants and Contributions:				
General Government				
Legislative and Executive	0	0	0	4,740
Public Safety:				
Fire	224,133	0	0	0
Street Construction, Maintenance, and Repair	1,259,818	0	0	0
Basic Utility Services	110,805	1,271,409	2,194,237	1,682,114
Recreational Activities	0	0	13,500	0
Subtotal - Capital Grants and Contributions	<u>1,594,756</u>	<u>1,271,409</u>	<u>2,207,737</u>	<u>1,686,854</u>
<i>Total Governmental Program Revenues</i>	<u>\$4,918,276</u>	<u>\$4,743,744</u>	<u>\$5,438,637</u>	<u>\$5,252,994</u>

2013	2012	2011	2010	2009	2008
\$840,125	\$2,299,783	\$279,495	\$286,925	\$403,381	\$769,088
20,172	20,671	20,697	25,697	22,352	25,311
211,069	226,459	203,272	217,057	185,652	277,326
250,218	279,871	242,973	240,339	794	1,340
39,658	43,699	28,694	56,109	6,327	7,328
94,951	91,811	95,030	91,510	73,991	117,325
37,370	46,690	42,223	54,910	45,320	54,992
106,846	237,193	98,226	125,501	107,303	124,950
945,844	1,111,284	990,728	979,197	884,283	1,012,924
2,546,253	4,357,461	2,001,338	2,077,245	1,729,403	2,390,584
10,319	1,536	840	1,675	21,673	5,378
1,327	1,911	20	54	35	112
32,227	24,616	27,905	36,852	39,224	10,071
231,789	248,914	275,546	394,314	387,424	14,629
1,604	239	91	345	33	117
1,067,022	735,099	750,313	792,508	794,864	697,756
8,917	6,474	18,878	253	189	727
8,198	4,521	678	3,939	4,002	5,226
6,557	6,782	3,985	3,615	4,017	3,197
1,367,960	1,030,092	1,078,256	1,233,555	1,251,461	737,213
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
735,758	1,302,454	279,119	1,081,781	300,000	0
0	0	0	295,000	0	0
735,758	1,302,454	279,119	1,376,781	300,000	0
\$4,649,971	\$6,690,007	\$3,358,713	\$4,687,581	\$3,280,864	\$3,127,797

(continued)

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

	2017	2016	2015	2014
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	\$6,962,354	\$6,569,538	\$6,025,851	\$5,586,065
Judicial System	160,528	139,516	222,456	129,098
Public Safety:				
Police	5,487,502	5,028,825	4,511,969	4,372,780
Fire	2,842,061	2,761,668	2,646,098	2,557,376
Public Health and Social Services	1,345,241	1,206,467	1,608,683	992,430
Street Construction, Maintenance, and Repair	4,212,835	3,860,763	3,642,128	4,323,479
Housing and Community Development	1,139,785	852,380	796,624	848,261
Basic Utility Services	2,799,212	2,260,630	2,242,264	2,402,003
Recreational Activities	2,362,129	2,173,693	2,430,087	2,137,156
Interest and Fiscal Charges	388,089	297,563	297,843	419,654
<i>Total Governmental Activities Expenses</i>	<u>27,699,736</u>	<u>25,151,043</u>	<u>24,424,003</u>	<u>23,768,302</u>
Net (Expense)/Revenue				
Governmental Activities	<u>(22,781,460)</u>	<u>(20,407,299)</u>	<u>(18,985,366)</u>	<u>(18,515,308)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	1,880,670	1,791,350	1,687,653	1,811,854
Fire Department	1,821,727	1,735,188	1,634,162	1,755,072
Road Maintenance	535,794	510,360	480,721	516,198
Police Department	160,760	153,115	144,202	154,859
Debt Service	0	0	0	0
Municipal Income Taxes levied for:				
General Purposes	15,017,616	16,717,227	13,887,608	12,129,661
Capital Outlay	2,603,334	2,540,000	2,400,000	2,600,000
Grants and Entitlements not Restricted to				
Specific Programs	519,469	434,179	592,098	462,912
Investment Earnings	286,340	159,788	144,903	74,550
Gain on Sale of Capital Assets	4,383	65,078	0	0
Miscellaneous	653,726	450,162	476,450	418,473
<i>Total Governmental Activities General Revenues</i>	<u>23,483,819</u>	<u>24,556,447</u>	<u>21,447,797</u>	<u>19,923,579</u>
Special Item	<u>0</u>	<u>0</u>	<u>(6,199,567)</u>	<u>(2,250,000)</u>
Change in Net Position				
Governmental Activities	<u>\$702,359</u>	<u>\$4,149,148</u>	<u>(\$3,737,136)</u>	<u>(\$841,729)</u>

2013	2012	2011	2010	2009	2008
\$5,483,124	\$5,786,026	\$5,499,027	\$5,647,128	\$6,097,065	\$6,102,755
97,176	108,293	198,239	210,129	161,505	123,977
4,630,560	4,537,860	3,992,061	4,240,615	4,560,315	4,276,131
2,305,771	2,318,180	2,314,537	2,413,597	2,096,299	2,241,102
1,088,378	1,092,369	1,048,646	1,144,253	1,195,863	126,790
4,652,589	3,654,599	4,059,126	4,007,522	3,994,538	4,499,947
795,200	962,912	852,056	833,662	855,329	1,177,227
2,044,860	2,133,946	1,726,275	1,366,953	1,704,663	2,081,050
2,129,059	2,074,033	2,078,502	2,001,190	1,976,407	2,498,487
400,314	493,021	557,354	602,512	693,039	773,876
23,627,031	23,161,239	22,325,823	22,467,561	23,335,023	23,901,342
(18,977,060)	(16,471,232)	(18,967,110)	(17,779,980)	(20,054,159)	(20,773,545)
1,806,589	1,827,272	1,814,714	1,817,177	1,919,648	1,803,685
1,749,910	1,770,008	1,757,630	1,779,370	1,859,488	1,746,733
514,678	520,591	517,013	523,345	546,908	513,746
154,253	156,178	155,104	157,003	164,072	154,125
0	0	211	17	153,754	200,360
13,729,250	12,853,245	13,246,409	11,932,814	11,743,625	11,564,512
2,400,000	2,410,000	2,280,000	2,280,000	2,090,000	2,264,852
1,364,858	1,217,585	1,130,958	1,074,764	1,355,899	1,856,007
81,848	130,456	306,830	320,959	505,734	913,806
58,756	27,112	14,939	13,730	0	70,777
1,060,936	468,793	648,973	501,889	490,451	313,937
22,921,078	21,381,240	21,872,781	20,401,068	20,829,579	21,402,540
0	0	0	0	0	0
\$3,944,018	\$4,910,008	\$2,905,671	\$2,621,088	\$775,420	\$628,995

City of Brecksville, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2017	2016	2015	2014
General Fund				
Nonspendable	\$653,650	\$683,505	\$589,306	\$308,324
Committed	190,043	169,400	142,318	793,372
Assigned	3,406,744	2,460,460	2,704,811	2,067,087
Unassigned	5,563,611	6,516,688	5,069,907	5,491,224
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	<u>9,814,048</u>	<u>9,830,053</u>	<u>8,506,342</u>	<u>8,660,007</u>
All Other Governmental Funds				
Nonspendable	134,448	105,103	107,137	133,664
Restricted	8,594,221	2,193,631	2,147,017	2,201,974
Committed	3,517,135	3,636,653	3,573,849	2,561,420
Assigned	1,546,073	713,255	713,353	556,085
Unassigned (Deficit)	0	(1,087,163)	(1,455,542)	0
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	<u>13,791,877</u>	<u>5,561,479</u>	<u>5,085,814</u>	<u>5,453,143</u>
Total Governmental Funds	<u>\$23,605,925</u>	<u>\$15,391,532</u>	<u>\$13,592,156</u>	<u>\$14,113,150</u>

Note: During 2010, the City implemented GASB 54.

2013	2012	2011	2010	2009	2008
\$258,918	\$307,263	\$297,402	\$263,507	\$237,981	N/A
145,272	114,187	776,399	776,399	0	N/A
559,154	544,608	312,269	312,269	495,999	N/A
8,722,841	8,383,941	7,210,298	5,768,584	5,545,608	N/A
N/A	N/A	N/A	N/A	N/A	\$286,045
N/A	N/A	N/A	N/A	N/A	7,849,898
<u>9,686,185</u>	<u>9,349,999</u>	<u>8,596,368</u>	<u>7,120,759</u>	<u>6,279,588</u>	<u>8,135,943</u>
129,133	136,440	125,942	129,154	135,439	N/A
2,618,061	2,202,655	2,402,674	3,294,029	3,440,021	N/A
2,877,955	2,070,730	2,188,145	1,719,966	1,312,186	N/A
729,938	742,995	769,587	764,875	758,237	N/A
0	0	(836,211)	(828,692)	(921,057)	N/A
N/A	N/A	N/A	N/A	N/A	863,642
N/A	N/A	N/A	N/A	N/A	2,868,361
N/A	N/A	N/A	N/A	N/A	575,497
N/A	N/A	N/A	N/A	N/A	1,131,583
<u>6,355,087</u>	<u>5,152,820</u>	<u>4,650,137</u>	<u>5,079,332</u>	<u>4,724,826</u>	<u>5,439,083</u>
<u>\$16,041,272</u>	<u>\$14,502,819</u>	<u>\$13,246,505</u>	<u>\$12,200,091</u>	<u>\$11,004,414</u>	<u>\$13,575,026</u>

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

	2017	2016	2015	2014
Revenues				
Taxes (1)	\$22,875,042	\$22,820,621	\$19,698,588	\$20,648,817
Charges for Services	1,316,865	1,439,170	1,279,220	1,272,274
Licenses and Permits	497,995	479,977	441,223	342,268
Fines and Forfeitures	227,119	261,776	253,729	368,109
Intergovernmental	2,763,597	2,737,344	4,106,032	3,138,374
Special Assessments	477,980	499,052	459,522	510,313
Interest	264,667	141,358	130,922	64,798
Donations	23,989	21,036	20,482	208,943
Rentals	164,758	172,849	137,112	190,031
Miscellaneous	524,561	332,601	357,138	321,424
<i>Total Revenues</i>	<u>29,136,573</u>	<u>28,905,784</u>	<u>26,883,968</u>	<u>27,065,351</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	5,909,340	6,253,951	5,941,020	5,658,375
Judicial System	139,126	131,893	220,781	123,991
Public Safety:				
Police	5,045,643	4,544,489	4,210,229	4,285,136
Fire	2,531,150	2,405,316	2,375,886	2,379,842
Public Health and Social Services	1,076,825	987,931	949,909	857,569
Street Construction, Maintenance, and Repair	3,218,196	3,192,590	3,214,009	3,225,278
Housing and Community Development	963,735	894,594	812,040	808,555
Basic Utility Services	1,906,348	2,048,023	1,911,114	1,809,942
Recreational Activities	1,892,774	1,786,943	1,756,475	1,869,032
Capital Outlay	6,503,427	3,588,452	4,634,472	4,297,901
Debt Service:				
Principal Retirement	1,368,604	1,069,465	1,035,335	1,005,335
Interest and Fiscal Charges	359,136	282,739	286,576	422,517
Bond Issuance Costs	186,766	0	35,000	0
<i>Total Expenditures</i>	<u>31,101,070</u>	<u>27,186,386</u>	<u>27,382,846</u>	<u>26,743,473</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,964,497)</u>	<u>1,719,398</u>	<u>(498,878)</u>	<u>321,878</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	18,113	14,900	0	0
Gain on Sale of Capital Assets	0	65,078	0	0
Refunding Bonds Issued	0	0	2,640,000	0
General Obligation Bonds Issued	9,980,000	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Issuance of Debt	180,777	0	0	0
OPWC Loan Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	(2,662,116)	0
Transfers In	4,153,161	2,468,989	2,272,467	2,232,116
Transfers Out	(4,153,161)	(2,468,989)	(2,272,467)	(2,232,116)
<i>Total Other Financing Sources (Uses)</i>	<u>10,178,890</u>	<u>79,978</u>	<u>(22,116)</u>	<u>0</u>
Special Item	0	0	0	(2,250,000)
<i>Net Change in Fund Balances</i>	<u>\$8,214,393</u>	<u>\$1,799,376</u>	<u>(\$520,994)</u>	<u>(\$1,928,122)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.2%	6.1%	6.2%	6.7%

(1) Includes All Taxes

2013	2012	2011	2010	2009	2008
\$19,389,630	\$19,442,490	\$19,254,109	\$18,730,301	\$17,441,398	\$20,355,101
1,278,936	1,317,669	1,210,862	1,177,776	905,024	1,006,940
309,326	564,218	430,730	525,806	362,044	387,068
299,141	266,067	254,848	308,416	279,459	338,338
4,035,155	3,183,232	2,516,919	3,179,603	2,946,251	2,612,165
949,306	488,399	324,876	324,741	428,519	620,735
75,100	120,244	295,858	307,103	485,075	894,042
6,759	7,895	6,218	8,138	7,477	16,756
67,596	66,677	84,040	44,935	46,261	218,333
958,110	450,563	632,139	485,427	469,189	313,740
<u>27,369,059</u>	<u>25,907,454</u>	<u>25,010,599</u>	<u>25,092,246</u>	<u>23,370,697</u>	<u>26,763,218</u>
5,704,562	5,646,837	5,515,740	5,541,484	5,819,602	5,941,778
93,327	109,800	203,415	208,078	165,677	122,934
4,638,749	4,570,485	4,046,058	4,299,205	4,467,546	4,217,591
2,195,067	2,267,257	2,244,514	2,390,618	2,107,045	2,106,263
886,624	880,908	861,325	842,538	910,160	129,648
3,670,149	2,872,254	3,125,788	3,460,310	2,966,943	3,439,482
795,612	863,860	887,874	813,415	900,852	846,644
1,759,741	1,949,493	1,593,784	1,432,297	2,256,844	1,925,652
1,848,435	1,803,188	1,772,171	1,846,298	1,862,876	1,598,784
3,124,437	3,981,464	2,007,069	1,332,610	2,535,718	5,577,837
963,884	1,278,884	1,178,884	1,138,884	1,270,884	1,933,884
394,976	463,528	560,548	604,565	694,576	779,233
0	118,151	0	0	0	0
<u>26,075,563</u>	<u>26,806,109</u>	<u>23,997,170</u>	<u>23,910,302</u>	<u>25,958,723</u>	<u>28,619,730</u>
<u>1,293,496</u>	<u>(898,655)</u>	<u>1,013,429</u>	<u>1,181,944</u>	<u>(2,588,026)</u>	<u>(1,856,512)</u>
18,236	30,406	32,985	13,733	17,414	75,049
0	0	0	0	0	0
0	3,580,000	0	0	0	0
0	0	0	0	0	0
0	2,005,000	0	0	0	0
0	136,940	0	0	0	0
226,721	2,308	0	0	0	0
0	(3,599,685)	0	0	0	0
3,189,271	2,277,477	2,042,634	2,447,956	2,231,175	3,798,793
(3,189,271)	(2,277,477)	(2,042,634)	(2,447,956)	(2,231,175)	(3,798,793)
<u>244,957</u>	<u>2,154,969</u>	<u>32,985</u>	<u>13,733</u>	<u>17,414</u>	<u>75,049</u>
0	0	0	0	0	0
<u>\$1,538,453</u>	<u>\$1,256,314</u>	<u>\$1,046,414</u>	<u>\$1,195,677</u>	<u>(\$2,570,612)</u>	<u>(\$1,781,463)</u>
6.4%	7.9%	8.4%	8.5%	9.0%	11.9%

City of Brecksville, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2017	\$482,603,830	\$100,874,550	\$1,667,081,086	\$20,721,470	\$23,547,125
2016	476,728,340	100,946,970	1,650,500,886	20,463,690	23,254,193
2015	472,551,960	100,539,620	1,637,404,514	19,790,100	22,488,750
2014	453,626,110	124,402,550	1,651,510,457	19,695,230	22,380,943
2013	453,604,210	123,043,670	1,647,565,371	18,850,720	21,421,273
2012	469,788,160	110,239,930	1,657,223,114	17,092,360	19,423,136
2011	470,033,220	107,690,260	1,650,638,514	16,066,350	18,257,216
2010	468,585,650	107,226,880	1,645,178,657	15,680,600	17,818,864
2009	487,768,500	104,494,650	1,692,180,429	15,167,690	17,236,011
2008	486,131,280	106,177,280	1,692,310,171	14,924,650	16,959,830

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

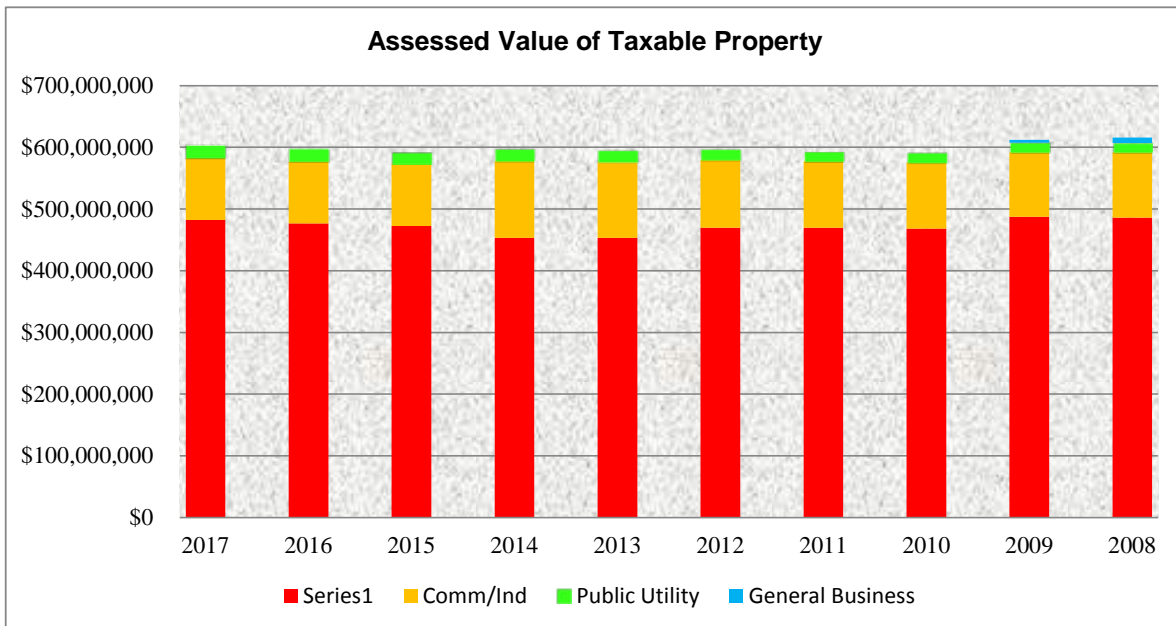
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

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

Source: Cuyahoga County, Ohio; County Fiscal Officer

Tangible Personal Property

General Business		Total		Ratio	Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$604,199,850	\$1,690,628,211	35.74%	\$8.21
0	0	598,139,000	1,673,755,079	35.74	8.21
0	0	592,881,680	1,659,893,264	35.72	8.21
0	0	597,723,890	1,673,891,400	35.71	8.21
0	0	595,498,600	1,668,986,644	35.68	8.21
0	0	597,120,450	1,676,646,251	35.61	8.21
0	0	593,789,830	1,668,895,730	35.58	8.21
0	0	591,493,130	1,662,997,521	35.57	8.21
4,678,850	74,861,600	612,109,690	1,784,278,040	34.31	8.50
8,871,057	141,936,912	616,104,267	1,851,206,913	33.28	8.60



City of Brecksville, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2017	2016	2015	2014
Unvoted Millage				
Operating	\$3.5100	\$3.5100	\$3.5100	\$3.5100
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8100</u>	<u>3.8100</u>	<u>3.8100</u>	<u>3.8100</u>
Charter Millage				
1982 Charter/Fire	3.4000	3.4000	3.4000	3.4000
1987 Charter/Road Improvement	1.0000	1.0000	1.0000	1.0000
<i>Total Charter Millage</i>	<u>4.4000</u>	<u>4.4000</u>	<u>4.4000</u>	<u>4.4000</u>
Voted Millage				
Library	0.0000	0.0000	0.0000	0.0000
Total Millage	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>

Overlapping Rates by Taxing District

Brecksville-Broadview Heights City School District				
Residential/Agricultural Real	\$44.8382	\$38.9210	\$38.9563	\$39.9725
Commerical/Industrial and Public Utility Real	52.2282	46.2177	46.9105	43.8622
General Business and Public Utility Personal	82.8900	77.0000	77.0000	77.0000
Cuyahoga Valley Career Center				
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000
Commerical/Industrial and Public Utility Real	2.0000	2.0000	2.0000	2.0000
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000
Cuyahoga County Commissioner				
Residential/Agricultural Real	13.9141	13.8800	14.0500	14.0500
Commerical/Industrial and Public Utility Real	14.0060	14.0124	13.8698	14.0195
General Business and Public Utility Personal	14.0500	14.0500	14.0500	14.0500
Special Taxing Districts (1)				
Residential/Agricultural Real	9.7637	9.2408	9.2368	9.3643
Commerical/Industrial and Public Utility Real	9.8422	9.3438	9.3676	9.3401
General Business and Public Utility Personal	9.8800	9.3800	9.3800	9.3800

Source: Cuyahoga County Fiscal Officer

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 to 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 as opposed to the voted levies of the overlapping taxing districts.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Metro Parks, Port Authority, County Library, Community College

2013	2012	2011	2010	2009	2008
\$3.5100	\$3.5100	\$3.5100	\$3.5100	\$3.5100	\$3.5100
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
3.8100	3.8100	3.8100	3.8100	3.8100	3.8100
3.4000	3.4000	3.4000	3.4000	3.4000	3.4000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
0.0000	0.0000	0.0000	0.0000	0.2900	0.3900
\$8.2100	\$8.2100	\$8.2100	\$8.2100	\$8.5000	\$8.6000

\$40.1206	\$40.0657	\$39.1912	\$39.1175	\$37.2338	\$37.1756
43.2930	43.4617	42.8357	42.8641	43.4071	43.1759
77.2000	77.2000	77.2000	77.2000	77.1000	77.1000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
14.0500	13.2200	13.1182	13.1866	12.6607	11.8688
13.9495	12.9968	12.7845	12.8413	12.8153	12.4535
14.0500	13.2200	13.2200	13.3200	13.3200	13.4200
8.4639	7.5635	7.5041	7.3870	6.6597	5.9676
8.3843	7.4621	7.3648	7.3450	6.8911	6.2519
8.4800	7.5800	7.5800	7.5800	7.2800	6.7800

City of Brecksville, Ohio
Principal Real Property Taxpayers
 2017 and 2008

Taxpayer	2017	
	Real Property Assessed Valuation	Percentage of Real Property Assessed Valuation
Cleveland Electric Illuminating Company	\$16,455,320	2.82 %
Grand Bay of Brecksville	6,148,640	1.05
Holar Properties, LLC	5,717,250	0.98
PDM Group, Incorporated	4,917,500	0.84
Ohio Bell Telephone Company	4,126,510	0.71
Creekview Commons, LLC	3,513,200	0.60
Treeline, Incorporated	3,458,240	0.59
Gateway Association	3,086,550	0.53
MS Brecksville L.P.	2,975,000	0.51
Curtiss-Write Flow	2,611,570	0.46
Total	\$53,009,780	9.09 %

Total Real Property Assessed Valuation \$583,478,380

Taxpayer	2008	
	Real Property Assessed Valuation	Percentage of Real Property Assessed Valuation
Cleveland Electric Illuminating Company	\$13,427,830	2.27 %
Ohio Bell Telephone Company	8,906,460	1.50
PDM Group, Incorporated	7,334,740	1.24
Grand Bay of Brecksville	6,668,370	1.13
Cleveland Cuyahoga	6,413,230	1.08
Gateway Association	4,838,770	0.82
Creekview Commons, LLC	3,961,620	0.67
Treeline, Incorporated	3,860,000	0.65
R.C. Investors	3,377,910	0.57
CEI	3,144,050	0.53
Total	\$61,932,980	10.46 %

Total Real Property Assessed Valuation \$592,308,560

Source: Cuyahoga County Fiscal Officer

City of Brecksville, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections	Percent of		Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy	Accumulated		Percentage of Delinquent Taxes to Total Tax Levy
			Current Tax Collections To Tax Levy	Delinquent Tax Collections				Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy	
2017	\$4,932,190	\$4,774,261	96.80%	\$114,971	\$4,889,232	99.13%	\$251,692	5.10%		
2016	4,990,947	4,756,871	95.31	82,375	4,839,246	96.96	194,442	3.90		
2015	5,165,687	4,523,952	87.58	87,656	4,611,608	89.27	298,803	5.78		
2014	5,219,426	4,532,551	86.84	91,162	4,623,713	88.59	433,570	8.31		
2013	4,910,392	4,547,214	92.60	119,432	4,666,646	95.04	301,993	6.15		
2012	4,905,724	4,736,054	96.54	122,347	4,858,401	99.04	212,193	4.33		
2011	4,884,659	4,714,666	96.52	143,718	4,858,384	99.46	205,553	4.21		
2010	4,864,431	4,702,865	96.68	146,148	4,849,013	99.68	229,099	4.71		
2009	5,179,840	5,013,860	96.80	113,222	5,127,082	98.98	263,979	5.10		
2008	5,343,912	5,052,543	94.55	123,527	5,176,070	96.86	225,651	4.22		

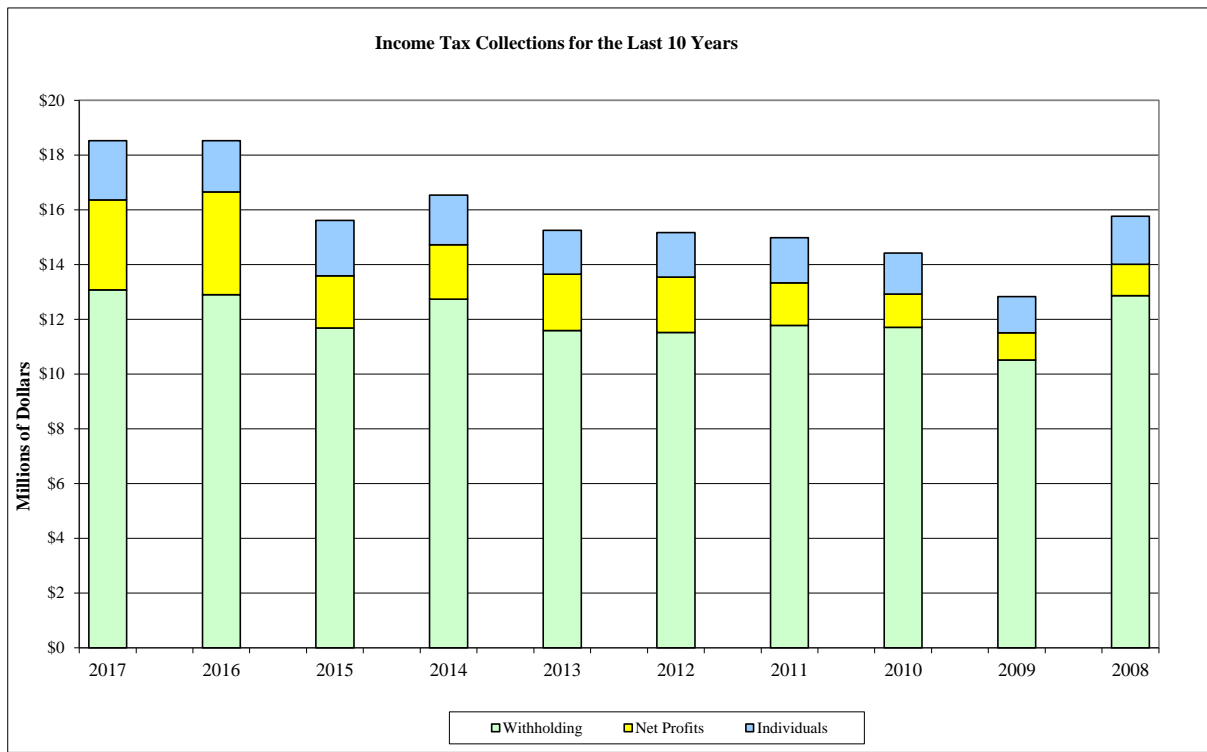
Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) State reimbursement of rollback and homestead exemptions are included.

Note: We are aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the County is unable to provide delinquent collections by levy year. We are looking at options to improve this presentation.

City of Brecksville, Ohio
Income Tax Revenue Base and Collections
 (Modified Accrual Basis)
 Last Ten Years

Tax Year	Tax Rate	Total Tax Collected	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
2017	2.00%	\$18,533,341	\$13,071,973	70.53%	\$3,290,873	17.76%	\$2,170,495	11.71%
2016	2.00	18,526,248	12,901,679	69.64	3,755,270	20.27	1,869,298	10.09
2015	2.00	15,617,083	11,683,140	74.81	1,909,969	12.23	2,023,974	12.96
2014	2.00	16,542,412	12,737,657	77.00	1,985,089	12.00	1,819,665	11.00
2013	2.00	15,253,849	11,591,400	75.99	2,059,270	13.50	1,603,179	10.51
2012	2.00	15,175,081	11,514,851	75.88	2,030,426	13.38	1,629,804	10.74
2011	2.00	14,978,641	11,779,203	78.64	1,554,783	10.38	1,644,655	10.98
2010	2.00	14,425,759	11,705,203	81.14	1,220,691	8.46	1,499,864	10.40
2009	2.00	12,835,856	10,516,417	81.93	990,928	7.72	1,328,511	10.35
2008	2.00	15,763,909	12,869,655	81.64	1,141,307	7.24	1,752,947	11.12



City of Brecksville, Ohio
Income Tax Filers by Income Level
Tax Years 2016 and 2008

Tax Year 2016 (1)(2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income (2)	Percent of Taxable Income
Over \$100,000	1,970	38.38 %	\$481,430,802	80.33 %
75,001-100,000	510	9.93	44,145,419	7.37
50,001-75,000	579	11.28	35,832,484	5.98
25,001-50,000	662	12.89	24,510,192	4.09
Under 25,000	1,413	27.52	13,369,871	2.23
Total	<u>5,134</u>	<u>100.00 %</u>	<u>\$599,288,768</u>	<u>100.00 %</u>

Tax Year 2008 (2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,745	33.45 %	\$369,717,074	74.84 %
75,001-100,000	547	10.48	47,290,018	9.57
50,001-75,000	592	11.35	36,811,458	7.45
25,001-50,000	725	13.90	27,301,031	5.53
Under 25,000	1,608	30.82	12,908,294	2.61
Total	<u>5,217</u>	<u>100.00 %</u>	<u>\$494,027,875</u>	<u>100.00 %</u>

Source: Regional Income Tax Agency Data

(1) Information for 2017 was not available

(2) Taxable income of residents of the City

City of Brecksville, Ohio
*Ratios of Outstanding Debt to
 Total Personal Income and Debt Per Capita
 Last Ten Years*

Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Total	Total Personal Income (1)	Percentage Of Personal Income	Population (2)	Total Debt Per Capita
2017	\$14,346,178	\$2,454,031	\$371,281	\$17,171,490	\$686,808,360	2.50 %	13,470	\$1,275
2016	5,067,679	2,907,837	424,885	8,400,401	702,293,760	1.20	13,440	625
2015	5,660,919	3,336,643	484,350	9,481,912	670,513,930	1.41	13,543	700
2014	6,235,960	3,751,884	549,685	10,537,529	566,818,000	1.86	13,568	777
2013	6,788,673	4,160,821	615,020	11,564,514	504,512,000	2.29	13,554	853
2012	7,321,387	4,559,758	442,183	12,323,328	557,914,651	2.21	13,656	902
2011	7,856,490	2,851,828	493,759	11,202,077	565,836,360	1.98	13,656	820
2010	8,672,310	3,166,959	547,643	12,386,912	576,706,536	2.15	13,656	907
2009	9,465,056	3,467,090	601,527	13,533,673	585,948,239	2.31	13,875	975
2008	10,402,802	3,754,221	655,411	14,812,434	585,948,239	2.53	13,806	1,073



(1) Brecksville Finance Department estimates 2008-2017;
 U.S. Census Bureau

(2) Estimates 2008-2017; U.S. Census Bureau

City of Brecksville, Ohio
*Ratio of General Obligation Bonded Debt to Estimated True
Value of Taxable Property and Bonded Debt Per Capita
Last Ten Years*

Year	General Obligation Bonds (1)	Estimated True Value of Taxable Property	Ratio of Bonded Debt to Estimated True Value of Taxable Property	Bonded Debt per Capita
2017	\$14,346,178	\$1,690,628,211	0.85%	\$1,065
2016	5,067,679	1,673,755,079	0.30	377
2015	5,660,919	1,659,893,264	0.34	418
2014	6,235,960	1,673,891,400	0.37	460
2013	6,788,673	1,668,986,644	0.41	497
2012	7,321,387	1,676,646,251	0.44	536
2011	7,856,490	1,668,895,730	0.47	575
2010	8,672,310	1,662,997,521	0.52	635
2009	9,465,056	1,784,278,040	0.53	682
2008	10,402,802	1,851,206,913	0.56	753

(1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Brecksville
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2017*

	Debt Attributable to Governmental Activities	Percentage Applicable to City (1)	Amount of Direct and Overlapping Debt
Direct Debt:			
City of Brecksville			
General Obligation Bonds	\$14,346,178	100.00%	\$14,346,178
Special Assessment Bonds	2,454,031	100.00	2,454,031
OPWC Loans	<u>371,281</u>	100.00	<u>371,281</u>
Total Direct Debt	<u>17,171,490</u>		<u>17,171,490</u>
Overlapping Debt:			
Payable from Property Taxes:			
Cuyahoga County Bonds	224,190,758	2.15	4,820,101
Regional Transit Authority Bonds	85,738,087	2.15	1,843,369
Brecksville-Broadview Heights City School District Bonds	10,970,928	59.18	6,492,595
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	570,390,568	2.15	12,263,397
Cuyahoga County Loans	11,379,917	2.15	244,668
Cuyahoga County Capital Leases	75,389,947	2.15	1,620,884
Brecksville-Broadview Heights City School District Capital Leases	<u>371,284</u>	59.18	<u>219,726</u>
Total Overlapping Debt	<u>978,431,489</u>		<u>27,504,741</u>
Total Direct and Overlapping Debt	<u>\$995,602,979</u>		<u>\$44,676,231</u>

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

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2017 collection year.

City of Brecksville, Ohio
Legal Debt Margin Information
Last Ten Years
(amounts expressed in thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Overall Debt Limitation (10.5% of Assessed Valuation)	\$63,441	\$62,805	\$62,253	\$62,761	\$62,527	\$62,698	\$62,348	\$62,107	\$64,272	\$64,691
Net Debt Within 10.5% Limitations	18,421	7,185	7,433	7,977	6,537	7,050	7,637	8,438	9,384	10,536
Overall Legal Debt Margin Within 10.5% Limitations	\$45,020	\$55,620	\$54,820	\$54,784	\$55,990	\$55,648	\$54,711	\$53,669	\$54,888	\$54,155
Total net debt applicable to the limit as a percentage of debt limit	29.04%	11.44%	11.94%	12.71%	10.45%	11.24%	12.25%	13.59%	14.60%	16.29%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$33,231	\$32,898	\$32,609	\$32,875	\$32,752	\$32,842	\$32,658	\$32,552	\$33,666	\$33,886
Net Debt Within 5.5% Limitations	18,421	7,185	7,433	7,977	6,537	7,050	7,637	8,438	9,384	10,536
Unvoted Legal Debt Margin Within 5.5% Limitations	\$14,810	\$25,713	\$25,176	\$24,898	\$26,215	\$25,792	\$25,021	\$24,094	\$24,282	\$23,350
Total net debt applicable to the limit as a percentage of debt limit	55.43%	21.84%	22.79%	24.26%	19.96%	21.47%	23.38%	25.94%	27.87%	31.09%
Legal Debt Margin Calculation for 2017										
Assessed property value							Overall Margin Within 10.5%		Unvoted Margin Within 5.5%	
Overall Debt Limitation (percentage of assessed valuation)							\$604,199,850		\$604,199,850	
Gross Indebtedness							\$63,440,984		\$33,230,992	
Less: Special Assessment Bonds							21,021,281		21,021,281	
OPWC Loans							(2,435,000)		(2,435,000)	
General Obligation Bond Retirement Fund Balance							(371,281)		(371,281)	
Net Debt Within Limitations							205,886		205,886	
Legal Debt Margin Within Limitations							\$18,420,886		\$18,420,886	
							\$45,020,098		\$45,020,098	

Note: Under State of Ohio finance law, the City of Brecksville's outstanding general obligation debt should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

City of Brecksville, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Median Family Income (1)	Per Capita Income (1)	Unemployment Rate (3)		City Square Miles (4)
					Cuyahoga County	State of Ohio	
2017	13,470	\$686,808,360	\$98,345	\$50,988	4.8%	4.7%	19.57
2016	13,440	702,293,760	100,589	52,254	5.3	4.9	19.57
2015	13,543	670,513,930	93,409	49,510	4.0	4.8	19.57
2014	13,568	566,818,000	95,470	41,776	5.3	4.7	19.57
2013	13,554	504,512,000	111,667	37,222	7.5	7.4	19.57
2012	13,656	557,914,651	91,432	40,855	6.6	6.8	19.57
2011	13,656	565,836,360	92,088	41,435	7.1	8.6	19.57
2010	13,656	576,706,536	96,038	42,231	8.6	10.1	19.54
2009	13,875	585,948,239	97,415	42,231	9.0	10.2	19.54
2008	13,806	585,948,239	97,415	42,442	7.1	6.5	19.54

(1) Estimates 2008-2017; U.S. Census Bureau

(2) Brecksville Finance Department estimates 2008-2017;
U.S. Census Bureau.

(3) Ohio Bureau of Employment Services; U.S. Department of Labor, Bureau of
Labor Statistics; Unemployment rate for the City is unavailable.

(4) City Records

City of Brecksville, Ohio
Principal Employers
Current Year and Nine Years Ago

2017			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
PNC Bank NA	Banking Services	1,278	9.05 %
Lubrizol Corporation	Chemical Technology	819	5.80
AT&T/ Ohio Bell	Communication Services	651	4.61
Crosscounty Mortgage, Incorporated	Mortgage Services	489	3.46
House of LaRose	Beverage Distribution	420	2.97
Brecksville-Broadview Heights City School District	Public Education	402	2.85
Curtiss-Wright Flow Control	Manufacturing	277	1.96
First Energy/ Illuminating Company	Electric Utility	232	1.64
NVR/ Ryan Homes	Construction	227	1.61
City of Brecksville	Municipal Government	209	1.49
Total		<u>5,004</u>	<u>35.44 %</u>
Total Employment within the City		<u>14,120</u>	

2008			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
Department of Veteran Affairs	Medical Center	1,434	7.76 %
AT&T/ Ohio Bell	Communication Services	1,257	6.80
Lubrizol Corporation	Chemical Technology	811	4.39
National City Corporation	Banking Services	764	4.13
Brecksville-Broadview Heights City School District	Public Education	531	2.87
House of LaRose	Beverage Distribution	296	1.61
First Energy/ Illuminating Company	Electric Utility	252	1.36
Curtiss-Wright Flow Control	Manufacturing	249	1.35
City of Brecksville	Municipal Government	230	1.24
Cuyahoga Valley Joint Vocational School District	Vocational Education	143	0.78
Total		<u>5,967</u>	<u>32.29 %</u>
Total Employment within the City		<u>18,480</u>	

Source: Regional Income Tax Agency and a survey conducted by the City.

City of Brecksville, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Council	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Mayor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5	4.0
Income Tax	N/A	N/A	N/A	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Purchasing	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	3.0
Legal	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Mayor's Court	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0
Technology	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	3.5	3.5
Engineering	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Administrative Support	3.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.0	1.0
Public Safety										
Police	41.0	41.5	41.5	42.5	41.5	44.5	43.5	41.0	43.0	44.5
Fire	26.0	26.0	28.5	27.0	28.0	27.5	25.5	27.0	26.5	27.0
Recreational Activities										
Community Center	31.0	49.0	34.5	36.5	37.5	42.5	44.0	45.0	47.0	47.0
Senior/Community Services	5.0	4.5	5.0	5.5	5.0	5.5	5.5	5.5	5.5	5.5
Street Construction, Maintenance and Repair Service	42.5	43.0	46.0	44.0	46.0	46.0	48.0	43.5	47.0	48.0
Housing and Community Development										
Building Inspection	6.5	6.5	7.0	6.5	6.0	6.0	5.5	6.5	6.0	7.0
Basic Utility Services										
Housekeeping	10.5	10.5	11.0	11.5	11.5	12.0	12.0	11.5	12.0	13.5
Totals:	183.5	202.5	195.0	195.0	196.5	205.0	205.5	202.0	209.0	216.5

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee as of December 31.

Source: Finance Department

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Building Department Vehicles	4	4	5	5	4	5	5	5	6	6
Other Department Vehicles	4	4	4	4	5	4	3	4	5	5
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building Vehicles	6,577	6,577	6,577	6,577	6,577	6,577	6,577	6,577	6,577	6,577
Vehicles	23	22	22	22	22	22	22	23	23	22
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building Vehicles	17,674	17,674	17,674	17,674	17,674	17,674	17,674	17,674	17,674	17,674
Vehicles	14	13	15	14	14	14	15	14	13	12
Street Construction, Maintenance and Repair										
Streets (lane miles)	189	189	189	189	189	189	189	189	189	189
Urban Forestry Vehicles	3	3	3	3	3	3	3	3	3	3
Other Public Services Vehicles	65	64	62	58	59	57	54	54	53	54
Recreational Activities										
Recreation Center	1	1	1	1	1	1	1	1	1	1
Recreation Center Square Footage	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Number of Parks	3	3	3	3	3	3	3	3	3	3
Number of Baseball Diamonds	10	10	10	10	10	10	10	10	10	10
Number of Playgrounds	8	8	8	8	8	8	8	8	8	8
Number of Tennis Courts	3	3	3	3	3	3	3	3	3	3
Number of Full Sized Soccer Fields	3	3	3	3	3	3	3	3	2	2
Vehicles	4	4	4	4	4	4	4	3	3	3
Housing and Community Development										
Human Services Center Square Footage	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Vehicles	5	5	5	5	5	6	6	5	5	6

Source: Finance Department

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

Function/Program	2017	2016	2015	2014
Police:				
Police Expenditures (in thousands)	\$4,747	\$4,218	\$4,030	\$4,065
Total Arrests	2,300	2,716	2,382	2,534
Part One Offenses	68	79	72	78
OVI Arrests	35	45	36	36
Prisoners	399	555	541	593
Motor Vehicle Accidents	231	243	191	188
Calls for Service	15,198	13,515	12,643	12,646
Incidents per Citizen	1.3535	1.0056	0.9260	0.9260
Cost per Citizen	\$352.41	\$313.84	\$295.11	\$297.67
Fire:				
Fire Expenditures (in thousands)	\$2,532	\$2,432	\$2,453	\$2,385
Emergency Responses	1,601	1,623	1,471	1,398
Fire Safety Inspections	322	132	484	381
Fire Protection Systems Inspected	49	47	44	46
Building Fire Protection Plans Reviewed	14	16	9	6
Percentage of Business Inspected	32%	25%	44%	37%
Number of Community Programs	197	190	184	188
Emergency Responses per Citizen	0.1189	0.1208	0.1077	0.1024
Cost per Citizen	\$187.97	\$180.95	\$179.63	\$174.65
Street Lights Expenditures (in thousands)	\$104	\$106	\$109	\$108
Cost per Acre of Streetlights	\$8.30	\$8.48	\$8.72	\$8.64
Public Health Services:				
Health Department (in thousands)	\$54	\$54	\$54	\$54
Health Cost per Citizen	\$4.01	\$4.02	\$3.95	\$3.95
Recreational Activities:				
Blossom Hill (in thousands)	\$281	\$264	\$285	\$261
Community Center (in thousands)	1,907	1,845	1,811	1,931
Total Leisure Service Cost (in thousands)	\$2,188	\$2,109	\$2,096	\$2,192
Cost per Citizen	\$162.44	\$156.92	\$153.49	\$160.52
Community Center Square Feet	65,000	65,000	65,000	65,000
Square Feet per Citizen	4.83	4.84	4.76	4.76
Total Recreational Revenue (in thousands)	\$1,035	\$1,110	\$933	\$1,032
Community Center Members	5,721	5,669	5,814	5,979
Total Participations	175,130	172,277	171,917	173,042
Fitness Class Participations	17,067	18,833	18,602	16,534
Participations per Citizen	13.00	12.82	12.59	12.67
Cost per Participation	\$10.89	\$10.71	\$10.53	\$11.16
Revenue per Participation	\$5.91	\$6.44	\$5.43	\$5.96
Housing and Community Development:				
Human Services (in thousands)	\$905	\$844	\$805	\$863
Cost per Citizen	\$67.19	\$63.00	\$59.00	\$63.00
Human Services Square Feet	29,000	29,000	29,000	29,000
Square Feet per Citizen	21.53	21.48	27.08	19.89
Total Human Services Revenue (in thousands)	\$97	\$116	\$87	\$93
Human Services Members	1,230	1,350	1,071	1,458
Total Participations	32,130	31,719	42,202	51,168
Participations per Citizen	2.39	2.36	3.09	3.75
Cost per Participation	\$735.77	\$625.19	\$751.63	\$591.91

2013	2012	2011	2010	2009	2008
\$3,916	\$3,956	\$3,645	\$3,716	\$3,516	\$3,350
3,308	3,009	3,036	3,658	3,181	3,542
74	96	85	80	85	83
50	47	56	47	39	64
857	931	901	908	1,258	1,235
152	206	204	215	256	293
14,349	13,708	15,174	14,701	14,302	16,603
1,0510	1,0040	1,1110	1,0770	1,0308	1,2030
\$286.76	\$289.69	\$266.92	\$272.08	\$253.41	\$242.67
\$2,355	\$2,244	\$2,304	\$2,438	\$2,159	\$2,067
1,246	1,318	1,395	1,351	1,346	1,399
337	308	284	404	249	410
78	42	59	35	49	58
3	5	3	2	3	9
33%	31%	30%	36%	25%	39%
172	140	143	197	181	245
0.0912	0.0965	0.1022	0.0989	0.0975	0.1013
\$172.42	\$164.31	\$168.72	\$178.53	\$155.60	\$149.72
\$129	\$116	\$101	\$108	\$98	\$86
\$10.28	\$9.26	\$8.08	\$8.61	\$7.60	\$6.88
\$52	\$52	\$50	\$50	\$50	\$48
\$3.84	\$3.84	\$3.62	\$3.62	\$3.57	\$3.49
\$279	\$223	\$254	\$253	\$305	\$271
2,054	1,808	1,762	1,843	1,791	1,610
\$2,333	\$2,031	\$2,016	\$2,096	\$2,096	\$1,881
\$170.89	\$148.75	\$147.61	\$153.48	\$151.03	\$136.26
65,000	65,000	65,000	65,000	65,000	65,000
4.76	4.76	4.76	4.76	4.68	4.71
\$977	\$1,157	\$1,008	\$972	\$894	\$1,039
6,200	6,242	6,693	6,479	6,606	6,798
173,308	192,970	171,646	169,171	199,102	218,209
22,603	23,521	20,754	21,584	21,624	24,107
12.69	14.13	12.57	12.39	14.35	15.81
\$11.85	\$9.37	\$10.27	\$10.89	\$10.53	\$7.38
\$5.64	\$5.99	\$5.87	\$5.74	\$4.49	\$4.76
\$838	\$707	\$696	\$676	\$720	\$701
\$61.00	\$52.00	\$51.00	\$50.00	\$51.89	\$51.00
29,000	29,000	29,000	29,000	29,000	29,000
23.37	15.65	24.21	25.55	26.34	31.80
\$88	\$89	\$81	\$81	\$81	\$76
1,241	1,853	1,198	1,135	1,101	714
50,961	42,942	38,553	37,663	46,272	36,946
3.73	3.14	2.82	2.76	3.33	2.68
\$675.33	\$381.33	\$580.88	\$595.59	\$653.95	\$982.18

(continued)

City of Brecksville, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years

Function/Program	2017	2016	2015	2014
Housing and Community Development:				
Planning and Zoning (in thousands)	\$5	\$7	\$4	\$7
Housing and Building Inspection (in thousands)	\$554	\$528	\$518	\$471
Cost per Citizen	\$41.50	\$40.00	\$38.00	\$35.00
Building Permits - Residential	952	859	761	742
Dollar Value of Permits (in thousands)	\$22,705	\$22,412	\$17,387	\$12,356
Building Permits - Commercial	205	202	183	167
Dollar Value of Permits (in thousands)	\$18,220	\$8,932	\$7,826	\$12,140
Engineering (in thousands)	\$122	\$104	\$135	\$138
Engineering Reviews				
New Topo Reviews	26	28	31	8
Revised Topo Reviews	23	30	36	14
Retaining Wall Reviews	9	8	3	2
Plat Reviews	8	8	3	2
Other Reviews	110	90	73	56
Builder Grades	50	31	25	12
Landscaping Grades	5	9	8	6
Total All Reviews	231	204	179	100
Number of Trees Planted	267	323	211	134
Number of Trees Removed	203	240	124	757
Cemetery Internments	41	61	31	45
Grave Purchases/Interment Payments (in thousands)	\$14	\$24	\$16	\$19
Street Construction, Maintenance and Repair:				
Street Maintenance (in thousands)	\$1,143	\$1,074	\$1,048	\$923
Snow and Ice Removal (in thousands)	\$142	\$149	\$191	\$240
Streets (lane miles)	191	191	189	189
Cost per mile of street	\$6.73	\$6.40	\$6.56	\$6.15
Feet of street per capita	74.87	75.04	73.08	73.08
Asphalt Usage (in tons)	6,090	6,755	8,062	12,481
Asphalt Cost per ton	\$57.75	\$54.75	\$55.00	\$55.00
Salt Usage (in tons)	6,501	8,553	10,950	11,745
Concrete Used (in cubic yards)	1,141	5,140	6,888	10,934
Brush/Grass/Yard Waste Collected (in cubic yard)	1,450	1,375	1,403	2,657
Leaves Collected (in cubic yards)	7,705	9,050	8,221	8,440
General Government:				
Law (in thousands)	\$262	\$256	\$252	\$251
Cost per budget dollar	\$0.0048	\$0.0061	\$0.0079	\$0.0083
Finance (in thousands)	\$430	\$411	\$393	\$352
Cost per budget dollar	\$0.0079	\$0.0097	\$0.0123	\$0.0112
Purchasing (in thousands)	\$202	\$196	\$195	\$177
Cost per employee	\$1,100.82	\$967.90	\$835.12	\$758.03
Lands and Buildings (in thousands)	\$1,054	\$1,187	\$1,090	\$818
Cost per citizen	\$78.25	\$88.32	\$79.82	\$59.90
Mayor's Office (in thousands)	\$266	\$257	\$249	\$237
Council (in thousands)	\$257	\$260	\$258	\$249

Source: Finance Department

2013	2012	2011	2010	2009	2008
\$6	\$5	\$5	\$5	\$4	\$13
\$462	\$454	\$479	\$505	\$521	\$471
\$34.00	\$34.00	\$35.00	\$37.00	\$37.84	\$35.00
826	853	845	895	882	742
\$4,307	\$9,648	\$3,236	\$3,654	\$5,596	\$7,450
213	208	244	207	137	205
\$12,250	\$10,818	\$4,081	\$21,592	\$3,954	\$7,075
\$187	\$339	\$339	\$241	\$256	\$178
6	7	5	5	11	11
13	9	8	8	13	23
12	7	5	39	15	9
6	4	3	6	16	9
43	51	55	13	43	41
9	6	5	9	15	17
5	3	2	4	11	7
94	87	83	84	124	117
163	92	175	168	146	110
98	157	196	190	197	135
64	54	48	43	41	46
\$38	\$43	\$33	\$27	\$30	\$24
\$1,182	\$1,070	\$1,185	\$892	\$1,033	\$1,155
\$169	\$97	\$157	\$220	\$175	\$208
189	189	189	189	189	189
\$7.15	\$6.18	\$7.10	\$5.88	\$7.21	\$7.21
73.08	73.08	73.08	73.08	72.28	72.28
9,926	5,576	7,650	5,415	7,237	2,307
\$60.75	\$60.75	\$68.30	\$68.50	\$56.81	\$55.74
10,270	4,920	7,650	6,863	8,625	9,090
6,151	5,239	44,438	3,945	1,941	1,941
1,478	1,743	3,094	2,354	2,409	2,729
7,222	7,710	6,333	6,411	7,722	5,926
\$231	\$304	\$248	\$247	\$219	\$222
\$0.0072	\$0.0077	\$0.0071	\$0.0069	\$0.0054	\$0.0052
\$339	\$319	\$308	\$325	\$342	\$299
\$0.0105	\$0.0080	\$0.0088	\$0.0090	\$0.0085	\$0.0071
\$175	\$168	\$165	\$169	\$227	\$201
\$747.46	\$720.77	\$706.21	\$724.63	\$1,027.15	\$861.07
\$742	\$651	\$563	\$602	\$785	\$767
\$54.35	\$47.65	\$41.23	\$44.06	\$56.58	\$55.57
\$235	\$234	\$233	\$218	\$217	\$231
\$249	\$250	\$248	\$238	\$234	\$229

This Page Intentionally Left Blank.





Dave Yost • Auditor of State

CITY OF BRECKSVILLE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 28, 2018



City of Brecksville, Ohio



Comprehensive Annual Financial Report

For the period ending December 31, 2017



On the Cover...

Brecksville Firefighters

CITY OF BRECKSVILLE, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

ISSUED BY THE DEPARTMENT OF FINANCE

Virginia Price, CPA

FINANCE DIRECTOR



Brecksville City Council and Mayor May 2017

(from left to right)

Seated

Councilwoman, Nora L. Murphy
Council President, Greg Skaljac
Council Vice-President, Michael Harwood

Standing

Council Clerk, Mary Scullin
Councilman, Louis N. Carouse, Jr.
Councilwoman, Laura Redinger
Mayor, Jerry N. Hruby
Councilman, Gerald E. Broski
Councilwoman, Kim Veras
Finance Director, Virginia Price

City of Brecksville, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
Table of Contents

I. Introductory Section

Table of Contents	i
Letter of Transmittal.....	v
GFOA Certificate of Achievement.....	xiii
List of City Officials.....	xiv
Organizational Chart	xv

II. Financial Section

Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund.....	22
Fire Department Fund.....	23
Statement of Fund Net Position – Proprietary Fund.....	24
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	25
Statement of Cash Flows – Proprietary Fund.....	26
Statement of Fiduciary Net Position – Fiduciary Funds.....	27
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	28
Notes to the Basic Financial Statements	29

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Last Four Years	69
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Four Years.....	70
Schedule of City Contributions – Ohio Public Employees Retirement System – Last Five Years.....	71
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years	72
Notes to Required Supplementary Information	74

Combining and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions.....	76
Combining Balance Sheet – Nonmajor Governmental Funds.....	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	80
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	84
Combining Balance Sheet – Nonmajor Capital Projects Funds	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	89

Combining Statements – Fiduciary Funds:

Fund Descriptions.....	90
Combining Statement of Changes in Assets and Liabilities – Agency Funds	91

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in
Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:

Major Funds:

General Fund	93
Fire Department Fund	99
Special Assessment Bond Retirement Fund.....	100
General Municipal Improvement Fund	101
Buildings and Improvements Fund	102
Road Improvements Fund	103
Police Station Building Fund	104

Nonmajor Funds:

Motor Vehicle License Tax Fund.....	105
Street Repair and Maintenance Fund	106
State Highway Fund	107
Community Center Fund.....	108

Road Maintenance Fund.....	109
Federal Equitable Sharing Fund.....	110
Indigent Drivers Fund.....	111
Indigent Drivers Interlock Fund.....	112
Enforcement and Education Fund.....	113
Court Computerization Fund.....	114
Natureworks Grant Fund.....	115
Recycling Demo Fund.....	116
Tree Planting Grants Fund.....	117
Law Enforcement Fund.....	118
Law Enforcement Mandatory Drug Fund.....	119
Vehicle Immobilization Fund.....	120
Police Pension Fund.....	121
Memorial Fund.....	122
Peace Officer Training Fund.....	123
General Obligation Bond Retirement Fund.....	124
Issue II Fund.....	125
Recreation Expansion Fund.....	126
Recreation Facilities Expansion Fund.....	127
Public Utility Improvement Fund.....	128
Fire Ambulance Capital Fund.....	129
Self Insurance Fund.....	130
Cemetery Endowment Fund.....	131

III. Statistical Section

Statistical Section Table of Contents.....	S1
Net Position by Component – Last Ten Years.....	S2
Changes in Net Position – Last Ten Years.....	S4
Fund Balances, Governmental Funds – Last Ten Years.....	S8
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S10
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years.....	S12
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S14
Principal Real Property Taxpayers – 2017 and 2008.....	S16
Property Tax Levies and Collections – Last Ten Years.....	S17
Income Tax Revenue Base and Collections – Last Ten Years.....	S18
Income Tax Filers by Income Level – Tax Years 2016 and 2008.....	S19
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S20
Ratio of General Obligation Bonded Debt to Estimated True Value of Taxable Property and Bonded Debt per Capita – Last Ten Years.....	S21
Computation of Direct and Overlapping Debt Attributable to Governmental Activities.....	S22

Legal Debt Margin Information – Last Ten Years	S23
Demographic and Economic Statistics – Last Ten Years.....	S24
Principal Employers – Current Year and Nine Years Ago.....	S25
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years	S26
Capital Assets Statistics by Function/Program – Last Ten Years	S27
Operating Indicators by Function/Program – Last Ten Years.....	S28

March 26, 2018

To Members of Brecksville City Council and
The Citizens of Brecksville, Ohio

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

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

State statutes require the City of Brecksville (the City) to be subjected to an annual examination by the Auditor of State. Either the Auditor of State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The City selected James G. Zupka, CPA to perform these services for the year ended December 31, 2017. The Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

Profile of the Government

The City of Brecksville was founded in 1811. It was incorporated as a village under the laws of the State of Ohio in 1921 and attained City status in 1960 by virtue of its population exceeding 5,000. It is located in Cuyahoga County in northeastern Ohio, in the heart of rolling woodlands approximately fifteen miles south of the City of Cleveland. The City covers 19.54 square miles. In the year 2010, the U.S. Census Bureau reported that Brecksville had a population of 13,656, up two percent from 13,382 in 2000.

The City of Brecksville operates under and is governed by its Charter, first adopted by the voters on November 6, 1956 and amended from time to time. The Charter provides for a Mayor-Council form of government. The nine-member Charter Review Commission reviewed the Charter in 2013. Ten proposed charter changes were placed on the November ballot with nine of them passing.

Legislative authority is vested in a seven-member City Council which is elected at large and whose terms are staggered. Four Council members are elected at each regular municipal election in November of odd numbered years. Of the four elected, the three receiving the highest number of votes serve a term of four years and the fourth serves a term of two years. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, the appropriation and borrowing of money, the licensing and regulation of business and the trades, and other municipal purposes. The presiding officer is the President who is elected by the Council for a one-year term.



The City of Brecksville's chief executive officer is the Mayor who is elected by the voters for a four-year term. The Mayor appoints, subject to approval of Council, the directors of the City's departments except for the Director of Finance, the Law Director and the Clerk of Council, all of whom are appointed by Council. He is the chief conservator of the peace, oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness and all other instruments to which the municipality is a party. He is the official and ceremonial head of the City. The Mayor is also the Safety Director and presides over the Mayor's Court.

As Mayor serving my eighth consecutive term after being re-elected in the November 2015 general election, I am the only Brecksville mayor to be elected to eight consecutive four-year terms since Brecksville became a village in 1921.

The City's Service Department works hard to respond to the needs of the residents, providing curbside rubbish and recycling collection, street maintenance, snow removal and maintenance of City recreational facilities, among other services. The Department is responsible for an annual, aggressive road repair and maintenance program.

Security of one's person and property is foremost on the minds of our full-time Police Department and Fire Department with full-time paramedic service. Brecksville takes pride in its low crime rate and rapid response by both police and fire units. Our safety departments are constantly updating training, procedures and equipment to provide effective services to our City.

Water service is provided to City residents by the City of Cleveland and sewer services are provided by the Northeast Regional Sewer District. Certain water lines and sewer lines are owned and maintained by the City.

Profile of the City

We're proud of our City's beautiful, safe and uncongested environment. We are a community that is "Building our future with respect for our past," a dynamic idea that combines forward thinking with our Western Reserve heritage which is evident not only in our prevailing architectural style but in our business-friendly philosophy.

Residents have a variety of nearby transportation options. By automobile or by connections through downtown Cleveland on the Regional Transit Authority bus and rail lines, one can reach all areas of Cuyahoga County conveniently. State Routes 21 and 82 bisect Brecksville and there is easy access to interstate highways. I-77 and I-80, which is the Ohio Turnpike, both criss cross Brecksville. I-480, an east-west interstate is just 6 miles north of Brecksville. Amtrak cross-country rail service is available in downtown Cleveland and Hopkins International Airport is located about fifteen miles from Brecksville.

Entertainment abounds just a short distance away for residents of Brecksville. In downtown Cleveland, the Cleveland Browns of the National Football League play in their spectacular First Energy Stadium. Progressive Field is the home of Major League Baseball's Cleveland Indians. The Cleveland Cavaliers of the National Basketball Association, play at Quicken Loans Arena which is also a venue for concerts by major recording artists, the circus, ice shows, and a variety of other professional attractions. Cleveland State University's Wolstein Center is home to the Cleveland State University Vikings and even more concerts and shows. Just a short drive from Brecksville through the Cuyahoga Valley National Park, Blossom Music Center is the summer home of the Cleveland Orchestra and a venue for the biggest music stars touring the planet.

Residents have access to many cultural attractions such as the world-famous Cleveland Orchestra at Severance Hall, The Cleveland Museum of Art, The Great Lakes Science Center and the Rock n' Roll Hall of Fame and Museum. There are unique shopping areas such as Tower City Center and nightlife with dining in the Warehouse District and dining and entertainment on East 4th Street downtown and a concert venue in the "Flats" along the Cuyahoga River. Cleveland's downtown is a center of activity for all ages and just minutes from Brecksville.

Metro Health, Marymount, and Parma Community General Hospitals serve as emergency care facilities for our residents and visitors who require use of our Fire Department's ambulances and staff of professional paramedics and EMTs. The Greater Cleveland area is known worldwide for excellence in health care including the Cleveland Clinic and University Hospitals who supplement health care provided by nearby community hospitals and immediate care centers.

Brecksville's wooded hills and ravines that lace the area help define its neighborhoods. As a result, every resident is close to natural beauty that has always been a hallmark of Brecksville living. Many neighborhoods are located next to the Brecksville Reservation of the Cleveland Metroparks and the 33,000 acre Cuyahoga Valley National Park. Brecksville is unique among Cuyahoga County communities because one-third of the City is park land. Located within the Cuyahoga Valley National Park is the Ohio Canal National Heritage area. The Brecksville Reservation of the Cleveland Metroparks offers 2,500 acres of park land with facilities for picnicking, softball, horseback riding, golf, hiking and cross-country skiing. A paved all-purpose fitness trail offers walking, biking, running or strolling by the beautiful scenery. Two ski areas are close by. Brecksville was named a Tree City USA for the 23rd consecutive year in 2017.

Housing in Brecksville offers a mix of sizes, styles and price ranges with colonial and Western Reserve styles predominating. Despite its proximity to major metropolitan attractions, Brecksville maintains its quiet, suburban environment. Retail shopping is concentrated downtown near the Square, and shopping malls in nearby communities complement local merchants.

The City of Brecksville provides many programs for all ages through its Recreation Department. Baseball, basketball, volleyball, swimming, golf, tennis, spinning and exercise classes, crafts and day camps are just some of the many programs for family fun, fitness and recreation. Recreational facilities include the 185 acre Blossom Hill recreational area with its gymnasium, playground, pavilion, baseball fields, comfort station, and a state of the art artificial turf soccer and lacrosse field. At City Hall there are three lighted baseball fields and three lighted tennis courts. The 65,000 square foot Community Center houses the Recreation Department as well as a field house, indoor pool, outdoor children's pool, elevated running track, youth game room, large cardio-vascular room and a large weight room, whirlpool spa, saunas and a dividable community room with facilities for meetings and catering.

Brecksville's, 46,000 square foot Human Services Center attracts children less than one year old to folks in their 90s. The second floor of the beautiful building houses the Community Center's vast cardio-vascular fitness section. Headquartered in the Human Services Center is the Department of Human Services which maintains many programs including snow removal and a food bank for low income seniors. It coordinates the local Meals on Wheels program and provides free blood pressure screenings. The Human Services Center has a 30 by 50 foot warm water therapy exercise pool on the lower level and a full service kitchen with an accompanying large gathering area seating 125. The serene Kay Broughton center courtyard complete with tables, benches, and fountain, provide the opportunity for quiet book reading or a lively game of cards surrounded by beautiful plantings.

A quality education for our children is provided by the Brecksville-Broadview Heights City School District. For more than a decade, School Match, a national consulting firm, has ranked the School District in the top ten percent of all school districts in the nation. The Brecksville-Broadview Heights City School District has received the highest possible rating on the State-mandated District Report Card since its debut in 2000. The High School Girls Gymnastics Team won its 17th state championship and 14th in a row in 2017. Brecksville is also home to the Cuyahoga Valley Career Center which is the area's vocational school for high school students and additionally provides a multitude of adult education programs for area residents.

Economic Development

The City of Brecksville is a business advocate and a connector. We help companies navigate site relocation and retention by uniting all the necessary elements to assure that Brecksville is an ultimate business destination. Some of the projects we have been overseeing include:

The 103 acre Veterans Administration hospital (VA) property at Miller and Brecksville Roads closed its doors effective November 1, 2012. The City has been working with the Veterans Administration to evaluate the property and facilitate transfer of ownership to the City. The City is very excited about the potential for this property as it is both strategically located to area transportation and faces Route 21 with abundant frontage. The City is in talks with a developer for both remediation and marketing of the property. The City received title for the land in early March of 2018.

The largest economic development project to date was entered in to with Metro Health System. They are a hospital and health provider system under Cuyahoga County with numerous locations around northeast Ohio. The facility opened with construction of the ambulatory health center complete on the approximately 21 acres near the intersection of State Routes 77 and 82. Phase I includes 65,000 square feet of emergency room, diagnostic and laboratory facilities, medical office space, and a helicopter pad. Phase II encompasses an additional 45,000 square feet of facilities. Ancillary businesses are anticipated to build around this facility in the coming years.

Lubrizol Advanced Materials, Incorporated is one of Brecksville's largest and most established employers. They are a technology-driven global company who combines complex specialty chemicals to optimize their products while reducing environmental impact. Products include advanced specialty polymers, polymer-based additives, and chemical additives used in everyday consumer and industrial applications. Lubrizol agreed to commence six phases of renovations totaling 100,000 square feet to be completed in three years starting in 2015. This expansion is expected to create 108 new jobs in Brecksville.

Two of our most successful economic development agreements to date are ones entered into with PNC Bank and Cross Country Mortgage. In 2004, the City entered into an agreement with National City Corporation which was later purchased by PNC Bank. This agreement provided for facility expansion at their Miller Road location. Since its implementation PNC has far surpassed its contract requirements of income tax withholding often doubling and more recently tripling the amount. Another company that has far surpassed its income tax contract requirements is Cross Country Mortgage. Their agreement called for the moving of their operations from other locations to the City which they did in 2010. Since that time, they have proven to be a very successful business and a strong asset for the City. We anticipate both of these companies to have strong growth in Brecksville in the coming years.

Another business success story is Caruso Coffee. The company engages in specialty coffee roasting and sales distribution. The City entered into an initial agreement with the company in 2007. Since that time, Caruso's had grown to the point where they required a second building. The City entered into a second agreement with them in 2017 through a \$160,000 economic incentive to purchase an additional building. The City continues to reap the benefits of their on-going expansion.

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

Accomplishments

The City is very pleased that Moody's Investors Services continues to rate our City a bond rating of Aaa. This is the highest gradation of credit worthiness, which attests to our strong economic health and prudent fiscal management.

The City of Brecksville's Finance Department was proud to receive its 27th consecutive, Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2016. It was also the 11th year that the Finance Department produced its award winning Popular Annual Financial Report. In addition, the City received the Ohio Auditor of State Award with Distinction for its annual financial reports for 2016. This award is given to entities that file an annual CAFR and timely financial reports as well as receive a "clean" audit report.

The Fire Department received a \$40,000 Safety Intervention grant from the Ohio Bureau of Workers' Compensation. With these funds they were able to purchase a PowerLOAD Lift System, a Power Pro Ambulance Cot, and a Power Hose Roller.

The Fire Department also received a \$175,365 grant from the Department of Homeland Security. This grant was used to purchase self-contained breathing units, masks, bottles, and a compressor.

The Service Department received a \$25,000 Tree Canopy grant from the Ohio Department of Natural Resources. This grant is designed to reduce urban run-off and is used by the City to replace and plant trees in the City right-of-ways.

Architectural design of the City's proposed aquatics facility was ongoing through the year. Several meetings were held to review the various design features and obtain feedback from the various interested parties including the administration, Recreation Commission and citizens. It is anticipated that the design will be finalized in the spring of 2018, with bidding of the project to follow shortly thereafter.

The City broke ground on its new police station. After years of planning, an architectural design was approved and a construction contract was entered in to with Panzica Construction. This new station of almost 29,000 square feet will contain up-to-date work areas for our police officers, a safe room, and a shooting range. In addition, a completely separate area is being built to house a dispatch center. This center is being built with capacity to contain dispatch services for up to twelve cities. Work continues on the station with an estimated completion date of October of 2018.

The City entered into an agreement with the cities of Broadview Heights, Independence, and Seven Hills to create the Cuyahoga Valley Council of Governments. The purpose of the Council shall be to foster cooperation among the members in all areas of municipal service. This shall include seeking effective and efficient solutions to common issues faced by the members. The first order of business was to implement the Cuyahoga Valley Emergency Dispatch Center, which is to be housed in the City of Brecksville's new dispatch center. The group agreed to become members of the Chagrin Valley Dispatch Center, an established group of twelve cities currently sharing dispatch services. By joining the Chagrin Valley Dispatch center, the Cuyahoga Valley Council of Governments will obtain access to technological and operational knowledge of an established dispatch center.

Storm drainage projects completed in 2017 include Valleybrook water mitigation in partnership with the Ohio Turnpike Commission, Riverview Road Culvert replacement with National Park grant funds, and Amber Lane culvert improvement with Cuyahoga County district 13 funds. Sanitary sewer projects completed during the year include Hickory Ridge storm repair, Whitewood and Meadow aerial sewer, and Old Quarry/Hemlock, Monticello and Bradford Village pump stations, all reimbursed with district 13 funds.

Over \$380,000 was spent on the Chippewa Creek Bridge. This bridge located north of Route 82 on Route 21 handles major traffic in the City. Extensive repairs were made to the bridge and the adjoining sidewalk area.

The City entered into a contract for the repair and restoration of the Community Center cupola and clock tower. The project, costing around \$300,000, will be complete in the spring of 2018. Other building projects in 2017 were electrical and lighting upgrades at Old Town Hall and boiler replacements at the Community Center. The fire station received major work including roof replacement, slab flooring and underground plumbing, new doors and new hose tower.

2018 Priorities:

- Completion and occupancy of the new police station. Discussion and design of remodel of City Hall will continue. Space currently used by the Police Department will be available for repurpose and renovation and will allow for the reconfiguration of all of City Hall.
- \$675,000 in sanitary sewer projects and \$30,000 in storm drainage projects have been budgeted for 2018 as part of the City's on-going commitment to improving infrastructure. In addition, watermain replacement will be performed on Route 21 between Parkview and Miller. The estimated \$750,000 cost to perform this project will be reimbursed by Cleveland Water Department Urban Watermain Renewal Program.
- The City has received an Ohio Department of Transportation Urban Paving grant totaling over \$1.2 million toward reconstruction of State Route 82. This project, slated to cost over \$4 million, includes a complete reconstruction of State Route 82 from Brecksville Road to the City's west corporation line. Construction was completed in the west bound lane in 2017 and completion of the east bound lane will occur in spring 2018.
- Engineering is being prepared for the reconstruction of ballfields A, B, and C behind City Hall. Upgrades will include new fencing and drainage. Additionally, a comfort station is being built on the site by the Service Department.
- In co-ordination with the Cuyahoga County Planning Commission, the City is embarking on the update of its master plan. A committee of business, resident, and City representatives has been selected, and meetings held, to evaluate and match the needs of the City going forward in to the future with its available and attainable assets. Information gathering will include the mailing of a prepared survey to a random sample of 1,400 households in Brecksville. Questions included in the survey cover community strengths, challenges, needs, services, and issues.
- The City's Safety Town facility is to be relocated to Blossom Hill. A complete redesign of the layout and structures has been created. Construction will be provided by the Service Department and Police Department and community donations have been received.

- The City continues to review the intersection of Interstate 77 interchange and Miller Road along with a widening of Miller Road. Conceptual plans are being prepared. This area has long been targeted for improvements as it will provide greater access to land designated for future economic development.
- The City has entered into a contract for roofing material and installation services totaling over \$500,000. This contract is for removal and replacement of the existing roof on the Community Center. This project has been long in the planning and is anticipated to be completed before summer of 2018.

Long-Term Financial Planning

As part of the annual budget process, the Mayor and City Council review five year capital budget projections. Based on these estimates, financial strategies are developed to maximize services supplied and infrastructure improvements desired. This budget is modified regularly as new projects present themselves and priorities change.

The City continues to adhere to a pay as you go philosophy as it relates to small projects and equipment purchases. By only borrowing for large projects and keeping debt levels low, it provides the City the opportunity to borrow in low interest environments. In 2017, the City issued \$8,000,000 in 20 year bonds to provide funding for the new police station combined with an additional \$1,980,000 to pay off the stadium drive service garage notes.

City Council adopted an Ordinance decreasing the City's income tax credit from 100 percent to 87.5 percent on 2 percent of withholding effective the first of 2015. These added dollars have accumulated to over \$3 million at the end of 2017. These additional funds supplement the cost of operating our fire rescue ambulance service and provide dollars for expanding our aquatics facilities. This recommendation came after studying several other options which led to this being the most appropriate. The credit reduction is set to expire at the earliest of ten years or three consecutive years of income tax receipts over \$18,000,000.

In 2016, a recreation facilities expansion fund was created to accumulate resources from income tax revenue, transfers or any other means for the purpose of acquiring, constructing, or improving recreation facilities. In the short term, this means financing for a new aquatics facility. At the end of 2017, there was \$1.3 million in the fund.

Relevant Financial Policies

By City ordinance, \$2,520,000 of total income tax proceeds are credited to the following capital projects funds: \$960,000 to the general municipal improvement fund, \$1,200,000 to the buildings and improvements fund, and \$360,000 to the road improvements fund. The remainder is credited to the general fund. In the 2018 budget, the amount of income tax proceeds credited to the building and improvements fund was increased to \$1,700,000 annually for total capital credits of \$3,020,000.

There are also ordinances in place to allocate 25 percent of all building permit fees collected into the recreation expansion fund along with corporate membership fees designated specifically for community center improvements. Sanitary sewer tap-in, septic conversion, and sanitary repair fees are deposited into the public utility improvement fund and used for utility services.

An ordinance is also in place to allocate water connection permit fees to the water system maintenance and repair fund and the water system bond retirement fund based on a legislated schedule. These funds shall be used for future improvements of the City's water distribution system and any necessary debt funding thereof.

The compensated absence, workers compensation, and hospitalization funds are all used to accumulate funds which can be used during times of higher expenditures or lower revenues. They are designed to smooth cash inflows and outflows in other operating funds. On a generally accepted accounting principles (GAAP) basis, the workers' compensation fund was allocated back into funds which contributed to it. The compensated absences fund was a part of the general fund on a GAAP basis. On a GAAP basis, the hospitalization fund is presented as an internal service.

Awards and Acknowledgements

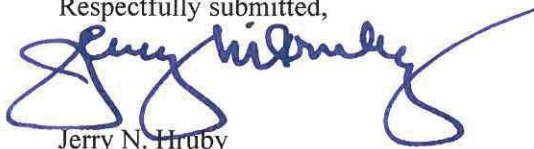
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The City of Brecksville received this honor for its Comprehensive Annual Financial Report for the year ended December 31, 2016. A Certificate of Achievement is valid for a period of one year only. The City of Brecksville believes the current report conforms to the Certificate of Achievement Program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors but especially to those employees in the Department of Finance who have spent their time and energy on various parts of the project and to Local Government Services for their assistance in helping the City prepare this report in conformity with generally accepted accounting principles (GAAP) and the requirements of the Government Finance Officers Association.

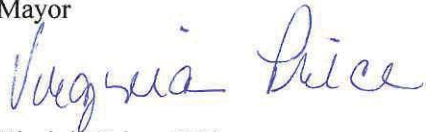
In addition, we would like to thank Brecksville City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

In closing, we would like to thank the residents and taxpayers of the City of Brecksville for entrusting us with the administration of their local government.

Respectfully submitted,



Jerry N. Hruby
Mayor



Virginia Price, CPA
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Brecksville
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

City of Brecksville, Ohio

City Officials

ELECTED OFFICIALS

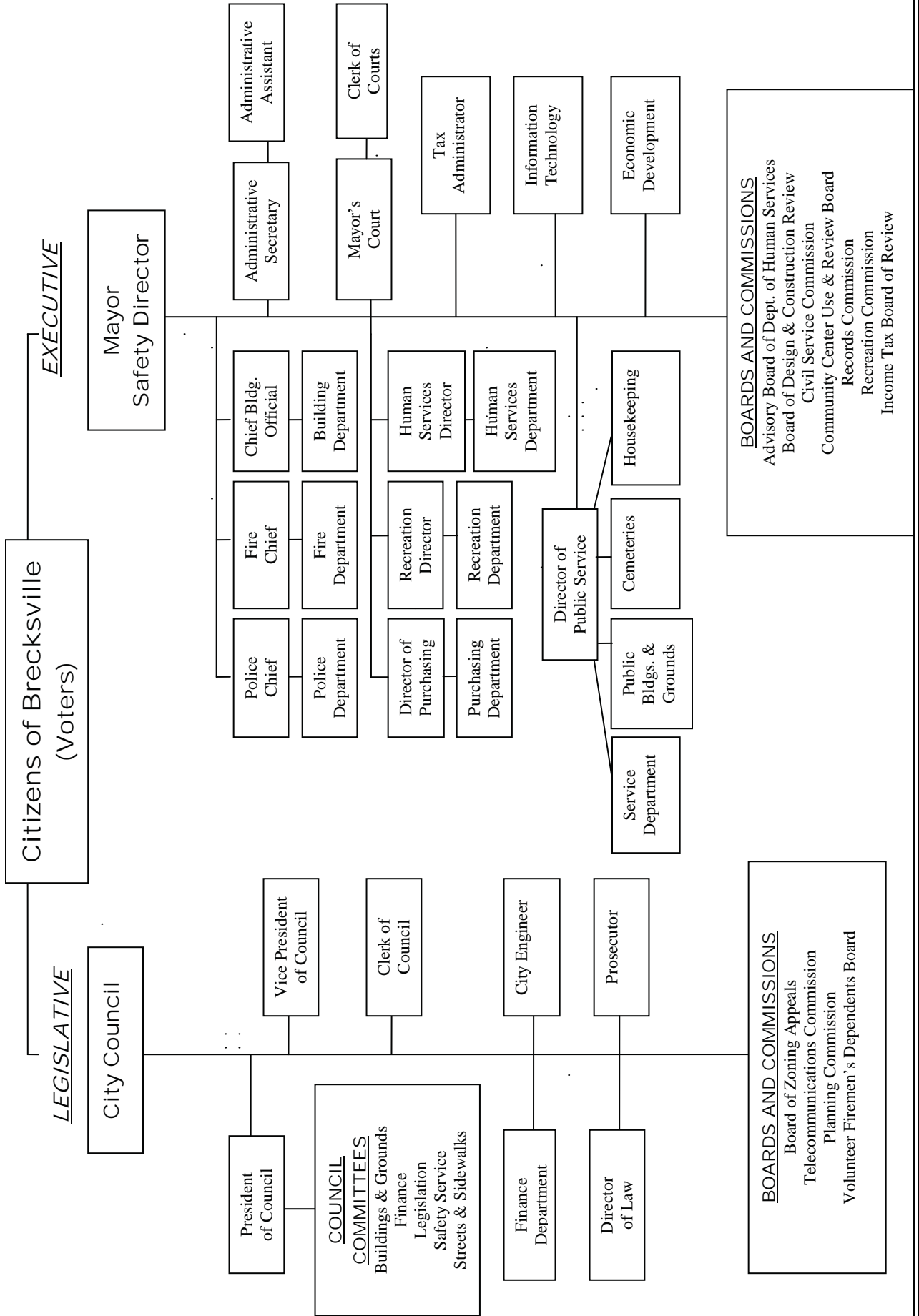
Mayor-Safety Director.....Jerry N. Hruby
President of Council.....Gregory Skaljac (1)
Vice-President of Council.....Michael T. Harwood (2)
Council Member.....Gerald F. Broski
Council Member.....Louis N. Carouse
Council Member.....Kimberly A. Veras
Council Member.....Nora L. Murphy (1) *
Council Member.....Laura Redinger (2) *

APPOINTED OFFICIALS

Director of Finance.....Virginia Price (3)
Police Chief.....William Goodrich
Fire Chief.....Nikola Zamiska
Service Director.....Jerry N. Hruby
Director of Purchasing.....Rebecca Riser
Chief Building Official.....Scott Packard
Clerk of Courts.....Shelley Kazimore
Director of Recreation.....Thomas Tupa
Director of Law.....David J. Matty
ProsecutorSergio I. Digeronimo
City Engineer.....Gerald M. Wise
Clerk of Council.....Tammy Tabor
Director of Human Services.....Steven L. Paciorek

- (1) This President of Council and this Council Member were replaced effective January 1, 2018.
- (2) This Vice-President of Council replaced this President of Council and this Council Member replaced this Vice-President of Council effective January 1, 2018.
- * These two Council Member seats are now occupied by Jack Petsche and Dennis R. Rose.
- (3) The Director of Finance retired effective March 31, 2018, and was replaced by Laura Starosta.

CITY OF BRECKSVILLE, OHIO ORGANIZATIONAL CHART



(This Page Intentionally Left Blank)



1 Fire department personnel performing a rope rescue at an extremely steep angle in the Gorge. **2** It's not just about putting out fires, responding to medical emergencies, or rescuing cats from trees...here the fire department is conducting their annual rescue training in the park. **3** Brecksville Fire houses the regional water rescue team equipment that serves 19 communities as part of the Southwest Council of Governments and conducts training on a monthly basis as pictured here. **4** In 2017, the Brecksville Fire Department acquired a new lifting bag rescue system to assist with extricating patients who are trapped in vehicles and other machinery. This photo details the extensive training conducted by the department to ensure proper tool application in the most effective manner.

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Brecksville
Brecksville, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Fire Department for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

March 26, 2018

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The discussion and analysis of the City of Brecksville's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- The assets and deferred outflows of resources of the City of Brecksville exceeded its liabilities and deferred inflows of resources by \$83,915,777. This is an increase of \$702,359 from last year's net position. Of this amount, \$5,383,289 is available to use to meet the government's ongoing obligations to citizens and creditors.
- The City's return on assets was 0.54 percent. The return is consistently low as total assets increased from the prior year by \$14,275,270.
- Total costs of all City services were \$27,699,736 in 2017, an increase of \$2,548,693 from 2016. The increase (10.13 percent) can be attributed to normal cost of operations increase.
- Total liabilities increased by \$14,148,093 from 2016. This increase is mostly due to the issuance of new notes and bonds.
- Total capital assets increased by \$4,150,810 from 2016. While the City continues to invest heavily in storm water and sanitary sewer projects, the largest capital spending in 2017 was for buildings and improvements. The most significant investment was in the new Police Station, followed by major repairs to the Fire Station, and a boiler replacement at the Community Center. Road improvements were secondary in capital spending in 2017, led by the Route 82 reconstruction project. The City strives to keep its vehicles and equipment up to date and in good condition. In 2017, the City spent almost a million dollars toward that end.
- The cash balance at the end of 2017, in the general fund of \$6,598,264, represents 144 days of operating expenditures for the City and is a reflection of its on-going viability and its desire to protect the ability to provide future services.

Using This Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City of Brecksville as a financial whole or as an entire operating entity. The statements provide a detailed look at the City's specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Reporting the City of Brecksville as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2017?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

The statement of net position and the statement of activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning of Year and Year's End

Reporting the City of Brecksville's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City of Brecksville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The presentation of the City's major funds begins on page 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds, which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Brecksville, the major funds are the general, fire department, special assessment bond retirement, general municipal improvement, buildings and improvements, road improvements and police station building.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year-end available for future spending. Our funds are reported using the modified

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

accrual accounting method. The modified accrual method measures cash and all other financial assets expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps determine the level of financial resources that can be spent in the near future on residential services. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term 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 the comparison between governmental funds and governmental activities.

Proprietary Fund The City maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service fund accounts for medical and prescription drug self insurance. The proprietary fund uses the accrual basis of accounting.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds use the accrual basis of accounting.

The City of Brecksville as a Whole

Recall that the statement of net position pictures the City as a whole. Table 1 provides a summary of the City's net position for 2017 compared to 2016.

Table 1
Net Position

	Governmental Activities		
	2017	2016	Change
Assets			
Current and Other Assets	\$41,274,002	\$31,149,542	\$10,124,460
Capital Assets, Net	87,910,839	83,760,029	4,150,810
<i>Total Assets</i>	<u>129,184,841</u>	<u>114,909,571</u>	<u>14,275,270</u>
Deferred Outflows of Resources			
Pension	6,223,605	5,813,857	409,748
Deferred Charge on Refunding	183,447	213,557	(30,110)
<i>Total Deferred Outflows of Resources</i>	<u>6,407,052</u>	<u>6,027,414</u>	<u>379,638</u>
Liabilities			
Current and Other Liabilities	7,062,255	4,297,323	(2,764,932)
Long-Term Liabilities			
Due Within One Year	1,519,996	1,358,280	(161,716)
Due in More Than One Year:			
Net Pension Liability	21,804,326	19,243,068	(2,561,258)
Other Amounts	16,641,482	7,981,295	(8,660,187)
<i>Total Liabilities</i>	<u>\$47,028,059</u>	<u>\$32,879,966</u>	<u>(\$14,148,093)</u>

(continued)

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 1
Net Position (continued)

	Governmental Activities		
	2017	2016	Change
Deferred Inflows of Resources			
Pension	\$384,589	\$586,100	\$201,511
Property Taxes	4,263,468	4,257,501	(5,967)
<i>Total Deferred Inflows of Resources</i>	<u>4,648,057</u>	<u>4,843,601</u>	<u>195,544</u>
Net Position			
Net Investment in Capital Assets	65,981,738	73,353,987	(7,372,249)
Restricted for:			
Capital Projects	7,843,753	590,944	7,252,809
Debt Service	2,771,399	3,474,178	(702,779)
Other Purposes	1,935,598	1,986,155	(50,557)
Unrestricted	5,383,289	3,808,154	1,575,135
<i>Total Net Position</i>	<u>\$83,915,777</u>	<u>\$83,213,418</u>	<u>\$702,359</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For reasons discussed that follow, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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. As explained previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

Net position may serve as a useful indicator of a government's financial position over time. In the case of the City of Brecksville, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$83,915,777 at year-end 2017. By far the largest portion of the City of Brecksville's net position (78.63 percent) is its investment in capital assets including land, buildings, streets, water lines, storm water lines, and machinery net of related debt. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Brecksville's investment in its 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 sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's net position increased during the current year. Net position increased mainly due to additions to construction in progress, buildings and improvements and machinery and equipment capital assets. There was also a large rise in equity in pooled cash and cash equivalent due to notes and bonds proceeds, which was offset by the increase in notes payable and long-term liabilities from the new debt. At the end of 2017, the City's total liabilities to net position ratio was 56.04 percent.

The City carefully invests its cash and equivalents in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. The Investment Board, which consists of the Mayor, Finance Director, and Law Director, pay close attention to daily interest rates and long-term financial trends. The City realized \$286,340 in interest revenue. 2017's interest revenue is \$126,552 more than 2016's and is a result of slightly higher interest rates in 2017, and larger investment balances.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Table 2 shows the changes in net position for the year ended December 31, 2017 compared to 2016.

Table 2
Changes in Net Position

	Governmental Activities		
	2017	2016	Change
Program Revenues			
Charges for Services and Operating Assessments	\$2,257,189	\$2,418,694	(\$161,505)
Operating Grants and Contributions	1,066,331	1,053,641	12,690
Capital Grants and Contributions	1,594,756	1,271,409	323,347
<i>Total Program Revenues</i>	<u>4,918,276</u>	<u>4,743,744</u>	<u>174,532</u>
General Revenues			
Property Taxes	4,398,951	4,190,013	208,938
Income Taxes	17,620,950	19,257,227	(1,636,277)
Grants and Entitlements	519,469	434,179	85,290
Investment Earnings	286,340	159,788	126,552
Gain on Sale of Capital Assets	4,383	65,078	(60,695)
Other	653,726	450,162	203,564
<i>Total General Revenues</i>	<u>23,483,819</u>	<u>24,556,447</u>	<u>(1,072,628)</u>
<i>Total Revenues</i>	<u>28,402,095</u>	<u>29,300,191</u>	<u>(898,096)</u>
Program Expenses			
General Government:			
Legislative and Executive	6,962,354	6,569,538	(392,816)
Judicial	160,528	139,516	(21,012)
Public Safety:			
Police	5,487,502	5,028,825	(458,677)
Fire	2,842,061	2,761,668	(80,393)
Public Health and Social Services	1,345,241	1,206,467	(138,774)
Street Construction, Maintenance, and Repair	4,212,835	3,860,763	(352,072)
Housing and Community Development	1,139,785	852,380	(287,405)
Basic Utility Services	2,799,212	2,260,630	(538,582)
Recreational Activities	2,362,129	2,173,693	(188,436)
Interest and Fiscal Charges	388,089	297,563	(90,526)
<i>Total Program Expenses</i>	<u>27,699,736</u>	<u>25,151,043</u>	<u>(2,548,693)</u>
<i>Change in Net Position</i>	702,359	4,149,148	(3,446,789)
Net Position Beginning of Year	<u>83,213,418</u>	<u>79,064,270</u>	<u>4,149,148</u>
Net Position End of Year	<u>\$83,915,777</u>	<u>\$83,213,418</u>	<u>\$702,359</u>

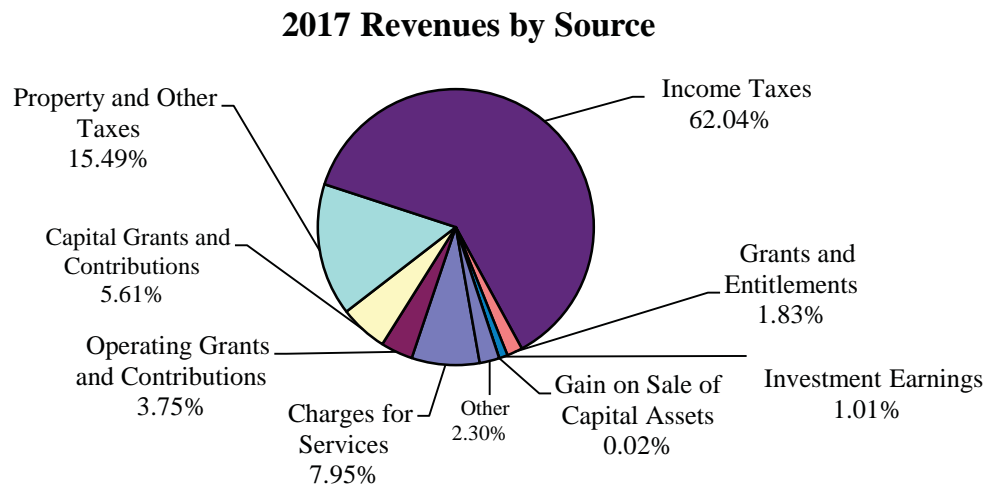
City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with City income tax being the largest contributor. The income tax rate of 2 percent was created by City Charter and became effective January 1990. This tax created by Charter amendment will remain until such time as the City's electorate changes the rate, which is not anticipated. The income tax revenue amount for 2017 was \$17,620,950, which is \$1,636,277 (8.5 percent) below the 2016 total. This decrease can be attributed to two primary factors. The first was the timing of collection of the reduction of credit for taxes paid to other cities from 100 percent to 87.5 percent. Effective in 2015, the City implemented the change in credit to provide for additional revenue to help support the Fire Department whose property tax income has been decreasing for the last ten years as a result of stagnant assessed property valuations and reductions in State funding. The balance of the new revenue is intended for future capital projects. Because the reduced credit was effective for 2015, the implementation effect created large collections in 2016, which then fell to normal collections in 2017. Secondly, the State of Ohio legislated change in tax due dates causing taxes that normally would have been collected in 2017 to shift to 2016.

In 2017, City income tax revenue of \$2,520,000 per year is earmarked for specific City improvements. \$80,000 per month, or \$960,000 per year, is allocated toward general municipal improvements. \$100,000 per month, or \$1,200,000 per year, is allocated toward building improvements. \$30,000 per month, or \$360,000 per year, is part of the funding designated for road improvements. In 2018, the building improvements fund increased to \$141,667 per month, or \$1,700,000 per year. These revenues are allocated by ordinance of City Council providing that a substantial portion of our income tax collections is designated for roads, City facilities and capital needs.

Of the \$28,402,095 in total revenue, the following is the portion provided by each revenue source:



Typically, property tax is the City's second largest revenue source, which was true for 2017. The City recognized an increase of \$208,938 in property tax collections in 2017. Property values have fluctuated very slightly in the past several years, keeping property tax revenue stable. In the next few years we anticipate a steady increase in valuations as corporate renovation and expansion are recognized, and as several housing developments become populated with new homes. No new special assessments were levied in 2017.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Public safety, including the police and fire departments, accounted for program expenses of \$8,329,563. Our police department continues to improve their equipment to better serve our community and at the same time provide extra safety for our officers. We continue to strive to provide better police and fire service at a lower cost per man-hour.

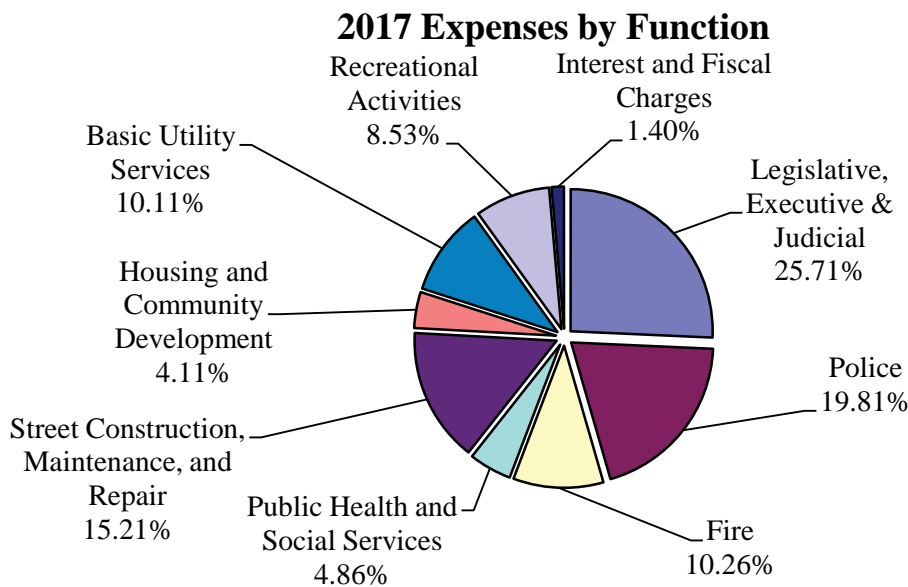
The fire department is funded through Charter levy millage. The majority of operating costs for maintaining the fire department 24 hours a day, 7 days a week are financed with this millage. In 2017, the fire department also received a \$450,000 transfer in from the general fund. As indicated previously, this became necessary as stagnant property tax collections and elimination of State intergovernmental revenue sources over the past several years depleted its reserves and required an infusion of cash to maintain its operation level. Billing for ambulance services provides additional stable funding designated for the purchase of fire equipment.

The City's on-going commitment to infrastructure maintenance is reflected in the \$2,799,212 spent on utilities and \$4,212,835 spent on street construction and preservation. Combined, these two City services account for 25.31 percent of City expenses. Services provided by these activities include garbage removal, recycling, leaf pick-up, storm drainage, snow removal, street maintenance and vehicle upkeep.

Public health and social services expenses include charges for county health programs, cemetery maintenance, and the human service department. There was an increase in this expense between 2016 and 2017 due to overall operating increases in the human services department.

Costs contained within the legislative category include all administrative, legal, economic development, engineering and income tax collection costs. The legislative category also contains all costs associated with maintenance of City land and buildings as well as major supplies such as gasoline and utility costs.

Total program expenses for 2017 by function are as follows:



City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The City's Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of \$29,136,573 and expenditures of \$31,101,070. The most significant fund is our general fund with an unassigned fund balance at year-end of \$5,563,611. With annual operating expenditures of \$16,718,421 and operating revenues of \$19,466,915, the general fund experienced operating gains of \$2,748,494. The fund realized a net decrease of \$16,005 after other financing sources and uses were factored in.

Another significant fund is the fire department fund with revenues of \$2,060,126 and expenditures of \$2,513,340, resulting in an operating deficit of \$453,214 in fund balance before transfers. Its primary revenue source, property tax, had a slight increase in 2017. Although expenditures were only slightly higher than 2016, the fire department fund, for the fifth year in a row, required a transfer in from the general fund.

The City has five other funds presented as major funds. These five funds are the special assessment bond retirement fund, the general municipal improvement fund, the buildings and improvements fund, the road improvements fund and the police station building fund. Special assessment collections were outpaced by debt service expenses by \$111,399, but due to previous year's early assessment payoffs, the fund ended with an ample \$85,486 balance in the special assessment bond retirement fund. The general municipal improvement fund had transfers out to other funds in the amount of \$349,380, and an ending balance of \$1,274,739. The buildings and improvements fund balance was increased by \$1,653,187 due to bonds being issued. The income tax revenue received by the road improvements fund was utilized for the City's road repair program during 2017. The police station building fund balance was increased by \$6,273,330 due to bond proceeds, offset by the construction costs of the building.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of 2017, the City amended its general fund budget several times. The final budgeted revenues were \$268,112 higher than original budgeted revenues because the City prefers to take a conservative approach in original budgeting for its revenue projections and make necessary revisions after actual revenues become known. Actual expenditures were well below both original and final appropriations due to the City's conservative approach to budgeting. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The general fund supports many of our major activities including the police department, recreation department, and most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Capital Assets and Debt Administration

Capital Assets

Table 3
 Capital Assets at Year-End

	Governmental Activities	
	2017	2016
Land	\$7,460,576	\$7,460,576
Construction in Progress	6,376,005	3,631,755
Land Improvements	2,400,649	2,235,988
Buildings and Improvements	22,312,844	21,977,952
Machinery and Equipment	6,244,670	6,282,769
Furniture and Fixtures	183,904	186,563
Infrastructure	42,932,191	41,984,426
Total Capital Assets	\$87,910,839	\$83,760,029

Total capital assets, net of depreciation, increased \$4,150,810 from 2016. Numerous projects that had been recorded as construction in progress in prior years were completed during 2017, including Hemlock pump station quarry, Riverview Road culvert, post office parking lot, concrete floor and trench drain at the fire station old bay, Chippewa Creek bridge repair and Ford utility interceptor. There were also large additions to construction in progress for the current year, including the police station and State Route 82.

The City is committed to a long-term goal of rebuilding its infrastructure and facilities. We have a five year capital plan in place providing for rebuilding major residential streets, water, sewer and storm sewer lines. The five year plan also includes adding additional facilities to complement our current structures and updating our current structures to improve their integrity and usefulness. Use of grants and loans, as well as short-term notes and long-term bonds, enable the City to improve its capital assets, and at the same time, maintain our fund levels. See Note 10 for additional information on the City's capital assets.

Debt

As of December 31, 2017, the City of Brecksville had the following bonds, notes, and loans outstanding:

Table 4
 Outstanding Debt at Year End

	Governmental Activities	
	2017	2016
General Obligation Bonds	\$14,346,178	\$5,067,679
Special Assessment Bonds	2,454,031	2,907,837
Notes	4,116,135	2,002,685
OPWC Loans	371,281	424,885
Total	\$21,287,625	\$10,403,086

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The general obligation bond retirement bonds are composed of a 2017 Police Facility Project Bond for \$7,921,406, a 2017 Service Center Garage Bond for \$1,965,332, a 2015 Refunding Tree Farm Property Bond for \$2,065,000 and a Human Services Facility Refunding Bond of \$2,394,440.

The special assessment bonds consist of Southpointe Parkway, Service Road Sewer and Water, Four Seasons Sewer and Water, Route 21/Hilton/Whitewood Sewer and Storm, Katherine Boulevard Improvements, and Riverview Road Sewer. Principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer.

During 2017, the City issued notes in the anticipation of bonds for the improvement to State Route 82. The Ohio Public Works Commission (OPWC) loans are paid semi-annually and will be paid in full in the year 2033.

The City's overall debt increased in 2017 as the result of an increase in the City's new general obligation bonds and notes payable. The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2017 was \$63.44 million. The aggregated outstanding debt subject to the five and one half percent limitation is \$18.42 million. The difference of \$45.02 million between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation. See Notes 15 and 16 for additional information on the City's debt.

Current Financial Related Activities

The City of Brecksville continues to remain financially strong. Economic development agreements entered into in previous years are proving fruitful as indicated by our increasing income tax revenue. Our agreement with Metro Health Systems is under way as their facility opened in summer of 2016, at which time the City realized a steady new income tax stream. Due to our increased income tax we are able to support our Fire Department without asking for additional property tax. The additional cash balances allow us to take advantage of any other economic development opportunities that may arise.

In order to help support operations and provide for capital investment, the City actively pursues grant opportunities. Annually, the City receives support for safety training, law enforcement, drug prevention, recycling promotion, safety equipment, and tree planting. In addition, some funding for large capital projects comes in the form of grants and loans from various agencies. Having capital funds in reserve to be able to meet matching grant requirements has proven to be a winning philosophy for the City and has allowed for improvement of streets, storm drainage systems, bridges, retaining walls, water and sewer lines, and recreation facilities.

Another method used by the City to reduce costs is to cooperate with neighboring communities in the purchase of commodity items such as salt and asphalt. Research and communication with neighboring communities creates opportunities to negotiate lower pricing on electric and gas services. Cooperative agreements have been entered into for sharing equipment, joint training, and back up services when in need. The Service Department continues to perform many functions in house that are typically outsourced; which not only provides excellent service, but also saves money.

The City has entered into an agreement with a neighboring city to provide building inspection services for them. Brecksville collects a fee for the service and the neighboring community saves money by not having to hire their own employee. In 2017, the City entered into an agreement with three other area cities to create the Cuyahoga Valley Council of Government (COG). This COG will be used to consolidate dispatch services for the four cities into the new police station and has the capacity for additional cities to join. Also, the COG will be used to share jail services and other community services, which lend itself to consolidation.

City of Brecksville
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

For many years the City has reduced its health care costs by operating a self-funded insurance program and aggressively shopping our benefits. The City continues to maintain a health care cost committee comprised of representatives from all departments to address the issue of rising health care and develop strategies to minimize increases.

The City monitors its fund balances, particularly the general fund, to ensure that adequate balances are in place to safeguard future years. In particular, the general fund balance is compared to forty-five percent of the previous year's expenses in accordance with rating agency standards. Annual budgeting is prepared using very conservative estimates. Using this methodology has allowed the City to maintain safe fund balances and have funds available for unanticipated expenses or revenue downturns. This fiscally moderate management style has also allowed the City to continue to provide excellent services without any increase in property tax rates.

The Mayor, City Council, and the Finance Director work extremely hard at keeping our debt low. We plan our finances so that we can pay cash for many of the facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain our level of services. Since 2001, the City of Brecksville has enjoyed a Moody's Investors Service bond rating of Aa1. In 2010, Moody's recalibrated their rating criteria to level the ratings between government and private ratings. The result of this recalibration is that Brecksville's bond rating was increased to Aaa. This rating places Brecksville at an elite level of government ratings.

The City has received the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence since 1990, the year of our first Comprehensive Annual Financial Report. The City has prepared a Popular Annual Financial Report (PAFR) since 2006. The financial information for this report is taken from the Comprehensive Annual Financial Report and condensed into a ten page, reader friendly financial publication. The PAFR has been submitted to the GFOA annually and has received an Award for Outstanding Achievement each year. Our commitment to our residents has always been one of full disclosure of the financial position of the City and work to make that information available to them. The City's website www.brecksville.oh.us contains the CAFR and PAFR, as well as other financial information related to revenue, expenditures, and property and income tax.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and demonstrate the City's accountability for all money it receives, spends, and invests. Please direct any questions about this report or financial information inquiries to Finance Director Laura Starosta, City of Brecksville, 9069 Brecksville Road, Brecksville, Ohio 44141, email lstarosta@brecksville.oh.us or telephone 440-526-4351.

City of Brecksville, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$26,797,111
Cash and Cash Equivalents in Segregated Accounts	94,609
Materials and Supplies Inventory	333,914
Accounts Receivable	97,592
Accrued Interest Receivable	80,107
Intergovernmental Receivable	1,206,201
Prepaid Items	303,626
Municipal Income Taxes Receivable	4,993,471
Property Taxes Receivable	4,515,160
Special Assessments Receivable	2,715,111
Assets Held for Resale	137,100
Nondepreciable Capital Assets	13,836,581
Depreciable Capital Assets, Net	74,074,258
<i>Total Assets</i>	129,184,841
Deferred Outflows of Resources	
Pension	6,223,605
Deferred Charge on Refunding	183,447
<i>Total Deferred Outflows of Resources</i>	6,407,052
Liabilities	
Accounts Payable	224,166
Contracts Payable	1,192,688
Retainage Payable	226,032
Accrued Wages	529,775
Intergovernmental Payable	105,730
Matured Compensated Absences Payable	13,592
Accrued Interest Payable	44,315
Claims Payable	204,791
Notes Payable	4,116,135
Vacation Benefits Payable	405,031
Long-Term Liabilities:	
Due Within One Year	1,519,996
Due In More Than One Year:	
Net Pension Liability (See Note 11)	21,804,326
Other Amounts	16,641,482
<i>Total Liabilities</i>	47,028,059
Deferred Inflows of Resources	
Pension	384,589
Property Taxes	4,263,468
<i>Total Deferred Inflows of Resources</i>	4,648,057
Net Position	
Net Investment in Capital Assets	65,981,738
Restricted for:	
Capital Projects	7,843,753
Debt Service	2,771,399
Court Computerization	174,606
Fire Department	254,211
Police Department	509,726
Road Maintenance	174,144
Street Construction, Maintenance, and Repair	700,642
Other Purposes	122,269
Unrestricted	5,383,289
<i>Total Net Position</i>	\$83,915,777

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position
					Governmental Activities
Governmental Activities					
General Government:					
Legislative and Executive	\$6,962,354	\$276,352	\$5,030	\$0	(\$6,680,972)
Judicial System	160,528	16,699	105	0	(143,724)
Public Safety:					
Police	5,487,502	227,076	44,717	0	(5,215,709)
Fire	2,842,061	291,958	228,960	224,133	(2,097,010)
Public Health and Social Services	1,345,241	46,885	826	0	(1,297,530)
Street Construction, Maintenance, and Repair	4,212,835	91,515	745,911	1,259,818	(2,115,591)
Housing and Community Development	1,139,785	52,589	25,643	0	(1,061,553)
Basic Utility Services	2,799,212	174,702	4,737	110,805	(2,508,968)
Recreational Activities	2,362,129	1,079,413	10,402	0	(1,272,314)
Interest and Fiscal Charges	388,089	0	0	0	(388,089)
<i>Total Governmental Activities</i>	<u>\$27,699,736</u>	<u>\$2,257,189</u>	<u>\$1,066,331</u>	<u>\$1,594,756</u>	<u>(22,781,460)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					1,880,670
Fire Department					1,821,727
Road Maintenance					535,794
Police Department					160,760
Municipal Income Taxes Levied for:					
General Purposes					15,017,616
Capital Outlay					2,603,334
Grants and Entitlements not Restricted to Specific Programs					
					519,469
Investment Earnings					286,340
Gain on Sale of Capital Assets					4,383
Miscellaneous					653,726
<i>Total General Revenues</i>					<u>23,483,819</u>
Change in Net Position					702,359
<i>Net Position Beginning of Year</i>					<u>83,213,418</u>
<i>Net Position End of Year</i>					<u><u>\$83,915,777</u></u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio

*Balance Sheet
Governmental Funds
December 31, 2017*

	General	Fire Department	Special Assessment Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements
Assets						
Equity in Pooled Cash and Cash Equivalents	\$6,492,197	\$287,715	\$85,486	\$5,461,393	\$592,861	\$213,102
Cash and Cash Equivalents						
In Segregated Accounts	92,609	0	0	0	0	0
Materials and Supplies Inventory	242,017	63,425	0	0	0	0
Accounts Receivable	63,450	461	0	88	0	0
Interfund Receivable	134,000	0	0	0	0	0
Accrued Interest Receivable	80,107	0	0	0	0	0
Intergovernmental Receivable	181,160	113,453	0	521,477	0	0
Prepaid Items	261,075	22,799	0	0	0	0
Municipal Income Taxes Receivable	4,490,137	0	0	160,000	283,334	60,000
Property Taxes Receivable	1,930,354	1,869,859	0	0	0	0
Special Assessments Receivable	0	0	2,715,111	0	0	0
Assets Held for Resale	137,100	0	0	0	0	0
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	13,458	0	0	0	0	0
Total Assets	\$14,117,664	\$2,357,712	\$2,800,597	\$6,142,958	\$876,195	\$273,102
Liabilities						
Accounts Payable	\$155,319	\$12,046	\$0	\$12,376	\$0	\$0
Contracts Payable	101,780	0	0	128,526	268,422	0
Retainage Payable	0	0	0	147,456	41,749	0
Notes Payable	0	0	0	4,090,000	0	0
Accrued Wages	398,692	97,664	0	0	0	0
Interfund Payable	0	0	0	93,331	0	40,669
Accrued Interest Payable	0	0	0	7,191	0	171
Matured Compensated Absences Payable	7,672	5,920	0	0	0	0
Intergovernmental Payable	89,061	10,031	0	0	0	0
Total Liabilities	752,524	125,661	0	4,478,880	310,171	40,840
Deferred Inflows of Resources						
Property Taxes	1,822,749	1,765,626	0	0	0	0
Unavailable Revenue	1,728,343	217,686	2,715,111	389,339	0	0
Total Deferred Inflows of Resources	3,551,092	1,983,312	2,715,111	389,339	0	0
Fund Balances						
Nonspendable	653,650	86,224	0	0	0	0
Restricted	0	162,515	85,486	0	0	0
Committed	190,043	0	0	1,274,739	566,024	232,262
Assigned	3,406,744	0	0	0	0	0
Unassigned	5,563,611	0	0	0	0	0
Total Fund Balances	9,814,048	248,739	85,486	1,274,739	566,024	232,262
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$14,117,664	\$2,357,712	\$2,800,597	\$6,142,958	\$876,195	\$273,102

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2017*

Police Station Building	Other Governmental Funds	Total Governmental Funds
\$7,070,868	\$4,941,049	\$25,144,671
0	2,000	94,609
0	28,472	333,914
0	33,593	97,592
0	0	134,000
0	0	80,107
0	390,111	1,206,201
0	19,752	303,626
0	0	4,993,471
0	714,947	4,515,160
0	0	2,715,111
0	0	137,100
0	0	13,458
<u>\$7,070,868</u>	<u>\$6,129,924</u>	<u>\$39,769,020</u>
\$9,777	\$33,267	\$222,785
442,726	251,234	1,192,688
36,827	0	226,032
0	26,135	4,116,135
0	33,419	529,775
0	0	134,000
0	0	7,362
0	0	13,592
0	6,638	105,730
489,330	350,693	6,548,099
0	675,093	4,263,468
0	301,049	5,351,528
0	976,142	9,614,996
0	48,224	788,098
6,581,538	1,764,682	8,594,221
0	1,444,110	3,707,178
0	1,546,073	4,952,817
0	0	5,563,611
6,581,538	4,803,089	23,605,925
<u>\$7,070,868</u>	<u>\$6,129,924</u>	<u>\$39,769,020</u>

Total Governmental Fund Balances	\$23,605,925
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	87,910,839
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:	
Property Taxes	251,692
Municipal Income Taxes	1,444,835
Intergovernmental	927,633
Special Assessments	2,715,111
Miscellaneous	<u>12,257</u>
Total	5,351,528
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	1,432,810
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(36,953)
Vacation benefits payable are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(405,031)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(14,346,178)
Special Assessment Bonds	(2,454,031)
OPWC Loans	(371,281)
Compensated Absences	<u>(989,988)</u>
Total	(18,161,478)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds:	
Deferred Outflows - Pension	6,223,605
Deferred Inflows - Pension	(384,589)
Net Pension Liability	<u>(21,804,326)</u>
Total	(15,965,310)
Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.	<u>183,447</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$83,915,777</u></u>

City of Brecksville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Fire Department	Special Assessment Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements
Revenues						
Property Taxes	\$1,856,195	\$1,798,017	\$0	\$0	\$0	\$0
Municipal Income Taxes	15,930,007	0	0	960,000	1,283,334	360,000
Charges for Services	87,312	0	0	0	0	0
Licenses and Permits	340,669	0	0	0	0	0
Fines and Forfeitures	203,580	0	0	0	0	0
Intergovernmental	516,858	228,194	0	981,284	0	0
Special Assessments	0	0	445,586	26,186	0	6,208
Interest	117,330	9,007	0	51,585	10,214	3,743
Donations	12,907	200	0	0	0	0
Rentals	101,164	0	0	0	0	0
Miscellaneous	300,893	24,708	0	158,332	1,680	0
<i>Total Revenues</i>	<u>19,466,915</u>	<u>2,060,126</u>	<u>445,586</u>	<u>2,177,387</u>	<u>1,295,228</u>	<u>369,951</u>
Expenditures						
Current:						
General Government:						
Legislative and Executive	5,909,206	0	0	0	0	0
Judicial System	137,498	0	0	0	0	0
Public Safety:						
Police	4,858,129	0	0	0	0	0
Fire	17,810	2,513,340	0	0	0	0
Public Health and Social Services	1,076,825	0	0	0	0	0
Street Construction, Maintenance, and Repair	1,941,299	0	0	0	0	0
Housing and Community Development	898,726	0	0	0	0	0
Basic Utility Services	1,878,928	0	0	0	0	0
Recreational Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	2,577,280	1,109,952	327,628
Debt Service:						
Principal Retirement	0	0	450,000	0	0	0
Interest and Fiscal Charges	0	0	102,248	11,930	12,222	2,236
Bond Issuance Costs	0	0	4,737	0	0	0
<i>Total Expenditures</i>	<u>16,718,421</u>	<u>2,513,340</u>	<u>556,985</u>	<u>2,589,210</u>	<u>1,122,174</u>	<u>329,864</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,748,494</u>	<u>(453,214)</u>	<u>(111,399)</u>	<u>(411,823)</u>	<u>173,054</u>	<u>40,087</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	13,969	3,568	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	1,980,000	0
Premium on Bonds Issued	0	0	0	0	0	0
Transfers In	76,484	450,000	0	0	20,000	0
Transfers Out	(2,854,952)	0	0	(349,380)	(519,867)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,764,499)</u>	<u>453,568</u>	<u>0</u>	<u>(349,380)</u>	<u>1,480,133</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(16,005)	354	(111,399)	(761,203)	1,653,187	40,087
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>9,830,053</u>	<u>248,385</u>	<u>196,885</u>	<u>2,035,942</u>	<u>(1,087,163)</u>	<u>192,175</u>
<i>Fund Balances End of Year</i>	<u>\$9,814,048</u>	<u>\$248,739</u>	<u>\$85,486</u>	<u>\$1,274,739</u>	<u>\$566,024</u>	<u>\$232,262</u>

See accompanying notes to the basic financial statements

City of Brecksville, 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, 2017*

Police Station Building	Other Governmental Funds	Total Governmental Funds
\$0	\$687,489	\$4,341,701
0	0	18,533,341
0	1,229,553	1,316,865
0	157,326	497,995
0	23,539	227,119
0	1,037,261	2,763,597
0	0	477,980
27,286	45,502	264,667
0	10,882	23,989
0	63,594	164,758
0	38,948	524,561
<u>27,286</u>	<u>3,294,094</u>	<u>29,136,573</u>
0	134	5,909,340
0	1,628	139,126
0	187,514	5,045,643
0	0	2,531,150
0	0	1,076,825
0	1,276,897	3,218,196
0	65,009	963,735
0	27,420	1,906,348
0	1,892,774	1,892,774
1,757,702	730,865	6,503,427
0	918,604	1,368,604
0	230,500	359,136
0	182,029	186,766
<u>1,757,702</u>	<u>5,513,374</u>	<u>31,101,070</u>
<u>(1,730,416)</u>	<u>(2,219,280)</u>	<u>(1,964,497)</u>
0	576	18,113
8,000,000	0	9,980,000
0	180,777	180,777
325,000	3,281,677	4,153,161
(321,254)	(107,708)	(4,153,161)
<u>8,003,746</u>	<u>3,355,322</u>	<u>10,178,890</u>
6,273,330	1,136,042	8,214,393
308,208	3,667,047	15,391,532
<u>\$6,581,538</u>	<u>\$4,803,089</u>	<u>\$23,605,925</u>

Net Change in Fund Balances - Total Governmental Funds \$8,214,393

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Asset Additions	7,133,880	
Current Year Depreciation	<u>(2,969,340)</u>	
Total		4,164,540

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (13,730)

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

Property Taxes	57,250	
Intergovernmental	392,970	
Municipal Income Taxes	(912,391)	
Special Assessments	(427,528)	
Miscellaneous	12,257	
Total	<u>12,257</u>	(877,442)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,368,604

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	(19,927)	
Amortization of Premium on Bonds	21,084	
Amortization of Deferred Charge on Refunding	<u>(30,110)</u>	
Total		(28,953)

Proceeds of debt, such as general obligation bonds issued, are other financing sources in the governmental funds, but increase liabilities in the governmental activities. (10,160,777)

Some expenses require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(50,814)	
Vacation Payable	<u>(6,483)</u>	
Total		(57,297)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,657,770

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,607,769)

The internal service fund used by management to charge the individual funds is reported in the district-wide statement of activities.

Governmental fund expenditures and related internal service fund revenues are eliminated.	<u>43,020</u>	
---	---------------	--

Change in Net Position of Governmental Activities \$702,359

City of Brecksville, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,856,223	\$1,856,223	\$1,856,195	(\$28)
Municipal Income Taxes	16,196,655	16,369,000	15,503,678	(865,322)
Charges for Services	115,867	117,100	123,210	6,110
Licenses and Permits	316,631	320,000	327,064	7,064
Fines and Forfeitures	212,736	215,000	195,910	(19,090)
Intergovernmental	365,231	365,978	390,864	24,886
Interest	99,937	101,000	100,408	(592)
Donations	9,647	9,750	12,907	3,157
Rentals	106,863	108,000	115,973	7,973
Miscellaneous	132,661	218,512	293,755	75,243
<i>Total Revenues</i>	<u>19,412,451</u>	<u>19,680,563</u>	<u>18,919,964</u>	<u>(760,599)</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	7,854,842	7,825,342	6,163,539	1,661,803
Judicial System	145,552	145,552	136,183	9,369
Public Safety:				
Police	5,331,538	5,194,538	4,977,976	216,562
Fire	29,547	29,547	17,810	11,737
Public Health and Social Services	1,140,340	1,142,340	1,077,900	64,440
Street Construction, Maintenance, and Repair	2,091,596	2,136,596	1,926,960	209,636
Housing and Community Development	970,644	960,644	907,439	53,205
Basic Utility Services	2,252,494	2,068,494	1,963,868	104,626
<i>Total Expenditures</i>	<u>19,816,553</u>	<u>19,503,053</u>	<u>17,171,675</u>	<u>2,331,378</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(404,102)</u>	<u>177,510</u>	<u>1,748,289</u>	<u>1,570,779</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	6,300	13,969	7,669
Transfers In	0	76,484	76,484	0
Transfers Out	(2,715,000)	(2,854,952)	(2,854,952)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,715,000)</u>	<u>(2,772,168)</u>	<u>(2,764,499)</u>	<u>7,669</u>
<i>Net Change in Fund Balance</i>	<u>(3,119,102)</u>	<u>(2,594,658)</u>	<u>(1,016,210)</u>	<u>1,578,448</u>
<i>Fund Balance Beginning of Year</i>	6,730,224	6,730,224	6,730,224	0
Prior Year Encumbrances Appropriated	725,358	725,358	725,358	0
<i>Fund Balance End of Year</i>	<u>\$4,336,480</u>	<u>\$4,860,924</u>	<u>\$6,439,372</u>	<u>\$1,578,448</u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,763,312	\$1,763,312	\$1,798,017	\$34,705
Intergovernmental	226,268	230,751	228,194	(2,557)
Interest	17,326	48,678	9,007	(39,671)
Donations	385	1,081	200	(881)
Miscellaneous	8,236	26,337	24,528	(1,809)
<i>Total Revenues</i>	<u>2,015,527</u>	<u>2,070,159</u>	<u>2,059,946</u>	<u>(10,213)</u>
Expenditures				
Current:				
Public Safety:				
Fire	2,634,422	2,634,422	2,532,283	102,139
<i>Excess of Revenues Under Expenditures</i>	<u>(618,895)</u>	<u>(564,263)</u>	<u>(472,337)</u>	<u>91,926</u>
Other Financing Sources				
Sale of Capital Assets	0	0	3,568	3,568
Transfers In	450,000	450,000	450,000	0
<i>Total Other Financing Sources</i>	<u>450,000</u>	<u>450,000</u>	<u>453,568</u>	<u>3,568</u>
<i>Net Change in Fund Balance</i>	(168,895)	(114,263)	(18,769)	95,494
<i>Fund Balance Beginning of Year</i>	289,203	289,203	289,203	0
Prior Year Encumbrances Appropriated	10,256	10,256	10,256	0
<i>Fund Balance End of Year</i>	<u>\$130,564</u>	<u>\$185,196</u>	<u>\$280,690</u>	<u>\$95,494</u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2017

	Internal Service Fund - Insurance
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,638,982</u>
Liabilities	
Accounts Payable	1,381
Claims Payable	<u>204,791</u>
<i>Total Liabilities</i>	<u>206,172</u>
Net Position	
Unrestricted	<u><u>\$1,432,810</u></u>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2017*

	Internal Service Fund - Insurance
Operating Revenues	
Charges for Services	\$1,905,921
Miscellaneous	116,908
<i>Total Operating Revenues</i>	<i>2,022,829</i>
Operating Expenses	
Purchased Services	5,977
Claims	1,995,505
<i>Total Operating Expenses</i>	<i>2,001,482</i>
<i>Operating Income</i>	<i>21,347</i>
Non-Operating Revenues	
Interest	21,673
<i>Change in Net Position</i>	<i>43,020</i>
<i>Net Position Beginning of Year</i>	<i>1,389,790</i>
<i>Net Position End of Year</i>	<i>\$1,432,810</i>

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2017

	Internal Service Fund - Insurance
<i>Increase (Decrease) In Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Customers	\$1,905,921
Cash Received from Other Operating Sources	116,908
Cash Payments to Suppliers for Goods and Services	(5,459)
Cash Payments for Claims	(1,927,481)
<i>Net Cash Provided By Operating Activities</i>	89,889
Cash Flows from Investing Activities	
Interest	21,673
<i>Net Increase In Cash and Cash Equivalents</i>	111,562
<i>Cash and Cash Equivalents Beginning of Year</i>	1,527,420
<i>Cash and Cash Equivalents End of Year</i>	\$1,638,982
 Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
<i>Operating Income</i>	\$21,347
Adjustments:	
Increase in Accounts Payable	518
Increase in Claims Payable	68,024
<i>Net Cash Provided By Operating Activities</i>	\$89,889

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Private Purpose Trust	
	Cemetery	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$3,174	\$941,632
Liabilities		
Undistributed Monies	0	\$25,500
Deposits Held and Due to Others	0	916,132
<i>Total Liabilities</i>	0	\$941,632
Net Position		
Held in Trust for Cemetery	174	
Endowments	3,000	
<i>Total Net Position</i>	\$3,174	

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2017

	Private Purpose Trust
	Cemetery
Additions	
Interest	\$43
Deductions	0
<i>Change in Net Position</i>	43
<i>Net Position Beginning of Year</i>	3,131
<i>Net Position End of Year</i>	\$3,174

See accompanying notes to the basic financial statements

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 – Description of the City and Reporting Entity

The City of Brecksville (the "City") was incorporated under the laws of the State of Ohio in 1921, and adopted its first charter in 1956. The Charter provides for a Mayor-Council form of government. The Mayor is elected for a four-year term and the seven Council members are elected at large for staggered terms. Four Council members are elected at each regular municipal election in November of odd numbered years. Of the four elected, the three receiving the highest number of votes serve a term of four years and the fourth serves a term of two years.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Brecksville, this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, human services, street maintenance and repair and general administrative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or levying the taxes. There are no component units included as part of this report.

The City participates in one insurance purchasing pool, the Ohio Municipal League rating pool; three jointly governed organizations, the Southwest Council of Governments, the Northeast Ohio Public Energy Council, and the Cuyahoga Valley Council of Governments; and one related organization, the Brecksville Community Improvement Corporation. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is neither ongoing financial interest nor responsibility on the part of the participating governments. These organizations are discussed in Notes 18, 19, and 20 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

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

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

Fund Accounting

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

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

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

Fire Department Fund This fund is used to account for and report monies derived from a 3.4 mill charter levy restricted to providing equipment and personnel for the fire department.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Special Assessment Bond Retirement Fund This fund is used to account for and report the collection of special assessments levied against benefited properties restricted for the payment of special assessment related costs.

General Municipal Improvement Fund This fund accounts for and reports the .5 percent increase in City income tax committed for the acquisition, construction, and improvement of various facilities within the City.

Buildings and Improvements Fund This fund accounts for and reports City income tax committed to the acquisition, construction, and improvement of major capital facilities.

Road Improvements Fund This fund accounts for and reports income tax monies committed to the improvements of various City roads.

Police Station Building Fund This fund accounts for and reports monies assigned for the financing, construction, and related costs of improvements to the police station building.

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

Proprietary Fund Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's only proprietary fund is classified as an internal service fund.

Internal Service Fund Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a health fund that accounts for prescription drug and hospital/medical claims of the City employees.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private purpose trust which accounts for the perpetual care and maintenance of an individual family's burial plots in the City's cemetery through an endowment. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for donations from citizens held for and used by senior citizens for home visitations, street opening fees, and deposits pledged by contractors.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

The private purpose trust fund is reported using a flow of economic resources measurement focus.

Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 6) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding and pension reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes municipal income taxes, delinquent property taxes, special assessments, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 11).

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

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

Budgetary Process

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

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest-bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

During 2017, investments were limited to government securities, commercial paper, STAR Ohio, and municipal bonds.

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

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating certificates of deposit, which are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to all funds. Interest revenue credited to the general fund during 2017 amounted to \$117,330, of which \$48,175 was assigned from other funds.

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

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Capital Assets

The City's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Land Improvements	5 - 50 years
Buildings and Improvements	5 - 60 years
Machinery and Equipment	3 - 50 years
Furniture and Fixtures	5 - 40 years
Infrastructure	10 - 99 years

The City's infrastructure consists of roads, sidewalks, guardrails, traffic signals, storm sewers, sanitary sewers, and water lines and includes infrastructure acquired prior to December 31, 1980.

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net position.

Pensions

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

Compensated Absences

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes property acquired for resale, unless the use of the proceeds from the sale of those properties is restricted, committed, or assigned.

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by the highest level formal action (ordinance or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between 2018's estimated revenue and appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Net Position

Net position represents the difference between all other elements in the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes included resources which will be used for unclaimed monies and tree programs.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for services for self insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Internal Activity

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

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

Premiums

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Estimates

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

Note 3 – Change in Accounting Principle

For 2017, the City implemented the Governmental Accounting Standards Board's (GASB) Implementation Guide No. 2016-1. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 4 – Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments reported at cost (budget) rather than fair value (GAAP).
3. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned fund balances (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the Budget basis are as follows:

Net Change in Fund Balance		
General and Fire Department Special Revenue Funds		
	General	Fire Department
GAAP Basis	(\$16,005)	\$354
Net Adjustment for Revenue Accruals	(588,004)	(180)
Beginning Fair Value Adjustment for Investments	(62,595)	0
Ending Fair Value Adjustment for Investments	103,648	0
Net Adjustment for Expenditure Accruals	(149,323)	(11,918)
Encumbrances	(303,931)	(7,025)
Budget Basis	(\$1,016,210)	(\$18,769)

Note 5 – Deposits and Investments

The City is a charter City and follows their established investment policy. The City has elected to follow the provisions of State statute.

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivision of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,610,982 of the City's bank balance of \$14,550,902 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

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

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

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

Two of the City's four financial institutions were in the process of joining OPCS; however, at December 31, 2017, the financial institutions still maintained their own collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Investments

Investments are reported at fair value. As of December 31, 2017, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value:				
Federal Home Loan Bank Notes	\$248,133	Less than one year	AA+	1.81 %
Federal Home Loan Bank Notes	211,755	Less than five years	AA+	1.54
Federal Home Loan Mortgage Corporation Notes	4,007,390	Less than three years	AA+	29.16
Federal Home Loan Mortgage Corporation Notes	246,272	Less than five years	AA+	1.79
Federal Farm Credit Bank Notes	1,177,065	Less than three years	AA+	8.56
Federal National Mortgage Association Notes	248,263	Less than one year	AA+	1.81
Federal National Mortgage Association Notes	736,377	Less than three years	AA+	5.36
Federal National Mortgage Association Notes	543,378	Less than five years	AA+	3.95
Amortized Cost:				
Commerical Paper	3,391,300	Less than one year	AA+	24.68
NAV Share:				
STAR Ohio	2,933,161	52.1 Days	AAAm	21.34
Total Investments	<u>\$13,743,094</u>			<u>100.00 %</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the City's recurring fair value measurements as of December 31, 2017. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Credit Risk STAR Ohio carries a credit rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk. The remaining investments of the City carry a rating of AA+ by Standard & Poor's. The City does not have an investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside part. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has an investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the finance director or governing board or an agent designated by the finance director or governing board.

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

Note 6 – Receivables

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property taxes, accounts (billings for user charged services and court fines), special assessments, interfund, and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for special assessments and delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$2,715,111 in the special assessments bond retirement fund. At December 31, 2017, the amount of delinquent special assessments was \$146,111.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes were levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The full tax rate for all City operations for the year ended December 31, 2017, was \$8.21 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate:	
Residential/Agricultural	\$482,603,830
Other Real Estate	100,874,550
Tangible Personal Property Public Utility	20,721,470
Total Assessed Values	\$604,199,850

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2017, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Tax

The City levies a municipal income tax of two percent on substantially all income earned within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted 87.5 percent credit for taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, \$2,520,000 of total income tax proceeds are credited to the following capital projects funds: \$960,000 to the general municipal improvement fund, \$1,200,000 to the buildings and improvements fund, and \$360,000 to the road improvements fund. In 2018, \$1,700,000 was credited to the buildings and improvements capital projects fund.

Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

Governmental Activities:	
ODOT Transportation Grant	\$390,665
Homestead and Rollback	273,956
Excise and Gasoline Tax	253,614
Storm Sewer Grants	102,750
Auto Registration	55,380
Local Government	52,542
Riverview Stream Relocation Grant	26,037
Permissive Tax	17,730
DARE Grant	11,494
Ohio Peace Officer Training Academy Reimbursement	11,240
Assistance to Firefighters Grant	8,768
Culvert Grant	2,025
Total	\$1,206,201

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Tax Abatements

As of December 31, 2017, the City provides tax abatements through two economic development agreements.

Pursuant to Council Ordinance, the City established both economic development agreements to provide income tax abatements to encourage employment growth in the City. Abatements are obtained if the entity meets the established level of employment. The amount of the abatement is refunded to the recipient. City income taxes were not reduced during 2017 as neither recipient qualified for a refund.

Note 8 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2017, the City contracted with Wichert Insurance Services and Curtis Insurance Services for various types of insurance as follows:

Company	Type of Coverage	Coverage Amount
Wichert Insurance Services	Blanket Building/Contents	\$55,568,234
	Boiler and Machinery	Unlimited
	Inland Marine	1,705,468
	Crime	1,000,000
	Public Officials Liability	1,000,000
	General Liability	2,000,000
	Garage Keepers Liability	120,000
	Auto	1,000,000
	Umbrella Liability	10,000,000
	Cyber Liability	500,000
Custis Insurance Services	Law Enforcement	1,000,000

Settled claims have not exceeded commercial coverage in any of the last four years. There were no significant reductions in coverage from the prior year.

Workers' Compensation

The City participates in the Ohio Municipal League's (OML) group retrospective rating pool (See Note 18). The intent of the OML is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management by virtue of its grouping and representation with other participants. The workers' compensation experience rating of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the group. Each participant pays its workers' compensation premium to the State based on the rate for the OML group rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the OML. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the OML. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of Comp Management, Incorporated provides administrative, cost control and actuarial services to the OML.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Employee Insurance Benefits

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

The claims liability of \$204,791, reported in the self insurance fund at December 31, 2017, is estimated by the third-party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last two years follow:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payment	Balance at End of Year
2016	\$180,837	\$1,714,487	\$1,758,557	\$136,767
2017	136,767	1,995,505	1,927,481	204,791

Note 9 – Interfund Transfers and Balances

Interfund Balances

The general municipal improvement and road improvements major capital projects funds had interfund payable balances of \$93,331 and \$40,669, respectively, and the general fund had an interfund receivable balance of \$134,000 due to the issuance of a manuscript bond. The manuscript bond represents a special assessment bond that was issued on August 13, 2008, at 5.05 percent. This bond is due on December 1, 2025, and was used for construction of an access road off Route 21. The manuscript bond was issued by the City and purchased by the general fund.

Interfund Transfers

Interfund transfers for the year ended December 31, 2017, consisted of the following:

Transfers From	Transfers To					Totals
	General	Fire Department	Buildings and Improvements	Police Station Building	Other Governmental Funds	
General	\$0	\$450,000	\$0	\$325,000	\$2,079,952	\$2,854,952
General Municipal Improvement	0	0	0	0	349,380	349,380
Buildings and Improvements	0	0	0	0	519,867	519,867
Police Station Building	0	0	0	0	321,254	321,254
Other Governmental Funds	76,484	0	20,000	0	11,224	107,708
<i>Total All Funds</i>	<u>\$76,484</u>	<u>\$450,000</u>	<u>\$20,000</u>	<u>\$325,000</u>	<u>\$3,281,677</u>	<u>\$4,153,161</u>

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Fund close out transfers were made from the indigent drivers, indigent drivers interlock, vehicle immobilization, and memorial funds to the general fund in the amount of \$76,484. Transfers from the general fund to the community center, fire department, and police station facility funds of \$850,000, \$450,000, and \$325,000, respectively, were to fund their operations. A transfer from the general fund to the recreation facility expansion fund of \$1,229,952 was made in anticipation of expenditures that were budgeted to happen during the current year. To provide funds for loan payments, transfers totaling \$53,604 were made to the issue II fund from the general municipal improvement and road maintenance funds. The general bond retirement fund is funded for loan payment obligations from the general municipal improvement, building and improvements, and police station facility funds. In 2017, this amount was \$1,148,121. There was a transfer of \$20,000 on a modified accrual basis to bring a note payment from the general bond retirement fund to the building and improvements fund where the liability resides.

Note 10 – Capital Assets

A summary of changes in capital assets during 2017 follows:

	Balance 12/31/2016	Additions	Deductions	Balance 12/31/2017
Governmental Activities:				
<i>Capital Assets not being Depreciated:</i>				
Land	\$7,460,576	\$0	\$0	\$7,460,576
Construction in Progress	3,631,755	5,377,961	(2,633,711)	6,376,005
<i>Total Capital Assets not being Depreciated</i>	<u>11,092,331</u>	<u>5,377,961</u>	<u>(2,633,711)</u>	<u>13,836,581</u>
<i>Capital Assets being Depreciated:</i>				
Land Improvements	4,918,302	375,799	0	5,294,101
Buildings and Improvements	35,131,233	1,029,781	(12,663)	36,148,351
Machinery and Equipment	14,963,840	959,905	(554,498)	15,369,247
Furniture and Fixtures	432,420	14,658	0	447,078
Infrastructure:				
Roads	43,890,011	769,624	(724,270)	43,935,365
Sidewalks	3,597,083	0	0	3,597,083
Guardrails	538,811	44,675	(40,257)	543,229
Traffic Signals	2,314,614	0	0	2,314,614
Storm Sewers	12,593,694	663,017	0	13,256,711
Sanitary Sewers	15,445,669	532,171	0	15,977,840
Water Lines	226,460	0	0	226,460
<i>Total Capital Assets being Depreciated</i>	<u>\$134,052,137</u>	<u>\$4,389,630</u>	<u>(\$1,331,688)</u>	<u>\$137,110,079</u>

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Governmental Activities (continued):	Balance 12/31/2016	Additions	Deductions	Balance 12/31/2017
<i>Capital Assets being Depreciated:</i>				
Less Accumulated Depreciation:				
Land Improvements	(\$2,682,314)	(\$211,138)	\$0	(\$2,893,452)
Buildings and Improvements	(13,153,281)	(686,025)	3,799	(13,835,507)
Machinery and Equipment	(8,681,071)	(993,138)	549,632	(9,124,577)
Furniture and Fixtures	(245,857)	(17,317)	0	(263,174)
Infrastructure:				
Roads	(24,647,247)	(614,572)	724,270	(24,537,549)
Sidewalks	(3,239,433)	(14,609)	0	(3,254,042)
Guardrails	(323,050)	(8,864)	40,257	(291,657)
Traffic Signals	(1,450,394)	(107,329)	0	(1,557,723)
Storm Sewers	(2,723,651)	(127,209)	0	(2,850,860)
Sanitary Sewers	(4,106,468)	(183,492)	0	(4,289,960)
Water Lines	(131,673)	(5,647)	0	(137,320)
<i>Total Accumulated Depreciation</i>	<u>(61,384,439)</u>	<u>(2,969,340) *</u>	<u>1,317,958</u>	<u>(63,035,821)</u>
<i>Total Capital Assets being Depreciated, Net</i>	<u>72,667,698</u>	<u>1,420,290</u>	<u>(13,730)</u>	<u>74,074,258</u>
<i>Governmental Activities Capital Assets, Net</i>	<u><u>\$83,760,029</u></u>	<u><u>\$6,798,251</u></u>	<u><u>(\$2,647,441)</u></u>	<u><u>\$87,910,839</u></u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$381,538
Public Safety:	
Police	167,284
Fire	184,266
Public Health Services	189,314
Street Construction, Maintenance and Repair	916,808
Housing and Community Development	32,452
Basic Utility Services	725,833
Recreational Activities	371,845
Total Depreciation Expense	<u><u>\$2,969,340</u></u>

Note 11 – 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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

2017 Statutory Maximum Contribution Rates	<u>State and Local</u>
Employer	14.0 %
Employee	10.0 %
 2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$872,969 for 2017. Of this amount, \$43,750 is reported as an intergovernmental payable.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF 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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OPF CAFR referenced previously for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits.)

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$784,801 for 2017. Of this amount \$17,742 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OPF	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.05082200%	0.16204100%	0.21286300%
Prior Measurement Date	0.05089900%	0.16208000%	0.21297900%
Change in Proportionate Share	-0.00007700%	-0.00003900%	-0.00011600%
Proportionate Share of the Net Pension Liability	\$11,540,812	\$10,263,514	\$21,804,326
Pension Expense	\$2,396,183	\$1,211,586	\$3,607,769

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred OPERS	Deferred OPF	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$15,643	\$2,903	\$18,546
Changes of assumptions	1,830,514	0	1,830,514
Net difference between projected and actual earnings on pension plan investments	1,718,693	998,082	2,716,775
City contributions subsequent to the measurement date	872,969	784,801	1,657,770
Total Deferred Outflows of Resources	\$4,437,819	\$1,785,786	\$6,223,605
Deferred Inflows of Resources			
Differences between expected and actual experience	\$68,685	\$23,631	\$92,316
Changes in proportion and differences between County contributions and proportionate share of contributions	62,728	229,545	292,273
Total Deferred Inflows of Resources	\$131,413	\$253,176	\$384,589

\$1,657,770 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OPF	Total
Year Ending December 31:			
2018	\$1,390,831	\$324,046	\$1,714,877
2019	1,482,294	324,046	1,806,340
2020	610,691	233,598	844,289
2021	(50,379)	(122,732)	(173,111)
2022	0	(11,173)	(11,173)
Thereafter	0	24	24
Total	\$3,433,437	\$747,809	\$4,181,246

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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented as follows:

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the previously described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table that follows displays the Board-approved asset allocation policy for 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. 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 County’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$17,631,168	\$11,540,812	\$6,465,575

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented as follows:

Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
	plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

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 OPF's target asset allocation as of December 31, 2016 are summarized as follows:

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF'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 in the preceding table, 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 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$13,669,785	\$10,263,514	\$7,376,654

Changes Between Measurement Date and Report Date

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it was the potential to impact to the City's net pension liability.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 12 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced that follows for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. 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 2017, state and local employers contributed at a rate of 14 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was one percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was four percent.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contributions for the years ended December 31, 2017, 2016, and 2015 were \$67,151, \$131,396, and \$126,697, respectively. For 2017, 94.99 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF 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 OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

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

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was .5 percent of covered payroll. The amount of employer contributions allocated to 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 OPF Board of Trustees is also authorized to established 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.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The City's contributions to OPF for the years ended December 31, 2017, 2016, and 2015 were \$803,878, \$754,872, and \$740,072, respectively, of which \$19,077, \$17,916, and \$17,473, respectively, were allocated to the healthcare plan. For 2017, 97.74 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Note 13 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Vacation accumulation is limited to one year. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at the rate of 6.47 hours per pay for firefighters and 4.62 hours per pay for all other employees. Sick leave accumulation is unlimited for all employees except police officers who need chief approval to exceed over 960 hours. Upon retirement or death, an employee shall be paid 33 percent of accumulated sick leave. Employees may deduct up to 120 hours from their sick balance and defer payment on it until the following January.

Dental Insurance

The City provides dental benefits to employees through Cigna. The family and single premiums for 2017 were \$83.16 and \$27.56, respectively.

Note 14 – Contingencies

Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2017.

Litigation

The City is party to various legal proceedings. City management is of the opinion that ultimate settlement of such claims not covered by insurance will not result in a material adverse effect on the City's financial position.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 15 – Long-Term Obligations

The original issue date, interest rate, original issuance amount and maturity date for each of the City’s long-term obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:				
Human Services Facility Refunding	2012	1.25% to 2.25%	\$3,580,000	December 1, 2023
Various Purpose Tree Farm Refunding	2015	2.03	2,525,000	December 1, 2025
Police Facility Project	2017	2.00 to 3.00	8,000,000	December 1, 2036
Service Center Garage	2017	2.00 to 3.00	1,980,000	December 1, 2036
Special Assessment Bonds:				
Southpointe Parkway	1997	3.85 to 5.35	1,190,000	December 1, 2017
Service Road Sewer and Water	2001	4.00 to 4.90	935,000	December 1, 2021
Four Seasons Sewer and Water	2001	4.00 to 4.90	1,265,000	December 1, 2021
Route 21, Hilton, Whitewood Sewer and Storm	2005	3.00 to 5.00	1,075,000	December 1, 2025
Katherine Boulevard Improvements	2012	1.25 to 2.25	1,430,000	December 1, 2022
Riverview Road Sewer	2012	1.25 to 2.75	575,000	December 1, 2032
Various Purpose Route 21 Access Road Refunding	2015	2.03	115,000	December 1, 2025
OPWC Loans:				
Fairview, Pershing, Wallings Water Main	1999	0.00	224,480	January 1, 2019
Brecksville Center and Old Town Water Main	1999	0.00	224,475	July 1, 2019
Route 21, Hilton, Whitewood Sanitary Sewer	2005	0.00	231,143	July 1, 2025
Fitzwater, Riverview, Wiese, Carriage Hill Cleaning	2006	0.00	162,934	January 1, 2027
Wiese Road Retaining Wall Improvement	2013	0.00	229,030	January 1, 2033

A schedule of changes in bonds and other long-term obligations of the City during 2017 follows:

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Amounts Due in One Year
Governmental Activities:					
<i>General Obligations Bonds:</i>					
2012 Human Services Facility Refunding	\$2,710,000	\$0	(\$365,000)	\$2,345,000	\$375,000
Premium on Bonds	57,679	0	(8,239)	49,440	0
2015 Various Purpose Tree Farm Refunding	2,300,000	0	(235,000)	2,065,000	245,000
2017 Police Facility Project					
Serial Bond	0	3,290,000	(215,000)	3,075,000	100,000
Term Bond	0	4,710,000	0	4,710,000	0
Premium on Bonds	0	143,585	(7,179)	136,406	0
2017 Service Center Garage					
Serial Bond	0	1,045,000	(50,000)	995,000	80,000
Term Bond	0	935,000	0	935,000	0
Premium on Bonds	0	37,192	(1,860)	35,332	0
Total General Obligation Bonds	\$5,067,679	\$10,160,777	(\$882,278)	\$14,346,178	\$800,000

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Amounts Due in One Year
Governmental Activities (continued):					
<i>Special Assessment Bonds:</i>					
1997 Southpointe Parkway	\$90,000	\$0	(\$90,000)	\$0	\$0
2001 Service Road Sewer and Water	285,000	0	(55,000)	230,000	55,000
2001 Four Seasons Sewer and Water	440,000	0	(80,000)	360,000	80,000
2005 Route 21, Hilton, Whitewood Sewer and Storm	605,000	0	(50,000)	555,000	60,000
2012 Katherine Boulevard Improvements	885,000	0	(140,000)	745,000	145,000
Premium on Bonds	22,837	0	(3,806)	19,031	0
2012 Riverview Road Sewer					
Serial Bond	185,000	0	(25,000)	160,000	25,000
Term Bond	290,000	0	0	290,000	0
2015 Various Purpose Route 21 Access Road Refunding	105,000	0	(10,000)	95,000	10,000
<i>Total Special Assessment Bonds</i>	<u>2,907,837</u>	<u>0</u>	<u>(453,806)</u>	<u>2,454,031</u>	<u>375,000</u>
<i>OPWC Loans:</i>					
1999 Fairview, Pershing, Wallings Water Main	22,448	0	(11,224)	11,224	11,224
1999 Brecksville Center and Old Town Water Main	28,059	0	(11,224)	16,835	11,223
2005 Route 21, Hilton, Whitewood Sanitary Sewer	98,236	0	(11,557)	86,679	11,558
2006 Fitzwater, Riverview Wiese, Carriage Hill Cleaning	81,467	0	(8,147)	73,320	8,146
2013 Wiese Road Retaining Wall Improvement	194,675	0	(11,452)	183,223	11,451
<i>Total OPWC Loans</i>	<u>424,885</u>	<u>0</u>	<u>(53,604)</u>	<u>371,281</u>	<u>53,602</u>
<i>Net Pension Liability:</i>					
OPERS	8,816,348	2,724,464	0	11,540,812	0
OPF	10,426,720	0	(163,206)	10,263,514	0
<i>Total Net Pension Liability</i>	<u>19,243,068</u>	<u>2,724,464</u>	<u>(163,206)</u>	<u>21,804,326</u>	<u>0</u>
Compensated Absences	939,174	175,993	(125,179)	989,988	291,394
<i>Total Governmental Activities</i>	<u>\$28,582,643</u>	<u>\$13,061,234</u>	<u>(\$1,678,073)</u>	<u>\$39,965,804</u>	<u>\$1,519,996</u>

All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from taxes receipted in the debt service fund. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

The OPWC loans will be paid with monies from the Issue II capital projects fund. The OPWC administers Issue II loans. There is no repayment schedule for net pension liability; however, employer pension contributions are made from the general fund and the fire department and community center special revenue funds. For additional information related to the net pension liability see Note 11. Compensated absences will be paid from the general fund and the fire department and community center special revenue funds, as well.

On September 20, 2012, the City issued \$3,580,000 in general obligation bonds for the purpose of refunding a portion of the 2004 Human Services Facility Bonds. These bonds were issued for a twelve year period with a final maturity of December 1, 2023. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2017, \$2,305,000 of the defeased bonds are still outstanding.

During 2015, the City issued \$2,525,000 of various purpose refunding bonds for the purpose of retiring the 2005 tree farm property bonds and \$115,000 of various purpose refunding bonds for the purpose of retiring the 2005 Route 21 Access Road special assessment bonds. The new bonds were issued for a period of 10 years at an interest rate of 2.03 percent. The proceeds of the new bonds were placed in an

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2017, \$2,165,000 of the defeased bonds are still outstanding.

On June 7, 2017, the City issued \$8,000,000 and \$1,980,000 in general obligation bonds for the purpose of the construction of the new police station building and the retirement of 2016 bond anticipation notes, respectively. These bonds were issued for a twenty year period with a final maturity of December 1, 2036.

On October 9, 1997, the City issued \$1,190,000 in special assessment bonds for improvements to Southpointe Parkway including storm sewers, sanitary sewers, water mains and road construction. The bonds were issued for a twenty year period with final maturity at December 1, 2017.

On September 1, 2001, the City issued \$935,000 in special assessment bonds for sanitary sewer and water main construction on Service Road. The bonds were issued for a twenty year period with final maturity at December 1, 2021.

On September 1, 2001, the City issued \$1,265,000 in special assessment bonds for sanitary sewer and water main construction in the Four Seasons of Brecksville subdivision. The bonds were issued for a twenty year period with final maturity at December 1, 2021.

On September 8, 2005, the City issued \$1,075,000 in special assessment bonds for sanitary sewer construction on Route 21 and on Hilton and Whitewood Roads. The bonds were issued for a twenty year period with final maturity at December 1, 2025. These bonds were refunded in 2015.

On September 20, 2012 the City issued \$1,430,000 in special assessment bonds for infrastructure improvements on Katherine Boulevard. The bonds were issued for a ten year period with final maturity on December 1, 2022.

On September 20, 2012 the City issued \$575,000 in special assessment bonds for sanitary sewer construction on Riverview Road. The bonds were issued for a twenty year period with final maturity on December 1, 2032.

The Riverview Road bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2024	\$30,000
2025	30,000
2026	30,000
2027	30,000
2028	30,000
2029	35,000
2030	35,000
2031	35,000
Total	\$255,000

The remaining principal amount of the bonds (\$35,000) will mature at stated maturity on December 1, 2032.

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The bonds maturing on or after December 1, 2022, will be subject to prior redemption, on or after December 1, 2021, by and at the option of the City, either in whole or in part on any date, and in integral multiples of \$5,000, at par, plus accrued interest to the redemption date.

The City's overall legal debt margin was \$63,440,984 at December 31, 2017. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017, are as follows:

	General Obligation Bonds				OPWC Loans
	Serial Portion		Term Portion		
	Principal	Interest	Principal	Interest	
2018	\$800,000	\$357,802	\$0	\$0	\$53,602
2019	810,000	341,729	0	0	36,768
2020	830,000	325,455	0	0	31,156
2021	845,000	308,779	0	0	31,156
2022	860,000	290,816	0	0	31,156
2023-2027	3,715,000	1,176,558	0	0	118,737
2028-2032	620,000	179,482	2,665,000	532,238	57,255
2033-2036	0	0	2,980,000	215,177	11,451
Total	\$8,480,000	\$2,980,621	\$5,645,000	\$747,415	\$371,281

	Special Assessment Bonds			
	Serial Portion		Term Portion	
	Principal	Interest	Principal	Interest
2018	\$375,000	\$77,665	\$0	\$7,975
2019	385,000	64,446	0	7,975
2020	405,000	50,736	0	7,975
2021	405,000	36,189	0	7,975
2022	260,000	21,204	0	7,975
2023-2027	315,000	27,206	120,000	34,925
2028-2032	0	0	170,000	14,300
Total	\$2,145,000	\$277,446	\$290,000	\$89,100

Note 16 – Short-Term Obligations

In 2016, the City issued bond anticipation notes in the amount of \$2,000,000, with a premium of \$2,685 outstanding at December 31, 2016, to retire the 2015 notes issued for the Stadium Drive Service Garage project, and the notes retired on June 14, 2017.

On June 8, 2017, the City issued bond anticipation notes in the amount of \$4,090,000 for the purpose of Route 82 street improvements. The 2017 notes were issued at an interest rate of two percent and mature on June 7, 2018. The notes were issued with a premium of \$26,135, leaving an outstanding note balance of \$4,116,135 as of December 31, 2017.

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017
Governmental Activities:				
Service Center Garage Notes	\$2,000,000	\$0	(\$2,000,000)	\$0
Premium	2,685	0	(2,685)	0
State Route 82 Notes	0	4,090,000	0	4,090,000
Premium	0	26,135	0	26,135
<i>Total Notes Payable</i>	\$2,002,685	\$4,116,135	(\$2,002,685)	\$4,116,135

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 17 – Operating Lease

During 2017, the City entered into an operating lease with Falls Motor City, for the period of November 2, 2017 to October 1, 2020, for the use of a van for the human services department. The terms of the lease require payment in monthly installments in the amount of \$256.

Note 18 – Insurance Purchasing Pool

The Ohio Municipal League has created a group insurance pool for purpose of creating a group rating plan for workers' compensation. The governing body is comprised of the members who have been appointed by the respective governing body of each member.

The intent of the pool is to achieve a reduced rate for the City and the other group members. The injury claim history of all participating members is used to calculate a common rate for the group. An annual fee is paid to Comp Management, Incorporated to administer the group and to manage any injury claims. Premium savings created by the group are prorated to each member entity annually based on claims experience of each member as compared to the total claims experience of the group.

Note 19 – Jointly Governed Organizations

Southwest Council of Governments

The Southwest Council of Governments (the Council) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the sixteen participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2017, the City contributed \$18,000, which represents 5.23 percent of total contributions.

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZ MAT") which provides hazardous material protections and assistance and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT Team. The Council's financial statements may be obtained by contacting the Southwest Council of Governments, 11 Berea Commons, Berea, Ohio 44017.

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 134 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. In 2017, the City made no contributions. The Board oversees and manages

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Ronald McVoy, the Board Chairman, at 31360 Solon Road, Suite 33, Solon, Ohio, 44139 or at the website www.nopecinfo.org.

Cuyahoga Valley Council of Governments

The City participates in the Cuyahoga Valley Council of Governments (the Council). The Council was formed to share jail and community services, foster municipal service, and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. The Council is controlled by an executive Board which is composed of a President, Vice President, Secretary and Fiscal Officer, who serves as Treasurer. The elected officers shall serve for a period of two years. Each member's control over the operation of the Council is limited to its representation on the Board. In 2017, the City made no contributions. Complete financial statements can be obtained from the Cuyahoga Valley Council of Governments, Cuyahoga County, Ohio.

Note 20 – Related Organization

The Brecksville Community Improvement Corporation (CIC) was formed to promote and assist in economic development within the City. City Council created the CIC during 2014 and appointed the initial CIC Board members. The CIC does not represent a potential financial benefit for or burden on the City. In 2017, the City hired an attorney that is currently working on developing a memorandum of understanding for development of the Veterans Administration property. The City anticipates that there will be land transfers from the City to the CIC in 2018, and forward.

Note 21 – Fund Balances

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

Fund Balances	General	Fire Department	Special Assessments Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements	Police Station Building	Other Governmental Funds	Total
<u>Nonspendable:</u>									
Inventory	\$242,017	\$63,425	\$0	\$0	\$0	\$0	\$0	\$28,472	\$333,914
Prepays	261,075	22,799	0	0	0	0	0	19,752	303,626
Assets Held for Resale	137,100	0	0	0	0	0	0	0	137,100
Unclaimed Funds	13,458	0	0	0	0	0	0	0	13,458
<i>Total Nonspendable</i>	<u>\$653,650</u>	<u>\$86,224</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$48,224</u>	<u>\$788,098</u>

(continued)

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund Balances (continued)	General	Fire Department	Special Assessments Bond Retirement	General Municipal Improvement	Buildings and Improvements	Road Improvements	Police Station Building	Other Governmental Funds	Total
<u>Restricted for:</u>									
Police Department	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$490,516	\$490,516
Police Station Building	0	0	0	0	0	0	6,581,538	0	6,581,538
Fire Department	0	162,515	0	0	0	0	0	0	162,515
Debt Service Retirement	0	0	85,486	0	0	0	0	205,886	291,372
Street Maintenance	0	0	0	0	0	0	0	564,475	564,475
Public Utility Improvement	0	0	0	0	0	0	0	220,388	220,388
Court Computerization	0	0	0	0	0	0	0	174,606	174,606
Recycling Demo	0	0	0	0	0	0	0	5,817	5,817
Tree Planting	0	0	0	0	0	0	0	102,044	102,044
Recreation	0	0	0	0	0	0	0	950	950
<i>Total Restricted</i>	<u>0</u>	<u>162,515</u>	<u>85,486</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,581,538</u>	<u>1,764,682</u>	<u>8,594,221</u>
<u>Committed to:</u>									
Building and Improvements	0	0	0	1,274,739	566,024	0	0	0	1,840,763
Road Improvements	0	0	0	0	0	232,262	0	0	232,262
Police Department	0	0	0	0	0	0	0	8,187	8,187
Community Center	0	0	0	0	0	0	0	262,263	262,263
Fire Ambulance Capital	0	0	0	0	0	0	0	990,190	990,190
Public Utility Improvement	0	0	0	0	0	0	0	183,470	183,470
Professional Services	21,226	0	0	0	0	0	0	0	21,226
Economic Development	11,192	0	0	0	0	0	0	0	11,192
Special Services	15,232	0	0	0	0	0	0	0	15,232
Machinery & Equipment	132,470	0	0	0	0	0	0	0	132,470
Materials & Supplies	423	0	0	0	0	0	0	0	423
Income Tax Collections	9,500	0	0	0	0	0	0	0	9,500
<i>Total Committed</i>	<u>190,043</u>	<u>0</u>	<u>0</u>	<u>1,274,739</u>	<u>566,024</u>	<u>232,262</u>	<u>0</u>	<u>1,444,110</u>	<u>3,707,178</u>
<u>Assigned to:</u>									
Capital Improvements	0	0	0	0	0	0	0	1,546,073	1,546,073
Purchases on Order	15,376	0	0	0	0	0	0	0	15,376
2018 Appropriations	3,391,368	0	0	0	0	0	0	0	3,391,368
<i>Total Assigned</i>	<u>3,406,744</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,546,073</u>	<u>4,952,817</u>
Unassigned	<u>5,563,611</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,563,611</u>
Total Fund Balances	<u>\$9,814,048</u>	<u>\$248,739</u>	<u>\$85,486</u>	<u>\$1,274,739</u>	<u>\$566,024</u>	<u>\$232,262</u>	<u>\$6,581,538</u>	<u>\$4,803,089</u>	<u>\$23,605,925</u>

Note 22 – Significant Commitments

Encumbrances

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

General	\$303,931
Fire Department	7,025
General Municipal Improvement	2,293,685
Buildings and Improvements	364,882
Other Governmental Funds	6,178,924
Total	<u><u>\$9,148,447</u></u>

City of Brecksville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Contractual Commitments

At December 31, 2017, the City's significant contractual commitments consisted of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
Professional Services	\$56,996	\$15,319	\$41,677
Police Equipment	25,870	1,280	24,590
Service Equipment	94,091	0	94,091
Fire Equipment	22,275	855	21,420
Building Improvements	427,445	29,973	397,472
Land Improvements	121,630	23,826	97,804
Storm Sewers	327,089	154,440	172,649
Sanitary Sewers	21,900	17,469	4,431
New Buildings	8,653,018	31,282	8,621,736
Roads	423,870	189,461	234,409
Water Lines	20,250	17,208	3,042
Totals	<u>\$10,194,434</u>	<u>\$481,113</u>	<u>\$9,713,321</u>

The amounts remaining on these contracts were encumbered at year end.

Note 23 – Donor Restricted Endowments

The City's private purpose trust fund includes donor restricted endowments. Endowments, in the amount of \$3,000, represent the principal portion. The amount of interest on donor restricted investments that is available for expenditures by the City is \$174 and is included as held in trust for cemetery. State law permits the City to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used for the decoration of specifically named graves.

Note 24 – Subsequent Event

On March 8, 2018, the City received the deed to the 103 acre property located at 10000 Brecksville Road. This property was the former site of the Veterans Administration Hospital. The City values this property at \$10,000,000.

City of Brecksville, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
*Last Four Years (1) **

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.05082200%	0.05089900%	0.05221000%	0.05221000%
City's Proportionate Share of the Net Pension Liability	\$11,540,812	\$8,816,348	\$6,297,110	\$6,154,879
City's Covered Payroll	\$6,569,792	\$6,334,843	\$6,400,950	\$6,342,796
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.66%	139.17%	98.38%	97.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.16204100%	0.16208000%	0.16886840%	0.16886840%
City's Proportionate Share of the Net Pension Liability	\$10,263,514	\$10,426,720	\$8,748,087	\$8,224,421
City's Covered Payroll	\$3,583,217	\$3,494,644	\$3,429,025	\$3,374,994
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	286.43%	298.36%	255.12%	243.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

* Amounts presented for each year were determined as of the City's measurement date, which is the prior year end.

City of Brecksville, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$872,969	\$788,375	\$760,181	\$768,114	\$824,563
Contributions in Relation to the Contractually Required Contribution	<u>(872,969)</u>	<u>(788,375)</u>	<u>(760,181)</u>	<u>(768,114)</u>	<u>(824,563)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,715,146	\$6,569,792	\$6,334,843	\$6,400,950	\$6,342,796
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Although this schedule is intended to show information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$784,801	\$736,956	\$722,599	\$706,703
Contributions in Relation to the Contractually Required Contribution	<u>(784,801)</u>	<u>(736,956)</u>	<u>(722,599)</u>	<u>(706,703)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,036,931	\$3,583,217	\$3,494,644	\$3,429,025
Contributions as a Percentage of Covered Payroll	13.00%	20.57%	20.68%	20.61%

2013	2012	2011	2010	2009	2008
\$589,056	\$485,500	\$463,725	\$488,638	\$492,677	\$496,059
(589,056)	(485,500)	(463,725)	(488,638)	(492,677)	(496,059)
\$0	\$0	\$0	\$0	\$0	\$0
\$3,374,994	\$3,380,216	\$3,217,478	\$3,414,468	\$3,445,306	\$3,463,189
17.45%	14.36%	14.41%	14.31%	14.30%	14.32%

City of Brecksville, Ohio
Notes to Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented as follows:

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

(This Page Intentionally Left Blank)



5 Fighting fires is a dangerous job and the hazards are amplified when having to operate in the darkness.

6 Many fires occur during the night and it's especially important to make sure your smoke detector batteries are changed each time the clocks change!

7 When fires occur, our personnel spend extensive time checking to make sure the fire has not extended to other parts of a structure. After the fire is extinguished, we ensure the homeowners have made contact with their insurance company and have a safe place to stay, whether with family, friends, or in a hotel.

8 The Brecksville Fire Department houses a 100 foot ladder truck that provides us the capability of making rescues and extinguishing fires from an elevated platform. This also provides the department with the capability to view hazards that may not be visible to the crews operating below.

Combining and Individual Fund Statements and Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Motor Vehicle License Tax Fund - This fund accounts for and reports the City's share of additional motor vehicle registration fees. Expenditures are restricted by State law for the maintenance and repair of streets and bridges within the City.

Street Repair and Maintenance Fund - This fund accounts for and reports 92.5 percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

State Highway Fund - This fund accounts for and reports 7.5 percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of State highways within the City.

Community Center Fund - This fund accounts for and reports membership fees, program fees, and general fund subsidies committed to the operations of the Community Center.

Road Maintenance Fund - This fund accounts for and reports revenues received from the 1 mill Charter Levy. These monies are restricted for the maintenance, repair, reconstruction and improvement of roads within the City.

Federal Equitable Sharing Fund - This fund accounts and reports federal forfeiture monies returned to the City restricted for certain law enforcement purposes.

Indigent Drivers Fund - This fund accounts for and reports \$25 of any fine imposed for a violation of a municipal ordinance relating to operating a vehicle while under the influence of alcohol and/or drugs. These monies are restricted for the rehabilitation and treatment of indigent individuals.

Indigent Drivers Interlock Fund - This fund accounts for and reports funds distributed by the State Department of Public Safety pursuant to ORC 4511.19(G). These monies are restricted for the purchase of immobilizing or disabling devices to be used by an offender who is ordered to use the device and is determined not to have the means to pay for the use of such device.

Enforcement and Education Fund - This fund accounts for and reports fines restricted to educating the public about the dangers of and enforcing the laws against operating a motor vehicle while under the influence of alcohol and to reinforce the "Say No to Drugs" message.

Court Computerization Fund - This fund accounts for and reports court fees and fines restricted for the purchase and maintenance of computers for the Mayor's court.

Natureworks Grants Fund - This fund accounts for and reports grant monies and investment interest restricted for the purpose of adding a recreational facility to the Blossom Complex.

Recycling Demo Fund - This fund accounts for and reports grant monies received from the Ohio Department of Natural Resources plus City matching funds. Expenditures are restricted by the rules set by the Ohio Department of Natural Resources Litter Prevention and Recycling Grant agreement.

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Tree Planting Grants Fund - This fund accounts for and reports monies collected, which are restricted to the planting of trees within the City's right-of-way.

Law Enforcement Fund - This fund accounts for and reports restricted monies received from the sale or disposition of seized contraband.

Law Enforcement Mandatory Drug Fund - This fund accounts for and reports monies received from drug fines and forfeited bonds restricted for drug investigations.

Vehicle Immobilization Fund - This fund accounts for and reports restricted revenues and expenditures pursuant to changes in Ohio Law relative to operating a motor vehicle while intoxicated or driving under suspension of license. The Bureau of Motor Vehicles pays the City \$100 for immobilization costs incurred.

Police Pension Fund - This fund accounts for and reports amounts paid for police department employees, which are restricted to the State administered disability and pension fund.

Memorial Fund - This fund accounts for and reports donations committed to memorials for deceased community members.

Peace Officer Training Fund - This fund accounts for and reports the collection and disbursement of certain grant funds received from the State of Ohio restricted to certain law enforcement trainings.

Nonmajor Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

General Obligation Bond Retirement Fund - This fund accounts for and reports transfers in and tax levies that are restricted for the repayment of general obligation debt.

Nonmajor Capital Projects Funds

Capital projects funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

Issue II Fund - This fund accounts for and reports grant monies received from the Ohio Public Works Commission plus City matching funds. Expenditures are restricted to specific projects within the City.

Recreation Expansion Fund - This fund accounts for and reports 25 percent of building permit revenues assigned for the purchase of equipment and for capital improvements for recreation.

(continued)

Combining Statements - Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds (continued)

Recreation Facilities Expansion Fund – This fund accounts for and reports income tax and other monies determined as necessary for the purpose of acquiring, constructing, or improving recreation facilities and any other appurtenances thereto.

Public Utility Improvement Fund - This fund accounts for and reports sanitary sewer tap-in-fees and fees for converting from septic tank to sanitary sewer assigned to costs to repair, construct, and reline any public utility line within the City.

Fire Ambulance Capital Fund - This fund accounts for and reports portions of charges for services for ambulance operations provided by the fire department. Expenditures from this fund are committed to the acquisition of fire department equipment.

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,682,050	\$232,021	\$3,026,978	\$4,941,049
Cash and Cash Equivalents In Segregated Accounts	2,000	0	0	2,000
Materials and Supplies Inventory	28,472	0	0	28,472
Accounts Receivable	2,780	0	30,813	33,593
Intergovernmental Receivable	381,343	0	8,768	390,111
Prepaid Items	19,752	0	0	19,752
Property Taxes Receivable	714,947	0	0	714,947
<i>Total Assets</i>	<u>\$2,831,344</u>	<u>\$232,021</u>	<u>\$3,066,559</u>	<u>\$6,129,924</u>
Liabilities				
Accounts Payable	\$30,281	\$0	\$2,986	\$33,267
Contracts Payable	127,782	0	123,452	251,234
Notes Payable	0	26,135	0	26,135
Accrued Wages	33,419	0	0	33,419
Intergovernmental Payable	6,638	0	0	6,638
<i>Total Liabilities</i>	<u>198,120</u>	<u>26,135</u>	<u>126,438</u>	<u>350,693</u>
Deferred Inflows of Resources				
Property Taxes	675,093	0	0	675,093
Unavailable Revenue	301,049	0	0	301,049
<i>Total Deferred Inflows of Resources</i>	<u>976,142</u>	<u>0</u>	<u>0</u>	<u>976,142</u>
Fund Balances				
Nonspendable	48,224	0	0	48,224
Restricted	1,338,408	205,886	220,388	1,764,682
Committed	270,450	0	1,173,660	1,444,110
Assigned	0	0	1,546,073	1,546,073
<i>Total Fund Balances</i>	<u>1,657,082</u>	<u>205,886</u>	<u>2,940,121</u>	<u>4,803,089</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$2,831,344</u>	<u>\$232,021</u>	<u>\$3,066,559</u>	<u>\$6,129,924</u>

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$687,489	\$0	\$0	\$687,489
Charges for Services	938,373	0	291,180	1,229,553
Licenses and Permits	13,200	0	144,126	157,326
Fines and Forfeitures	23,539	0	0	23,539
Intergovernmental	813,128	0	224,133	1,037,261
Interest	21,121	0	24,381	45,502
Donations	10,882	0	0	10,882
Rentals	63,594	0	0	63,594
Miscellaneous	33,448	0	5,500	38,948
<i>Total Revenues</i>	<u>2,604,774</u>	<u>0</u>	<u>689,320</u>	<u>3,294,094</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	134	0	0	134
Judicial System	1,628	0	0	1,628
Public Safety:				
Police	187,514	0	0	187,514
Street Construction, Maintenance, and Repair	1,276,897	0	0	1,276,897
Housing and Community Development	65,009	0	0	65,009
Basic Utility Services	27,420	0	0	27,420
Recreational Activities	1,892,774	0	0	1,892,774
Capital Outlay	0	0	730,865	730,865
Debt Service:				
Principal Retirement	0	865,000	53,604	918,604
Interest and Fiscal Charges	0	230,500	0	230,500
Bond Issuance Costs	0	182,029	0	182,029
<i>Total Expenditures</i>	<u>3,451,376</u>	<u>1,277,529</u>	<u>784,469</u>	<u>5,513,374</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(846,602)</u>	<u>(1,277,529)</u>	<u>(95,149)</u>	<u>(2,219,280)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	576	0	0	576
Premium on Bonds Issued	0	180,777	0	180,777
Transfers In	850,000	1,148,121	1,283,556	3,281,677
Transfers Out	(87,708)	(20,000)	0	(107,708)
<i>Total Other Financing Sources (Uses)</i>	<u>762,868</u>	<u>1,308,898</u>	<u>1,283,556</u>	<u>3,355,322</u>
<i>Net Change in Fund Balances</i>	(83,734)	31,369	1,188,407	1,136,042
<i>Fund Balances Beginning of Year</i>	<u>1,740,816</u>	<u>174,517</u>	<u>1,751,714</u>	<u>3,667,047</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,657,082</u></u>	<u><u>\$205,886</u></u>	<u><u>\$2,940,121</u></u>	<u><u>\$4,803,089</u></u>

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Community Center	Road Maintenance	Federal Equitable Sharing
Assets						
Equity in Pooled Cash and Cash Equivalents	\$12,469	\$341,770	\$102,837	\$324,860	\$110,706	\$18,204
Cash and Cash Equivalents In Segregated Accounts	0	0	0	2,000	0	0
Materials and Supplies Inventory	0	28,472	0	0	0	0
Accounts Receivable	0	0	0	2,780	0	0
Intergovernmental Receivable	17,730	285,822	23,172	0	33,367	0
Prepaid Items	0	0	0	19,752	0	0
Property Taxes Receivable	0	0	0	0	549,959	0
<i>Total Assets</i>	<u>\$30,199</u>	<u>\$656,064</u>	<u>\$126,009</u>	<u>\$349,392</u>	<u>\$694,032</u>	<u>\$18,204</u>
Liabilities						
Accounts Payable	\$0	\$336	\$0	\$27,650	\$585	\$0
Contracts Payable	0	111,294	0	0	0	0
Accrued Wages	0	0	0	33,094	0	0
Intergovernmental Payable	0	0	0	6,633	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>111,630</u>	<u>0</u>	<u>67,377</u>	<u>585</u>	<u>0</u>
Deferred Inflows of Resources						
Property Taxes	0	0	0	0	519,303	0
Unavailable Revenue	11,821	190,548	15,447	0	64,023	0
<i>Total Deferred Inflows of Resources</i>	<u>11,821</u>	<u>190,548</u>	<u>15,447</u>	<u>0</u>	<u>583,326</u>	<u>0</u>
Fund Balances						
Nonspendable	0	28,472	0	19,752	0	0
Restricted	18,378	325,414	110,562	0	110,121	18,204
Committed	0	0	0	262,263	0	0
<i>Total Fund Balances</i>	<u>18,378</u>	<u>353,886</u>	<u>110,562</u>	<u>282,015</u>	<u>110,121</u>	<u>18,204</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$30,199</u>	<u>\$656,064</u>	<u>\$126,009</u>	<u>\$349,392</u>	<u>\$694,032</u>	<u>\$18,204</u>

(continued)

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

	Enforcement and Education	Court Computerization	Natureworks Grants	Recycling Demo	Tree Planting Grants	Law Enforcement
Assets						
Equity in Pooled Cash and Cash Equivalents	\$31,442	\$174,606	\$950	\$5,817	\$102,044	\$114,704
Cash and Cash Equivalents						
In Segregated Accounts	0	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$31,442</u>	<u>\$174,606</u>	<u>\$950</u>	<u>\$5,817</u>	<u>\$102,044</u>	<u>\$114,704</u>
Liabilities						
Accounts Payable	\$210	\$0	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0	16,488
Accrued Wages	325	0	0	0	0	0
Intergovernmental Payable	5	0	0	0	0	0
<i>Total Liabilities</i>	<u>540</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,488</u>
Deferred Inflows of Resources						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances						
Nonspendable	0	0	0	0	0	0
Restricted	22,715	174,606	950	5,817	102,044	98,216
Committed	8,187	0	0	0	0	0
<i>Total Fund Balances</i>	<u>30,902</u>	<u>174,606</u>	<u>950</u>	<u>5,817</u>	<u>102,044</u>	<u>98,216</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$31,442</u>	<u>\$174,606</u>	<u>\$950</u>	<u>\$5,817</u>	<u>\$102,044</u>	<u>\$114,704</u>

Law Enforcement Mandatory Drug	Police Pension	Peace Officer Training	Total Nonmajor Special Revenue Funds
\$39,694	\$292,719	\$9,228	\$1,682,050
0	0	0	2,000
0	0	0	28,472
0	0	0	2,780
0	10,012	11,240	381,343
0	0	0	19,752
0	164,988	0	714,947
<u>\$39,694</u>	<u>\$467,719</u>	<u>\$20,468</u>	<u>\$2,831,344</u>
\$0	\$0	\$1,500	\$30,281
0	0	0	127,782
0	0	0	33,419
0	0	0	6,638
0	0	1,500	198,120
0	155,790	0	675,093
0	19,210	0	301,049
0	175,000	0	976,142
0	0	0	48,224
39,694	292,719	18,968	1,338,408
0	0	0	270,450
39,694	292,719	18,968	1,657,082
<u>\$39,694</u>	<u>\$467,719</u>	<u>\$20,468</u>	<u>\$2,831,344</u>

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Motor Vehicle License Tax	Street Repair and Maintenance	State Highway	Community Center
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	938,373
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	36,201	592,972	48,080	0
Interest	278	4,082	1,051	5,715
Donations	0	0	0	10,402
Rentals	0	0	0	63,594
Miscellaneous	0	0	0	33,448
<i>Total Revenues</i>	<u>36,479</u>	<u>597,054</u>	<u>49,131</u>	<u>1,051,532</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial System	0	0	0	0
Public Safety:				
Police	0	0	0	0
Street Construction, Maintenance, and Repair	38,000	583,745	0	0
Housing and Community Development	0	0	0	0
Basic Utility Services	0	0	0	0
Recreational Activities	0	0	0	1,892,774
<i>Total Expenditures</i>	<u>38,000</u>	<u>583,745</u>	<u>0</u>	<u>1,892,774</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,521)</u>	<u>13,309</u>	<u>49,131</u>	<u>(841,242)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	576
Transfers In	0	0	0	850,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>850,576</u>
<i>Net Change in Fund Balances</i>	(1,521)	13,309	49,131	9,334
<i>Fund Balances Beginning of Year</i>	<u>19,899</u>	<u>340,577</u>	<u>61,431</u>	<u>272,681</u>
<i>Fund Balances End of Year</i>	<u><u>\$18,378</u></u>	<u><u>\$353,886</u></u>	<u><u>\$110,562</u></u>	<u><u>\$282,015</u></u>

<u>Road Maintenance</u>	<u>Federal Equitable Sharing</u>	<u>Indigent Drivers</u>	<u>Indigent Drivers Interlock</u>	<u>Enforcement and Education</u>	<u>Court Computerization</u>
\$528,822	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	411	0	838	10,656
66,737	0	0	0	3,252	0
3,546	246	279	67	472	2,291
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>599,105</u>	<u>246</u>	<u>690</u>	<u>67</u>	<u>4,562</u>	<u>12,947</u>
0	0	0	0	0	0
0	0	0	0	0	1,628
0	0	13,879	5,500	8,833	0
655,152	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>655,152</u>	<u>0</u>	<u>13,879</u>	<u>5,500</u>	<u>8,833</u>	<u>1,628</u>
<u>(56,047)</u>	<u>246</u>	<u>(13,189)</u>	<u>(5,433)</u>	<u>(4,271)</u>	<u>11,319</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>(11,224)</u>	<u>0</u>	<u>(10,090)</u>	<u>(218)</u>	<u>0</u>	<u>0</u>
<u>(11,224)</u>	<u>0</u>	<u>(10,090)</u>	<u>(218)</u>	<u>0</u>	<u>0</u>
(67,271)	246	(23,279)	(5,651)	(4,271)	11,319
<u>177,392</u>	<u>17,958</u>	<u>23,279</u>	<u>5,651</u>	<u>35,173</u>	<u>163,287</u>
<u>\$110,121</u>	<u>\$18,204</u>	<u>\$0</u>	<u>\$0</u>	<u>\$30,902</u>	<u>\$174,606</u>

(continued)

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2017

	Natureworks Grants	Recycling Demo	Tree Planting Grants	Law Enforcement
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	13,200	0
Fines and Forfeitures	0	0	0	10,969
Intergovernmental	0	3,295	24,949	0
Interest	0	345	0	1,472
Donations	0	0	0	0
Rentals	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>3,640</u>	<u>38,149</u>	<u>12,441</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial System	0	0	0	0
Public Safety:				
Police	0	0	0	16,488
Street Construction, Maintenance, and Repair	0	0	0	0
Housing and Community Development	0	0	65,009	0
Basic Utility Services	0	27,420	0	0
Recreational Activities	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>27,420</u>	<u>65,009</u>	<u>16,488</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(23,780)</u>	<u>(26,860)</u>	<u>(4,047)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(23,780)	(26,860)	(4,047)
<i>Fund Balances Beginning of Year</i>	<u>950</u>	<u>29,597</u>	<u>128,904</u>	<u>102,263</u>
<i>Fund Balances End of Year</i>	<u><u>\$950</u></u>	<u><u>\$5,817</u></u>	<u><u>\$102,044</u></u>	<u><u>\$98,216</u></u>

Law Enforcement Mandatory Drug	Vehicle Immobilization	Police Pension	Memorial	Peace Officer Training	Total Nonmajor Special Revenue Funds
\$0	\$0	\$158,667	\$0	\$0	\$687,489
0	0	0	0	0	938,373
0	0	0	0	0	13,200
0	665	0	0	0	23,539
0	0	20,022	0	17,620	813,128
537	740	0	0	0	21,121
0	0	0	480	0	10,882
0	0	0	0	0	63,594
0	0	0	0	0	33,448
<u>537</u>	<u>1,405</u>	<u>178,689</u>	<u>480</u>	<u>17,620</u>	<u>2,604,774</u>
0	0	0	134	0	134
0	0	0	0	0	1,628
0	0	140,062	0	2,752	187,514
0	0	0	0	0	1,276,897
0	0	0	0	0	65,009
0	0	0	0	0	27,420
0	0	0	0	0	1,892,774
<u>0</u>	<u>0</u>	<u>140,062</u>	<u>134</u>	<u>2,752</u>	<u>3,451,376</u>
<u>537</u>	<u>1,405</u>	<u>38,627</u>	<u>346</u>	<u>14,868</u>	<u>(846,602)</u>
0	0	0	0	0	576
0	0	0	0	0	850,000
0	(63,201)	0	(2,975)	0	(87,708)
<u>0</u>	<u>(63,201)</u>	<u>0</u>	<u>(2,975)</u>	<u>0</u>	<u>762,868</u>
537	(61,796)	38,627	(2,629)	14,868	(83,734)
<u>39,157</u>	<u>61,796</u>	<u>254,092</u>	<u>2,629</u>	<u>4,100</u>	<u>1,740,816</u>
<u>\$39,694</u>	<u>\$0</u>	<u>\$292,719</u>	<u>\$0</u>	<u>\$18,968</u>	<u>\$1,657,082</u>

City of Brecksville, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Issue II	Recreation Expansion	Recreation Facilities Expansion	Public Utility Improvement	Fire Ambulance Capital	Total Nonmajor Capital Projects Funds
Assets						
Equity in Pooled Cash and						
Cash Equivalents	\$220,388	\$48,138	\$1,383,690	\$403,822	\$970,940	\$3,026,978
Accounts Receivable	0	0	0	0	30,813	30,813
Intergovernmental Receivable	0	0	0	0	8,768	8,768
<i>Total Assets</i>	<u>\$220,388</u>	<u>\$48,138</u>	<u>\$1,383,690</u>	<u>\$403,822</u>	<u>\$1,010,521</u>	<u>\$3,066,559</u>
Liabilities						
Accounts Payable	\$0	\$0	\$0	\$0	\$2,986	\$2,986
Contracts Payable	0	0	106,107	0	17,345	123,452
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>106,107</u>	<u>0</u>	<u>20,331</u>	<u>126,438</u>
Fund Balances						
Restricted	220,388	0	0	0	0	220,388
Committed	0	0	0	183,470	990,190	1,173,660
Assigned	0	48,138	1,277,583	220,352	0	1,546,073
<i>Total Fund Balances</i>	<u>220,388</u>	<u>48,138</u>	<u>1,277,583</u>	<u>403,822</u>	<u>990,190</u>	<u>2,940,121</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$220,388</u>	<u>\$48,138</u>	<u>\$1,383,690</u>	<u>\$403,822</u>	<u>\$1,010,521</u>	<u>\$3,066,559</u>

City of Brecksville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	Issue II	Recreation Expansion	Recreation Facilities Expansion	Public Utility Improvement	Fire Ambulance Capital	Total Nonmajor Capital Projects Funds
Revenues						
Charges for Services	\$0	\$0	\$0	\$0	\$291,180	\$291,180
Licenses and Permits	0	77,446	0	66,680	0	144,126
Intergovernmental	0	0	0	0	224,133	224,133
Interest	3,453	1,604	4,719	1,477	13,128	24,381
Miscellaneous	0	0	0	5,500	0	5,500
<i>Total Revenues</i>	<u>3,453</u>	<u>79,050</u>	<u>4,719</u>	<u>73,657</u>	<u>528,441</u>	<u>689,320</u>
Expenditures						
Capital Outlay	0	120,759	115,107	8,236	486,763	730,865
Debt Service:						
Principal Retirement	53,604	0	0	0	0	53,604
<i>Total Expenditures</i>	<u>53,604</u>	<u>120,759</u>	<u>115,107</u>	<u>8,236</u>	<u>486,763</u>	<u>784,469</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(50,151)	(41,709)	(110,388)	65,421	41,678	(95,149)
Other Financing Sources						
Transfers In	53,604	0	1,229,952	0	0	1,283,556
<i>Net Change in Fund Balances</i>	3,453	(41,709)	1,119,564	65,421	41,678	1,188,407
<i>Fund Balances Beginning of Year</i>	216,935	89,847	158,019	338,401	948,512	1,751,714
<i>Fund Balances End of Year</i>	<u>\$220,388</u>	<u>\$48,138</u>	<u>\$1,277,583</u>	<u>\$403,822</u>	<u>\$990,190</u>	<u>\$2,940,121</u>

Combining Statements - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is the cemetery private purpose trust. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private Purpose Trust Fund

Cemetery Endowment Fund - This fund received a \$3,000 endowment with the interest to be used for the perpetual care and maintenance of certain burial plots.

Agency Funds

Senior Citizens' Programs Fund - This fund accounts for donations to the City's senior citizens. The senior citizens use the money for home visitations. The City's role is limited to that of custodian of funds.

Street Openings Fund - This fund accounts for deposits held by the City for construction of new street openings. These monies are returned when the work is completed.

Deposits and Fees Fund - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

Contractors Deposit Fund - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

City of Brecksville, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Beginning Balance 12/31/16	Additions	Deductions	Ending Balance 12/31/17
Senior Citizens' Programs				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$30,806	\$13,173	\$18,479	\$25,500
Liabilities				
Undistributed Monies	\$30,806	\$13,173	\$18,479	\$25,500
Street Openings				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$313,081	\$46,950	\$56,251	\$303,780
Liabilities				
Deposits Held and Due to Others	\$313,081	\$46,950	\$56,251	\$303,780
Deposits and Fees				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$527,695	\$351,772	\$425,815	\$453,652
Liabilities				
Deposits Held and Due to Others	\$527,695	\$351,772	\$425,815	\$453,652
Contractors Deposit				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$256,750	\$145,700	\$243,750	\$158,700
Liabilities				
Deposits Held and Due to Others	\$256,750	\$145,700	\$243,750	\$158,700
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,128,332	\$557,595	\$744,295	\$941,632
Liabilities				
Undistributed Monies	\$30,806	\$13,173	\$18,479	\$25,500
Deposits Held and Due to Others	1,097,526	544,422	725,816	916,132
<i>Total Liabilities</i>	<u>\$1,128,332</u>	<u>\$557,595</u>	<u>\$744,295</u>	<u>\$941,632</u>

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

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,856,223	\$1,856,223	\$1,856,195	(\$28)
Municipal Income Taxes	16,196,655	16,369,000	15,503,678	(865,322)
Charges for Services	115,867	117,100	123,210	6,110
Licenses and Permits	316,631	320,000	327,064	7,064
Fines and Forfeitures	212,736	215,000	195,910	(19,090)
Intergovernmental	365,231	365,978	390,864	24,886
Interest	99,937	101,000	100,408	(592)
Donations	9,647	9,750	12,907	3,157
Rentals	106,863	108,000	115,973	7,973
Miscellaneous	132,661	218,512	293,755	75,243
<i>Total Revenues</i>	<u>19,412,451</u>	<u>19,680,563</u>	<u>18,919,964</u>	<u>(760,599)</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Mayor:				
Salaries and Wages	202,827	202,827	197,217	5,610
Fringe Benefits	67,613	67,613	65,743	1,870
Materials and Supplies	2,576	2,576	1,194	1,382
Purchased Services	3,310	3,310	1,794	1,516
Total Mayor	<u>276,326</u>	<u>276,326</u>	<u>265,948</u>	<u>10,378</u>
Finance Director:				
Salaries and Wages	315,555	318,323	318,323	0
Fringe Benefits	104,067	106,299	104,980	1,319
Materials and Supplies	4,633	4,633	3,328	1,305
Purchased Services	4,667	4,667	3,135	1,532
Total Finance Director	<u>428,922</u>	<u>433,922</u>	<u>429,766</u>	<u>4,156</u>
Purchasing Department:				
Salaries and Wages	148,534	148,534	147,543	991
Fringe Benefits	52,394	52,394	52,044	350
Materials and Supplies	2,974	2,974	1,550	1,424
Purchased Services	1,026	1,026	535	491
Total Purchasing Department	<u>204,928</u>	<u>204,928</u>	<u>201,672</u>	<u>3,256</u>
Legal Department:				
Salaries and Wages	52,882	52,882	52,882	0
Fringe Benefits	21,574	21,574	21,574	0
Contractual Services	200,000	200,000	187,945	12,055
Total Legal Department	<u>274,456</u>	<u>274,456</u>	<u>262,401</u>	<u>12,055</u>
Legislative:				
Salaries and Wages	206,121	201,121	192,941	8,180
Fringe Benefits	66,162	66,162	61,932	4,230
Materials and Supplies	7,108	7,108	1,140	5,968
Purchased Services	3,392	3,392	544	2,848
Total Legislative	<u>\$282,783</u>	<u>\$277,783</u>	<u>\$256,557</u>	<u>\$21,226</u>

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Civil Service:				
Salaries and Wages	\$7,214	\$7,214	\$4,791	\$2,423
Fringe Benefits	1,110	1,110	737	373
Contractual Services	34,850	34,850	13,943	20,907
Materials and Supplies	1,150	1,150	537	613
Total Civil Service	<u>44,324</u>	<u>44,324</u>	<u>20,008</u>	<u>24,316</u>
Information Technology:				
Salaries and Wages	210,996	210,996	210,996	0
Fringe Benefits	76,278	76,278	76,278	0
Contractual Services	49,002	49,002	40,765	8,237
Materials and Supplies	26,531	37,531	21,749	15,782
Purchased Services	47,931	47,931	38,055	9,876
Capital Outlay	69,000	19,000	0	19,000
Total Information Technology	<u>479,738</u>	<u>440,738</u>	<u>387,843</u>	<u>52,895</u>
County Fiscal Officer and Treasurer:				
Contractual Services	91,000	91,000	64,641	26,359
Income Tax Administration:				
Contractual Services	25,761	25,761	24,000	1,761
Other	573,689	573,689	543,968	29,721
Total Income Tax Administration	<u>599,450</u>	<u>599,450</u>	<u>567,968</u>	<u>31,482</u>
Administrative Support:				
Salaries and Wages	40,475	78,460	78,460	0
Fringe Benefits	641,199	603,214	466,142	137,072
Contractual Services	537,130	537,130	342,662	194,468
Materials and Supplies	561,296	561,296	326,795	234,501
Purchased Services	38,576	38,576	12,209	26,367
Capital Outlay	604,961	604,961	346,857	258,104
Other	179,061	179,061	95,741	83,320
Total Administrative Support	<u>2,602,698</u>	<u>2,602,698</u>	<u>1,668,866</u>	<u>933,832</u>
Land and Building:				
Salaries and Wages	946,540	946,540	900,478	46,062
Fringe Benefits	356,624	356,624	339,270	17,354
Contractual Services	88,630	88,630	56,398	32,232
Materials and Supplies	161,948	171,448	97,908	73,540
Purchased Services	851,295	851,295	521,793	329,502
Capital Outlay	6,000	6,000	0	6,000
Total Land and Building	<u>2,411,037</u>	<u>2,420,537</u>	<u>1,915,847</u>	<u>504,690</u>
Engineer:				
Salaries and Wages	38,679	38,679	17,760	20,919
Fringe Benefits	7,501	7,501	3,444	4,057
Contractual Services	113,000	113,000	100,818	12,182
Total Engineer	<u>159,180</u>	<u>159,180</u>	<u>122,022</u>	<u>37,158</u>
Total Legislative and Executive	<u>\$7,854,842</u>	<u>\$7,825,342</u>	<u>\$6,163,539</u>	<u>\$1,661,803</u>

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Judicial System:				
Mayor's Court:				
Salaries and Wages	\$105,602	\$105,602	\$104,076	\$1,526
Fringe Benefits	27,354	27,354	26,959	395
Contractual Services	2,429	2,429	1,000	1,429
Materials and Supplies	8,540	8,540	3,478	5,062
Purchased Services	1,627	1,627	670	957
Total Judicial System	<u>145,552</u>	<u>145,552</u>	<u>136,183</u>	<u>9,369</u>
Total General Government	<u>8,000,394</u>	<u>7,970,894</u>	<u>6,299,722</u>	<u>1,671,172</u>
Public Safety:				
Police:				
Law Enforcement:				
Salaries and Wages	3,048,058	3,018,058	2,975,454	42,604
Fringe Benefits	999,218	999,218	974,378	24,840
Contractual Services	68,512	68,512	55,059	13,453
Materials and Supplies	91,317	91,317	83,914	7,403
Purchased Services	92,848	73,848	73,758	90
Capital Outlay	517,437	417,437	345,946	71,491
Total Law Enforcement	<u>4,817,390</u>	<u>4,668,390</u>	<u>4,508,509</u>	<u>159,881</u>
Prisoner Support:				
Salaries and Wages	161,522	171,831	166,242	5,589
Fringe Benefits	57,867	59,558	59,558	0
Contractual Services	1,704	1,704	650	1,054
Materials and Supplies	28,838	28,838	11,499	17,339
Purchased Services	2,058	2,058	785	1,273
Total Prisoner Support	<u>251,989</u>	<u>263,989</u>	<u>238,734</u>	<u>25,255</u>
Traffic Control				
Materials and Supplies	6,864	6,864	4,650	2,214
Purchased Services	52,036	52,036	40,460	11,576
Total Traffic Control	<u>58,900</u>	<u>58,900</u>	<u>45,110</u>	<u>13,790</u>
Street Lighting:				
Purchased Services	120,000	120,000	104,267	15,733
Animal Control:				
Salaries and Wages	53,457	53,457	53,405	52
Fringe Benefits	22,952	22,952	22,930	22
Contractual Services	4,794	4,794	3,514	1,280
Materials and Supplies	1,795	1,795	1,316	479
Purchased Services	261	261	191	70
Total Animal Control	<u>83,259</u>	<u>83,259</u>	<u>81,356</u>	<u>1,903</u>
Total Police	<u>\$5,331,538</u>	<u>\$5,194,538</u>	<u>\$4,977,976</u>	<u>\$216,562</u>

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire:				
Hydrants:				
Salaries and Wages	\$12,601	\$12,601	\$12,501	\$100
Fringe Benefits	1,946	1,946	1,931	15
Materials and Supplies	15,000	15,000	3,378	11,622
Total Fire	29,547	29,547	17,810	11,737
Total Public Safety	5,361,085	5,224,085	4,995,786	228,299
Public Health and Social Services:				
Board of Health:				
Contractual Services	56,263	56,263	53,532	2,731
Cemetery:				
Salaries and Wages	95,910	95,910	90,227	5,683
Fringe Benefits	22,405	22,405	21,077	1,328
Materials and Supplies	10,133	10,133	7,035	3,098
Other	867	867	600	267
Total Cemetery	129,315	129,315	118,939	10,376
Human Services Department:				
Salaries and Wages	383,655	395,459	393,711	1,748
Fringe Benefits	121,943	125,139	125,139	0
Contractual Services	46,820	46,820	31,457	15,363
Materials and Supplies	94,160	94,160	88,710	5,450
Purchased Services	273,158	295,158	266,387	28,771
Capital Outlay	35,000	0	0	0
Other	26	26	25	1
Total Human Services Department	954,762	956,762	905,429	51,333
Total Public Health and Social Services	1,140,340	1,142,340	1,077,900	64,440
Street Construction, Maintenance, and Repair:				
Street Repairs and Maintenance:				
Salaries and Wages	772,676	817,676	767,722	49,954
Fringe Benefits	359,209	359,209	356,906	2,303
Materials and Supplies	22,253	22,253	18,165	4,088
Total Street Repairs and Maintenance	1,154,138	1,199,138	1,142,793	56,345
Vehicle Maintenance:				
Salaries and Wages	346,293	365,631	361,498	4,133
Fringe Benefits	128,956	134,618	134,618	0
Materials and Supplies	46,125	46,125	39,170	6,955
Purchased Services	120,875	120,875	106,872	14,003
Total Vehicle Maintenance	\$642,249	\$667,249	\$642,158	\$25,091

(continued)

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Snow and Ice Removal:				
Salaries and Wages	\$200,835	\$175,835	\$99,891	\$75,944
Fringe Benefits	30,974	30,974	15,406	15,568
Contractual Services	49,773	49,773	22,780	26,993
Materials and Supplies	13,627	13,627	3,932	9,695
Total Snow and Ice Removal	<u>295,209</u>	<u>270,209</u>	<u>142,009</u>	<u>128,200</u>
Total Street Construction, Maintenance and Repair	<u>2,091,596</u>	<u>2,136,596</u>	<u>1,926,960</u>	<u>209,636</u>
Housing and Community Development:				
Housing and Building Inspection:				
Salaries and Wages	387,681	387,681	382,708	4,973
Fringe Benefits	135,939	135,939	134,195	1,744
Contractual Services	12,579	12,579	10,162	2,417
Materials and Supplies	11,975	11,975	9,674	2,301
Purchased Services	6,697	6,697	5,374	1,323
Capital Outlay	9,434	9,434	9,434	0
Other	2,794	2,794	2,257	537
Total Housing and Building Inspection	<u>567,099</u>	<u>567,099</u>	<u>553,804</u>	<u>13,295</u>
Board of Zoning Appeals:				
Contractual Services	8,985	8,985	2,317	6,668
Planning Commission:				
Salaries and Wages	2,499	2,499	1,629	870
Fringe Benefits	387	387	252	135
Contractual Services	2,796	2,796	628	2,168
Total Planning Commission	<u>5,682</u>	<u>5,682</u>	<u>2,509</u>	<u>3,173</u>
Urban Forestry:				
Salaries and Wages	243,932	233,932	231,019	2,913
Fringe Benefits	91,725	91,725	86,869	4,856
Contractual Services	35,405	35,405	20,177	15,228
Materials and Supplies	3,973	3,973	2,854	1,119
Purchased Services	13,843	13,843	7,890	5,953
Total Urban Forestry	<u>388,878</u>	<u>378,878</u>	<u>348,809</u>	<u>30,069</u>
Total Housing and Community Development	<u>970,644</u>	<u>960,644</u>	<u>907,439</u>	<u>53,205</u>
Basic Utility Services:				
Service Department:				
Salaries and Wages	287,640	287,640	276,307	11,333
Fringe Benefits	118,585	118,585	113,913	4,672
Contractual Services	1,339	1,339	937	402
Materials and Supplies	20,168	20,168	14,052	6,116
Purchased Services	6,800	136,210	136,210	0
Capital Outlay	716,657	387,247	380,986	6,261
Total Service Department	<u>\$1,151,189</u>	<u>\$951,189</u>	<u>\$922,405</u>	<u>\$28,784</u>

(continued)

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Solid Waste and Recycling:				
Salaries and Wages	\$446,952	\$446,952	\$446,951	\$1
Fringe Benefits	114,945	114,945	114,945	0
Contractual Services	416,915	424,915	358,185	66,730
Materials and Supplies	2,422	2,752	2,752	0
Purchased Services	30,750	30,420	29,480	940
Total Solid Waste and Recycling	1,011,984	1,019,984	952,313	67,671
Storm Sewers and Drains:				
Salaries and Wages	63,096	70,819	64,891	5,928
Fringe Benefits	9,725	10,002	10,002	0
Materials and Supplies	7,184	7,184	6,207	977
Purchased Services	9,316	9,316	8,050	1,266
Total Storm Sewers and Drains	89,321	97,321	89,150	8,171
Total Basic Utility Services	2,252,494	2,068,494	1,963,868	104,626
Total Expenditures	19,816,553	19,503,053	17,171,675	2,331,378
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(404,102)</u>	<u>177,510</u>	<u>1,748,289</u>	<u>1,570,779</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	6,300	13,969	7,669
Transfers In	0	76,484	76,484	0
Transfers Out	(2,715,000)	(2,854,952)	(2,854,952)	0
Total Other Financing Sources (Uses)	(2,715,000)	(2,772,168)	(2,764,499)	7,669
Net Change in Fund Balance	(3,119,102)	(2,594,658)	(1,016,210)	1,578,448
Fund Balance Beginning of Year	6,730,224	6,730,224	6,730,224	0
Prior Year Encumbrances Appropriated	725,358	725,358	725,358	0
Fund Balance End of Year	\$4,336,480	\$4,860,924	\$6,439,372	\$1,578,448

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Department Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,763,312	\$1,763,312	\$1,798,017	\$34,705
Intergovernmental	226,268	230,751	228,194	(2,557)
Interest	17,326	48,678	9,007	(39,671)
Donations	385	1,081	200	(881)
Miscellaneous	8,236	26,337	24,528	(1,809)
<i>Total Revenues</i>	<u>2,015,527</u>	<u>2,070,159</u>	<u>2,059,946</u>	<u>(10,213)</u>
Expenditures				
Current:				
Public Safety:				
Fire:				
Salaries and Wages	1,769,500	1,769,500	1,724,189	45,311
Fringe Benefits	658,916	658,916	627,573	31,343
Contractual Services	19,568	19,568	15,837	3,731
Materials and Supplies	58,041	58,041	55,157	2,884
Purchased Services	128,397	128,397	109,527	18,870
<i>Total Expenditures</i>	<u>2,634,422</u>	<u>2,634,422</u>	<u>2,532,283</u>	<u>102,139</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(618,895)</u>	<u>(564,263)</u>	<u>(472,337)</u>	<u>91,926</u>
Other Financing Sources				
Sale of Capital Assets	0	0	3,568	3,568
Transfers In	450,000	450,000	450,000	0
<i>Total Other Financing Sources</i>	<u>450,000</u>	<u>450,000</u>	<u>453,568</u>	<u>3,568</u>
<i>Net Change in Fund Balance</i>	(168,895)	(114,263)	(18,769)	95,494
<i>Fund Balance Beginning of Year</i>	289,203	289,203	289,203	0
Prior Year Encumbrances Appropriated	10,256	10,256	10,256	0
<i>Fund Balance End of Year</i>	<u>\$130,564</u>	<u>\$185,196</u>	<u>\$280,690</u>	<u>\$95,494</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$460,000	\$460,000	\$466,009	\$6,009
Expenditures				
Debt Service:				
Principal Retirement	463,000	463,000	463,000	0
Interest and Fiscal Charges	109,670	109,671	109,671	0
Bond Issuance Costs	15,000	14,999	4,737	10,262
<i>Total Expenditures</i>	<u>587,670</u>	<u>587,670</u>	<u>577,408</u>	<u>10,262</u>
<i>Net Change in Fund Balance</i>	(127,670)	(127,670)	(111,399)	16,271
<i>Fund Balance Beginning of Year</i>	<u>196,885</u>	<u>196,885</u>	<u>196,885</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$69,215</u>	<u>\$69,215</u>	<u>\$85,486</u>	<u>\$16,271</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Municipal Improvement Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$960,000	\$960,000	\$960,000	\$0
Intergovernmental	644,477	945,700	959,539	13,839
Special Assessments	8,040	11,798	11,971	173
Interest	34,647	50,841	51,585	744
Miscellaneous	106,285	155,962	158,244	2,282
<i>Total Revenues</i>	<u>1,753,449</u>	<u>2,124,301</u>	<u>2,141,339</u>	<u>17,038</u>
Expenditures				
Capital Outlay:				
Capital Outlay	<u>6,806,682</u>	<u>6,806,682</u>	<u>4,715,160</u>	<u>2,091,522</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,053,233)</u>	<u>(4,682,381)</u>	<u>(2,573,821)</u>	<u>2,108,560</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	4,090,000	4,090,000	4,090,000	0
Transfers Out	<u>(349,380)</u>	<u>(349,380)</u>	<u>(349,380)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>3,740,620</u>	<u>3,740,620</u>	<u>3,740,620</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,312,613)	(941,761)	1,166,799	2,108,560
<i>Fund Balance Beginning of Year</i>	1,460,227	1,460,227	1,460,227	0
Prior Year Encumbrances Appropriated	<u>540,682</u>	<u>540,682</u>	<u>540,682</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$688,296</u>	<u>\$1,059,148</u>	<u>\$3,167,708</u>	<u>\$2,108,560</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Buildings and Improvements Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$1,200,000	\$1,200,000	\$1,200,000	\$0
Interest	23,186	6,011	10,214	4,203
Miscellaneous	3,814	989	1,680	691
<i>Total Revenues</i>	<u>1,227,000</u>	<u>1,207,000</u>	<u>1,211,894</u>	<u>4,894</u>
Expenditures				
Capital Outlay:				
Capital Outlay	1,271,922	1,271,922	1,179,363	92,559
Debt Service:				
Principal Retirement	2,000,000	1,980,000	1,980,000	0
Interest and Fiscal Charges	20,000	20,000	20,000	0
Total Debt Service	<u>2,020,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,291,922</u>	<u>3,271,922</u>	<u>3,179,363</u>	<u>92,559</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,064,922)</u>	<u>(2,064,922)</u>	<u>(1,967,469)</u>	<u>97,453</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	1,980,000	1,980,000	1,980,000	0
Transfers Out	(530,000)	(519,867)	(519,867)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,450,000</u>	<u>1,460,133</u>	<u>1,460,133</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(614,922)	(604,789)	(507,336)	97,453
<i>Fund Balance Beginning of Year</i>	705,893	705,893	705,893	0
Prior Year Encumbrances Appropriated	29,422	29,422	29,422	0
<i>Fund Balance End of Year</i>	<u>\$120,393</u>	<u>\$130,526</u>	<u>\$227,979</u>	<u>\$97,453</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvements Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$360,000	\$360,000	\$360,000	\$0
Interest	2,500	2,500	3,743	1,243
<i>Total Revenues</i>	362,500	362,500	363,743	1,243
Expenditures				
Capital Outlay:				
Road Repaving:				
Purchased Services	431,686	431,686	343,505	88,181
<i>Net Change in Fund Balance</i>	(69,186)	(69,186)	20,238	89,424
<i>Fund Balance Beginning of Year</i>	191,178	191,178	191,178	0
Prior Year Encumbrances Appropriated	1,686	1,686	1,686	0
<i>Fund Balance End of Year</i>	<u>\$123,678</u>	<u>\$123,678</u>	<u>\$213,102</u>	<u>\$89,424</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Station Building Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$0	\$17,000	\$27,286	\$10,286
Expenditures				
Capital Outlay:				
Capital Outlay	8,402,287	8,402,287	7,441,350	960,937
<i>Excess of Revenues Under Expenditures</i>	(8,402,287)	(8,385,287)	(7,414,064)	971,223
Other Financing Sources (Uses)				
General Obligation Bonds Issued	8,000,000	8,000,000	8,000,000	0
Transfers In	325,000	325,000	325,000	0
Transfers Out	(325,000)	(321,254)	(321,254)	0
<i>Total Other Financing Sources (Uses)</i>	8,000,000	8,003,746	8,003,746	0
<i>Net Change in Fund Balance</i>	(402,287)	(381,541)	589,682	971,223
<i>Fund Balance Beginning of Year</i>	108,602	108,602	108,602	0
Prior Year Encumbrances Appropriated	402,287	402,287	402,287	0
<i>Fund Balance End of Year</i>	\$108,602	\$129,348	\$1,100,571	\$971,223

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$36,222	\$36,222	\$36,231	\$9
Interest	278	278	278	0
<i>Total Revenues</i>	36,500	36,500	36,509	9
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Street Repair and Maintenance:				
Capital Outlay	45,000	45,000	38,000	7,000
<i>Net Change in Fund Balance</i>	(8,500)	(8,500)	(1,491)	7,009
<i>Fund Balance Beginning of Year</i>	13,960	13,960	13,960	0
<i>Fund Balance End of Year</i>	<u>\$5,460</u>	<u>\$5,460</u>	<u>\$12,469</u>	<u>\$7,009</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Repair and Maintenance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$573,352	\$588,250	\$592,826	\$4,576
Interest	3,948	4,050	4,082	32
<i>Total Revenues</i>	577,300	592,300	596,908	4,608
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Snow and Ice Removal:				
Purchased Services	714,214	714,214	554,352	159,862
<i>Net Change in Fund Balance</i>	(136,914)	(121,914)	42,556	164,470
<i>Fund Balance Beginning of Year</i>	199,822	199,822	199,822	0
Prior Year Encumbrances Appropriated	14,214	14,214	14,214	0
<i>Fund Balance End of Year</i>	<u>\$77,122</u>	<u>\$92,122</u>	<u>\$256,592</u>	<u>\$164,470</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$45,456	\$45,456	\$48,067	\$2,611
Interest	994	994	1,051	57
<i>Total Revenues</i>	46,450	46,450	49,118	2,668
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Route 21 Center Strip:				
Purchased Services	75,000	75,000	0	75,000
<i>Net Change in Fund Balance</i>	(28,550)	(28,550)	49,118	77,668
<i>Fund Balance Beginning of Year</i>	53,719	53,719	53,719	0
<i>Fund Balance End of Year</i>	<u>\$25,169</u>	<u>\$25,169</u>	<u>\$102,837</u>	<u>\$77,668</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Center Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$902,617	\$892,921	\$937,758	\$44,837
Interest	5,501	5,442	5,715	273
Donations	10,012	9,905	10,402	497
Rentals	60,580	59,929	62,938	3,009
Miscellaneous	22,015	32,300	33,199	899
<i>Total Revenues</i>	1,000,725	1,000,497	1,050,012	49,515
Expenditures				
Current:				
Recreational Activities:				
Community Center:				
Salaries and Wages	970,082	998,082	964,087	33,995
Fringe Benefits	335,235	330,235	323,871	6,364
Contractual Services	195,955	195,955	175,997	19,958
Materials and Supplies	128,091	119,830	115,775	4,055
Purchased Services	313,951	284,212	284,212	0
Capital Outlay	45,000	45,000	0	45,000
Other	33,500	33,500	30,088	3,412
<i>Total Expenditures</i>	2,021,814	2,006,814	1,894,030	112,784
<i>Excess of Revenues Under Expenditures</i>	(1,021,089)	(1,006,317)	(844,018)	162,299
Other Financing Sources				
Sale of Capital Assets	0	0	576	576
Transfers In	850,000	850,000	850,000	0
<i>Total Other Financing Sources</i>	850,000	850,000	850,576	576
<i>Net Change in Fund Balance</i>	(171,089)	(156,317)	6,558	162,875
<i>Fund Balance Beginning of Year</i>	302,813	302,813	302,813	0
Prior Year Encumbrances Appropriated	6,597	6,597	6,597	0
<i>Fund Balance End of Year</i>	\$138,321	\$153,093	\$315,968	\$162,875

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Maintenance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$518,951	\$518,951	\$528,822	\$9,871
Intergovernmental	65,491	65,491	66,737	1,246
Interest	9,086	20,610	3,546	(17,064)
Miscellaneous	2,347	5,324	916	(4,408)
<i>Total Revenues</i>	<u>595,875</u>	<u>610,376</u>	<u>600,021</u>	<u>(10,355)</u>
Expenditures				
Current:				
Street Construction, Maintenance, and Repair:				
Street Repair and Maintenance:				
Contractual Services	4,937	4,937	3,650	1,287
Purchased Services	65,821	48,222	33,318	14,904
Capital Outlay	600,000	617,599	617,599	0
<i>Total Expenditures</i>	<u>670,758</u>	<u>670,758</u>	<u>654,567</u>	<u>16,191</u>
<i>Excess of Revenues Under Expenditures</i>	(74,883)	(60,382)	(54,546)	5,836
Other Financing Uses				
Transfers Out	(11,224)	(11,224)	(11,224)	0
<i>Net Change in Fund Balance</i>	(86,107)	(71,606)	(65,770)	5,836
<i>Fund Balance Beginning of Year</i>	155,718	155,718	155,718	0
Prior Year Encumbrances Appropriated	20,758	20,758	20,758	0
<i>Fund Balance End of Year</i>	<u>\$90,369</u>	<u>\$104,870</u>	<u>\$110,706</u>	<u>\$5,836</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Sharing Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$200	\$200	\$246	\$46
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Federal Equitable Sharing				
Materials and Supplies	15,000	15,000	0	15,000
<i>Net Change in Fund Balance</i>	(14,800)	(14,800)	246	15,046
<i>Fund Balance Beginning of Year</i>	17,958	17,958	17,958	0
<i>Fund Balance End of Year</i>	<u>\$3,158</u>	<u>\$3,158</u>	<u>\$18,204</u>	<u>\$15,046</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$421	\$411	\$411	\$0
Interest	279	279	279	0
<i>Total Revenues</i>	700	690	690	0
Expenditures				
Current:				
Public Safety:				
Police:				
Contractual Services	16,000	13,879	13,879	0
<i>Excess of Revenues Under Expenditures</i>	(15,300)	(13,189)	(13,189)	0
Other Financing Uses				
Transfers Out	0	(10,090)	(10,090)	0
<i>Net Change in Fund Balance</i>	(15,300)	(23,279)	(23,279)	0
<i>Fund Balance Beginning of Year</i>	23,279	23,279	23,279	0
<i>Fund Balance End of Year</i>	<u>\$7,979</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Interlock Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$60	\$67	\$67	\$0
Expenditures				
Current:				
Public Safety:				
Police:				
Contractual Services	4,000	5,500	5,500	0
<i>Excess of Revenues Under Expenditures</i>	(3,940)	(5,433)	(5,433)	0
Other Financing Uses				
Transfers Out	0	(218)	(218)	0
<i>Net Change in Fund Balance</i>	(3,940)	(5,651)	(5,651)	0
<i>Fund Balance Beginning of Year</i>	5,651	5,651	5,651	0
<i>Fund Balance End of Year</i>	<u>\$1,711</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$774	\$774	\$838	\$64
Intergovernmental	3,005	3,005	3,252	247
Interest	436	436	472	36
<i>Total Revenues</i>	<u>4,215</u>	<u>4,215</u>	<u>4,562</u>	<u>347</u>
Expenditures				
Current:				
Public Safety:				
Police:				
Fringe Benefits	4,000	4,000	3,831	169
Purchased Services	22,875	22,875	4,846	18,029
<i>Total Expenditures</i>	<u>26,875</u>	<u>26,875</u>	<u>8,677</u>	<u>18,198</u>
<i>Net Change in Fund Balance</i>	(22,660)	(22,660)	(4,115)	18,545
<i>Fund Balance Beginning of Year</i>	35,193	35,193	35,193	0
Prior Year Encumbrances Appropriated	<u>25</u>	<u>25</u>	<u>25</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,558</u></u>	<u><u>\$12,558</u></u>	<u><u>\$31,103</u></u>	<u><u>\$18,545</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computerization Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$11,193	\$11,193	\$10,656	(\$537)
Interest	2,407	2,407	2,291	(116)
<i>Total Revenues</i>	13,600	13,600	12,947	(653)
Expenditures				
Current:				
General Government:				
Judicial:				
Court Computerization:				
Materials and Supplies	65,600	65,600	1,628	63,972
<i>Net Change in Fund Balance</i>	(52,000)	(52,000)	11,319	63,319
<i>Fund Balance Beginning of Year</i>	162,687	162,687	162,687	0
Prior Year Encumbrances Appropriated	600	600	600	0
<i>Fund Balance End of Year</i>	<u>\$111,287</u>	<u>\$111,287</u>	<u>\$174,606</u>	<u>\$63,319</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Natureworks Grants Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Recreation:				
Natureworks Grant:				
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>950</u>	<u>950</u>	<u>950</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$950</u></u>	<u><u>\$950</u></u>	<u><u>\$950</u></u>	<u><u>\$0</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling Demo Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$4,571	\$3,045	\$3,295	\$250
Interest	479	319	345	26
<i>Total Revenues</i>	<u>5,050</u>	<u>3,364</u>	<u>3,640</u>	<u>276</u>
Expenditures				
Current:				
Basic Utility Services:				
Rubbish Recycling:				
Materials and Supplies	10,000	3,313	3,295	18
Purchased Services	0	24,125	24,125	0
<i>Total Expenditures</i>	<u>10,000</u>	<u>27,438</u>	<u>27,420</u>	<u>18</u>
<i>Net Change in Fund Balance</i>	(4,950)	(24,074)	(23,780)	294
<i>Fund Balance Beginning of Year</i>	<u>29,597</u>	<u>29,597</u>	<u>29,597</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$24,647</u></u>	<u><u>\$5,523</u></u>	<u><u>\$5,817</u></u>	<u><u>\$294</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tree Planting Grants Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and Permits	\$13,000	\$13,000	\$13,200	\$200
Intergovernmental	0	25,000	24,949	(51)
<i>Total Revenues</i>	13,000	38,000	38,149	149
Expenditures				
Current:				
Housing and Community Development:				
Tree Planning:				
Salaries and Wages	27,818	27,818	13,873	13,945
Fringe Benefits	3,772	3,772	1,881	1,891
Contractual Services	9,518	9,582	9,139	443
Materials and Supplies	40,349	40,349	38,741	1,608
Other	1,433	1,433	1,375	58
<i>Total Expenditures</i>	82,890	82,954	65,009	17,945
<i>Net Change in Fund Balance</i>	(69,890)	(44,954)	(26,860)	18,094
<i>Fund Balance Beginning of Year</i>	128,904	128,904	128,904	0
<i>Fund Balance End of Year</i>	\$59,014	\$83,950	\$102,044	\$18,094

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$4,414	\$6,622	\$11,096	\$4,474
Interest	586	878	1,472	594
<i>Total Revenues</i>	5,000	7,500	12,568	5,068
Expenditures				
Current:				
Public Safety:				
Police:				
Purchased Services	100,000	100,000	19,820	80,180
<i>Net Change in Fund Balance</i>	(95,000)	(92,500)	(7,252)	85,248
<i>Fund Balance Beginning of Year</i>	102,136	102,136	102,136	0
<i>Fund Balance End of Year</i>	<u>\$7,136</u>	<u>\$9,636</u>	<u>\$94,884</u>	<u>\$85,248</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Mandatory Drug Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$400	\$400	\$537	\$137
Expenditures				
Current:				
Public Safety:				
Police:				
Materials and Supplies	25,000	25,000	0	25,000
<i>Net Change in Fund Balance</i>	(24,600)	(24,600)	537	25,137
<i>Fund Balance Beginning of Year</i>	39,157	39,157	39,157	0
<i>Fund Balance End of Year</i>	<u>\$14,557</u>	<u>\$14,557</u>	<u>\$39,694</u>	<u>\$25,137</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vehicle Immobilization Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$710	\$665	\$665	\$0
Interest	790	740	740	0
<i>Total Revenues</i>	1,500	1,405	1,405	0
Expenditures				
Current:				
Public Safety:				
Police:				
Purchased Services	35,000	0	0	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,500)	1,405	1,405	0
Other Financing Uses				
Transfers Out	0	(63,201)	(63,201)	0
<i>Net Change in Fund Balance</i>	(33,500)	(61,796)	(61,796)	0
<i>Fund Balance Beginning of Year</i>	61,796	61,796	61,796	0
<i>Fund Balance End of Year</i>	<u>\$28,296</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$155,687	\$155,687	\$158,667	\$2,980
Intergovernmental	19,646	19,646	20,022	376
<i>Total Revenues</i>	<u>175,333</u>	<u>175,333</u>	<u>178,689</u>	<u>3,356</u>
Expenditures				
Current:				
Public Safety:				
Police:				
Fringe Benefits	140,000	140,000	140,000	0
Contractual Services	300	300	62	238
<i>Total Expenditures</i>	<u>140,300</u>	<u>140,300</u>	<u>140,062</u>	<u>238</u>
<i>Net Change in Fund Balance</i>	35,033	35,033	38,627	3,594
<i>Fund Balance Beginning of Year</i>	<u>254,092</u>	<u>254,092</u>	<u>254,092</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$289,125</u></u>	<u><u>\$289,125</u></u>	<u><u>\$292,719</u></u>	<u><u>\$3,594</u></u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Memorial Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Donations	\$24,100	\$480	\$480	\$0
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Memorials:				
Purchased Services	2,183	683	134	549
<i>Excess of Revenues Over (Under) Expenditures</i>	21,917	(203)	346	549
Other Financing Uses				
Transfers Out	0	(2,425)	(2,975)	(550)
<i>Net Change in Fund Balance</i>	21,917	(2,628)	(2,629)	(1)
<i>Fund Balance Beginning of Year</i>	1,946	1,946	1,946	0
Prior Year Encumbrances Appropriated	683	683	683	0
<i>Fund Balance End of Year</i>	<u>\$24,546</u>	<u>\$1</u>	<u>\$0</u>	<u>(\$1)</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Peace Officer Training Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,400	\$5,900	\$6,380	\$480
Expenditures				
Current:				
Public Safety:				
Police:				
Purchased Services	3,450	9,950	2,802	7,148
<i>Net Change in Fund Balance</i>	(1,050)	(4,050)	3,578	7,628
<i>Fund Balance Beginning of Year</i>	3,050	3,050	3,050	0
Prior Year Encumbrances Appropriated	1,050	1,050	1,050	0
<i>Fund Balance End of Year</i>	<u>\$3,050</u>	<u>\$50</u>	<u>\$7,678</u>	<u>\$7,628</u>

City of Brecksville, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Debt Service:				
Principal Retirement	865,000	885,000	885,000	0
Interest and Fiscal Charges	247,005	247,005	233,185	13,820
Bond Issuance Costs	49,995	251,277	182,029	69,248
<i>Total Expenditures</i>	<u>1,162,000</u>	<u>1,383,282</u>	<u>1,300,214</u>	<u>83,068</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,162,000)</u>	<u>(1,383,282)</u>	<u>(1,300,214)</u>	<u>83,068</u>
Other Financing Sources				
Premium on Issuance of Notes	283,949	26,135	26,135	0
Premium on Issuance of Bonds	41,051	180,777	180,777	0
Transfers In	837,000	1,148,121	1,148,121	0
<i>Total Other Financing Sources</i>	<u>1,162,000</u>	<u>1,355,033</u>	<u>1,355,033</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	(28,249)	54,819	83,068
<i>Fund Balance Beginning of Year</i>	<u>177,202</u>	<u>177,202</u>	<u>177,202</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$177,202</u>	<u>\$148,953</u>	<u>\$232,021</u>	<u>\$83,068</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$550	\$3,550	\$3,453	(\$97)
Expenditures				
Capital Outlay:				
Purchased Services	5,000	5,000	0	5,000
Capital Outlay	100,000	100,000	0	100,000
Total Capital Outlay	105,000	105,000	0	105,000
Debt Service:				
Principal Retirement	53,604	53,604	53,604	0
<i>Total Expenditures</i>	158,604	158,604	53,604	105,000
<i>Excess of Revenues Under Expenditures</i>	(158,054)	(155,054)	(50,151)	104,903
Other Financing Sources				
Transfers In	53,604	53,604	53,604	0
<i>Net Change in Fund Balance</i>	(104,450)	(101,450)	3,453	104,903
<i>Fund Balance Beginning of Year</i>	216,935	216,935	216,935	0
<i>Fund Balance End of Year</i>	<u>\$112,485</u>	<u>\$115,485</u>	<u>\$220,388</u>	<u>\$104,903</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Expansion Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and Permits	\$64,661	\$69,069	\$77,446	\$8,377
Interest	1,339	1,431	1,604	173
<i>Total Revenues</i>	66,000	70,500	79,050	8,550
Expenditures				
Capital Outlay:				
Materials and Supplies	2,777	2,777	2,660	117
Purchased Services	6,559	6,559	6,282	277
Capital Outlay	138,000	138,000	113,477	24,523
Other	764	764	731	33
<i>Total Expenditures</i>	148,100	148,100	123,150	24,950
<i>Net Change in Fund Balance</i>	(82,100)	(77,600)	(44,100)	33,500
<i>Fund Balance Beginning of Year</i>	89,970	89,970	89,970	0
<i>Fund Balance End of Year</i>	\$7,870	\$12,370	\$45,870	\$33,500

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Facilities Expansion Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$0	\$4,719	\$4,719
Expenditures				
Capital Outlay:				
Capital Outlay	1,099,000	1,238,952	77,575	1,161,377
<i>Excess of Revenues Under Expenditures</i>	(1,099,000)	(1,238,952)	(72,856)	1,166,096
Other Financing Sources				
Transfers In	1,090,000	1,229,951	1,229,952	1
<i>Net Change in Fund Balance</i>	(9,000)	(9,001)	1,157,096	1,166,097
<i>Fund Balance Beginning of Year</i>	149,019	149,019	149,019	0
Prior Year Encumbrances Appropriated	9,000	9,000	9,000	0
<i>Fund Balance End of Year</i>	<u>\$149,019</u>	<u>\$149,018</u>	<u>\$1,315,115</u>	<u>\$1,166,097</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Utility Improvement Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and Permits	\$39,832	\$39,832	\$66,680	\$26,848
Interest	882	882	1,477	595
Miscellaneous	3,286	3,286	5,500	2,214
<i>Total Revenues</i>	44,000	44,000	73,657	29,657
Expenditures				
Capital Outlay:				
Contractual Services	46,000	46,000	8,236	37,764
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	65,421	67,421
<i>Fund Balance Beginning of Year</i>	338,401	338,401	338,401	0
<i>Fund Balance End of Year</i>	<u>\$336,401</u>	<u>\$336,401</u>	<u>\$403,822</u>	<u>\$67,421</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Ambulance Capital Fund
For the Year Ended December 31, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$321,282	\$294,463	\$282,656	(\$11,807)
Intergovernmental	244,796	224,361	215,365	(8,996)
Interest	14,922	13,676	13,128	(548)
<i>Total Revenues</i>	581,000	532,500	511,149	(21,351)
Expenditures				
Capital Outlay:				
Contractual Services	21,000	41,734	41,734	0
Capital Outlay	1,199,540	1,183,806	578,448	605,358
<i>Total Expenditures</i>	1,220,540	1,225,540	620,182	605,358
<i>Net Change in Fund Balance</i>	(639,540)	(693,040)	(109,033)	584,007
<i>Fund Balance Beginning of Year</i>	928,869	928,869	928,869	0
Prior Year Encumbrances Appropriated	130,540	130,540	130,540	0
<i>Fund Balance End of Year</i>	\$419,869	\$366,369	\$950,376	\$584,007

City of Brecksville, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$21,817	\$21,973	\$21,673	(\$300)
Miscellaneous	117,683	118,527	116,908	(1,619)
<i>Total Revenues</i>	<u>139,500</u>	<u>140,500</u>	<u>138,581</u>	<u>(1,919)</u>
Expenses				
Purchased Services	12,000	12,000	6,900	5,100
Claims	335,000	335,000	21,560	313,440
<i>Total Expenses</i>	<u>347,000</u>	<u>347,000</u>	<u>28,460</u>	<u>318,540</u>
<i>Net Change in Fund Equity</i>	(207,500)	(206,500)	110,121	316,621
<i>Fund Equity Beginning of Year</i>	<u>1,527,420</u>	<u>1,527,420</u>	<u>1,527,420</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$1,319,920</u>	<u>\$1,320,920</u>	<u>\$1,637,541</u>	<u>\$316,621</u>

City of Brecksville, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Cemetery Endowment Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$20	\$45	\$43	(\$2)
Expenses				
Other	100	100	0	100
<i>Net Change in Fund Equity</i>	(80)	(55)	43	98
<i>Fund Equity Beginning of Year</i>	3,131	3,131	3,131	0
<i>Fund Equity End of Year</i>	<u>\$3,051</u>	<u>\$3,076</u>	<u>\$3,174</u>	<u>\$98</u>



CodeRED Weather Warning is automated and requires no human intervention. Notifications are delivered so quickly they often arrive prior to any other public notifications, including television or weather radio broadcasts. The system delivers voice calls, text messages and emails to subscribed users within the direct path of the storm. Messages provide residents extra time to prepare that could save lives. Types of alerts include tornado warn-

ings, severe thunderstorm warnings, flash flood warnings, tsunami warnings and winter storm warnings.

Visit the City website fire department page today to sign up for free access!



Southwest Emergency Response Team (SERT)

The Southwest Council of Governments recognized that there are emergency incidents where the rapid deployment of specialty trained and equipped response teams can provide a better likelihood of a favorable outcome. It was determined that the most cost-efficient means to meet that need was by combining regional assets.

The Southwest Council of Governments agreed to create SERT, the Southwest Emergency Response Team. The regional group includes a Type 2 HazMat team, water and land based technical rescue teams, a fire investigation unit, and tactical EMS.

The City of Brecksville is a member of the 19-community Southwest Council of Governments and currently has members on all five teams.



Public Education Programs

We offer CPR training to the residents and businesses of Brecksville and teach them using the American Heart Association standard. The fire department also provides basic fire extinguisher training. This lecture and hands-on class is available to local businesses and organizations in the community.

Got little ones?

Car Seat Inspection Stations are a free service offered to the public for those who wish to check that their child's car seat is safely and securely installed. Inspections are conducted by certified Child Passenger Safety Technicians at the Brecksville Fire Department.

Community Emergency Response Team (CERT)

"Neighbors helping Neighbors"

After Hurricane Katrina, we learned that recovery from a disaster, whether it's manmade or an act of nature begins within each community. Our community continues to prepare for such emergencies: planning, training and evaluating in order to respond to any incident in a quick and efficient manner. County-wide, cities have formed CERT teams (Community Emergency Response Team). These volunteer teams can be put into action quickly, already trained in the basics of disaster mitigation and work closely with the fire department to assist during disasters.



Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S11</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S12 – S19</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	<i>S20 – S23</i>
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.	
<i>Economic and Demographic Information</i>	<i>S24 – S25</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S26 – S31</i>
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.	

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

City of Brecksville, Ohio
Net Position By Component
Last Ten Years
(Accrual Basis of Accounting)

	2017	2016	2015	2014
Governmental Activities				
Net Investment in Capital Assets	\$65,981,738	\$73,353,987	\$69,946,323	\$74,133,853
Restricted:				
Capital Projects	7,843,753	590,944	900,027	1,420,845
Debt Service	2,771,399	3,474,178	3,973,179	4,415,231
Community Center	N/A	N/A	N/A	N/A
Court Computerization	174,606	163,287	150,372	242,043
Fire Department	254,211	226,751	148,663	177,816
Police Department	509,726	549,496	524,703	480,237
Road Maintenance	174,144	234,283	218,201	245,463
Street Construction, Maintenance, and Repair	700,642	639,465	731,322	872,497
Other Purposes	122,269	172,873	176,243	159,198
Unrestricted (1)	5,383,289	3,808,154	2,295,237	654,223
<i>Total Governmental Activities Net Position</i>	<u>\$83,915,777</u>	<u>\$83,213,418</u>	<u>\$79,064,270</u>	<u>\$82,801,406</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2014.

2013	2012	2011	2010	2009	2008
\$72,417,114	\$70,119,261	\$66,408,438	\$65,615,699	\$63,486,515	\$60,276,377
329,701	232,792	3,045,641	801,922	1,937,585	5,036,864
4,805,954	4,901,981	5,840,447	5,713,451	6,445,832	4,407,165
146,894	N/A	N/A	N/A	361,444	538,139
235,719	N/A	N/A	N/A	N/A	N/A
238,486	99,629	311,661	424,696	706,135	514,548
410,660	N/A	N/A	N/A	N/A	N/A
215,326	345,691	137,076	402,803	570,816	589,223
1,015,590	853,116	725,291	825,033	1,170,024	927,115
37,646	860,505	1,309,947	788,783	716,987	734,022
16,694,528	15,190,625	9,915,091	10,215,534	6,771,495	8,367,960
<u>\$96,547,618</u>	<u>\$92,603,600</u>	<u>\$87,693,592</u>	<u>\$84,787,921</u>	<u>\$82,166,833</u>	<u>\$81,391,413</u>

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

	2017	2016	2015	2014
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$276,352	\$344,701	\$359,173	\$354,858
Judicial System	16,699	19,564	17,080	18,808
Public Safety:				
Police	227,076	227,804	206,834	333,532
Fire	291,958	291,535	284,088	234,018
Public Health and Social Services	46,885	49,812	46,217	44,774
Street Construction, Maintenance, and Repair	91,515	100,066	93,240	95,899
Housing and Community Development	52,589	63,540	55,154	43,901
Basic Utility Services	174,702	171,080	130,548	117,458
Recreational Activities	1,079,413	1,150,592	995,080	994,881
Subtotal - Charges for Services	<u>2,257,189</u>	<u>2,418,694</u>	<u>2,187,414</u>	<u>2,238,129</u>
Operating Grants and Contributions:				
General Government:				
Legislative and Executive	5,030	3,834	5,988	200,435
Judicial System	105	81	115	1,737
Public Safety:				
Police	44,717	27,355	32,454	29,374
Fire	228,960	230,305	228,841	244,241
Public Health and Social Services	826	606	941	727
Street Construction, Maintenance, and Repair	745,911	749,205	763,645	805,157
Housing and Community Development	25,643	525	791	25,154
Basic Utility Services	4,737	30,886	5,771	6,571
Recreational Activities	10,402	10,844	4,940	14,615
Subtotal - Operating Grants and Contributions	<u>1,066,331</u>	<u>1,053,641</u>	<u>1,043,486</u>	<u>1,328,011</u>
Capital Grants and Contributions:				
General Government				
Legislative and Executive	0	0	0	4,740
Public Safety:				
Fire	224,133	0	0	0
Street Construction, Maintenance, and Repair	1,259,818	0	0	0
Basic Utility Services	110,805	1,271,409	2,194,237	1,682,114
Recreational Activities	0	0	13,500	0
Subtotal - Capital Grants and Contributions	<u>1,594,756</u>	<u>1,271,409</u>	<u>2,207,737</u>	<u>1,686,854</u>
<i>Total Governmental Program Revenues</i>	<u>\$4,918,276</u>	<u>\$4,743,744</u>	<u>\$5,438,637</u>	<u>\$5,252,994</u>

2013	2012	2011	2010	2009	2008
\$840,125	\$2,299,783	\$279,495	\$286,925	\$403,381	\$769,088
20,172	20,671	20,697	25,697	22,352	25,311
211,069	226,459	203,272	217,057	185,652	277,326
250,218	279,871	242,973	240,339	794	1,340
39,658	43,699	28,694	56,109	6,327	7,328
94,951	91,811	95,030	91,510	73,991	117,325
37,370	46,690	42,223	54,910	45,320	54,992
106,846	237,193	98,226	125,501	107,303	124,950
945,844	1,111,284	990,728	979,197	884,283	1,012,924
2,546,253	4,357,461	2,001,338	2,077,245	1,729,403	2,390,584
10,319	1,536	840	1,675	21,673	5,378
1,327	1,911	20	54	35	112
32,227	24,616	27,905	36,852	39,224	10,071
231,789	248,914	275,546	394,314	387,424	14,629
1,604	239	91	345	33	117
1,067,022	735,099	750,313	792,508	794,864	697,756
8,917	6,474	18,878	253	189	727
8,198	4,521	678	3,939	4,002	5,226
6,557	6,782	3,985	3,615	4,017	3,197
1,367,960	1,030,092	1,078,256	1,233,555	1,251,461	737,213
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
735,758	1,302,454	279,119	1,081,781	300,000	0
0	0	0	295,000	0	0
735,758	1,302,454	279,119	1,376,781	300,000	0
\$4,649,971	\$6,690,007	\$3,358,713	\$4,687,581	\$3,280,864	\$3,127,797

(continued)

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

	2017	2016	2015	2014
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	\$6,962,354	\$6,569,538	\$6,025,851	\$5,586,065
Judicial System	160,528	139,516	222,456	129,098
Public Safety:				
Police	5,487,502	5,028,825	4,511,969	4,372,780
Fire	2,842,061	2,761,668	2,646,098	2,557,376
Public Health and Social Services	1,345,241	1,206,467	1,608,683	992,430
Street Construction, Maintenance, and Repair	4,212,835	3,860,763	3,642,128	4,323,479
Housing and Community Development	1,139,785	852,380	796,624	848,261
Basic Utility Services	2,799,212	2,260,630	2,242,264	2,402,003
Recreational Activities	2,362,129	2,173,693	2,430,087	2,137,156
Interest and Fiscal Charges	388,089	297,563	297,843	419,654
<i>Total Governmental Activities Expenses</i>	<u>27,699,736</u>	<u>25,151,043</u>	<u>24,424,003</u>	<u>23,768,302</u>
Net (Expense)/Revenue				
Governmental Activities	<u>(22,781,460)</u>	<u>(20,407,299)</u>	<u>(18,985,366)</u>	<u>(18,515,308)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	1,880,670	1,791,350	1,687,653	1,811,854
Fire Department	1,821,727	1,735,188	1,634,162	1,755,072
Road Maintenance	535,794	510,360	480,721	516,198
Police Department	160,760	153,115	144,202	154,859
Debt Service	0	0	0	0
Municipal Income Taxes levied for:				
General Purposes	15,017,616	16,717,227	13,887,608	12,129,661
Capital Outlay	2,603,334	2,540,000	2,400,000	2,600,000
Grants and Entitlements not Restricted to				
Specific Programs	519,469	434,179	592,098	462,912
Investment Earnings	286,340	159,788	144,903	74,550
Gain on Sale of Capital Assets	4,383	65,078	0	0
Miscellaneous	653,726	450,162	476,450	418,473
<i>Total Governmental Activities General Revenues</i>	<u>23,483,819</u>	<u>24,556,447</u>	<u>21,447,797</u>	<u>19,923,579</u>
Special Item	<u>0</u>	<u>0</u>	<u>(6,199,567)</u>	<u>(2,250,000)</u>
Change in Net Position				
Governmental Activities	<u>\$702,359</u>	<u>\$4,149,148</u>	<u>(\$3,737,136)</u>	<u>(\$841,729)</u>

2013	2012	2011	2010	2009	2008
\$5,483,124	\$5,786,026	\$5,499,027	\$5,647,128	\$6,097,065	\$6,102,755
97,176	108,293	198,239	210,129	161,505	123,977
4,630,560	4,537,860	3,992,061	4,240,615	4,560,315	4,276,131
2,305,771	2,318,180	2,314,537	2,413,597	2,096,299	2,241,102
1,088,378	1,092,369	1,048,646	1,144,253	1,195,863	126,790
4,652,589	3,654,599	4,059,126	4,007,522	3,994,538	4,499,947
795,200	962,912	852,056	833,662	855,329	1,177,227
2,044,860	2,133,946	1,726,275	1,366,953	1,704,663	2,081,050
2,129,059	2,074,033	2,078,502	2,001,190	1,976,407	2,498,487
400,314	493,021	557,354	602,512	693,039	773,876
23,627,031	23,161,239	22,325,823	22,467,561	23,335,023	23,901,342
(18,977,060)	(16,471,232)	(18,967,110)	(17,779,980)	(20,054,159)	(20,773,545)
1,806,589	1,827,272	1,814,714	1,817,177	1,919,648	1,803,685
1,749,910	1,770,008	1,757,630	1,779,370	1,859,488	1,746,733
514,678	520,591	517,013	523,345	546,908	513,746
154,253	156,178	155,104	157,003	164,072	154,125
0	0	211	17	153,754	200,360
13,729,250	12,853,245	13,246,409	11,932,814	11,743,625	11,564,512
2,400,000	2,410,000	2,280,000	2,280,000	2,090,000	2,264,852
1,364,858	1,217,585	1,130,958	1,074,764	1,355,899	1,856,007
81,848	130,456	306,830	320,959	505,734	913,806
58,756	27,112	14,939	13,730	0	70,777
1,060,936	468,793	648,973	501,889	490,451	313,937
22,921,078	21,381,240	21,872,781	20,401,068	20,829,579	21,402,540
0	0	0	0	0	0
\$3,944,018	\$4,910,008	\$2,905,671	\$2,621,088	\$775,420	\$628,995

City of Brecksville, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2017	2016	2015	2014
General Fund				
Nonspendable	\$653,650	\$683,505	\$589,306	\$308,324
Committed	190,043	169,400	142,318	793,372
Assigned	3,406,744	2,460,460	2,704,811	2,067,087
Unassigned	5,563,611	6,516,688	5,069,907	5,491,224
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	<u>9,814,048</u>	<u>9,830,053</u>	<u>8,506,342</u>	<u>8,660,007</u>
All Other Governmental Funds				
Nonspendable	134,448	105,103	107,137	133,664
Restricted	8,594,221	2,193,631	2,147,017	2,201,974
Committed	3,517,135	3,636,653	3,573,849	2,561,420
Assigned	1,546,073	713,255	713,353	556,085
Unassigned (Deficit)	0	(1,087,163)	(1,455,542)	0
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue funds	N/A	N/A	N/A	N/A
Debt Service funds	N/A	N/A	N/A	N/A
Capital Projects funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	<u>13,791,877</u>	<u>5,561,479</u>	<u>5,085,814</u>	<u>5,453,143</u>
Total Governmental Funds	<u>\$23,605,925</u>	<u>\$15,391,532</u>	<u>\$13,592,156</u>	<u>\$14,113,150</u>

Note: During 2010, the City implemented GASB 54.

2013	2012	2011	2010	2009	2008
\$258,918	\$307,263	\$297,402	\$263,507	\$237,981	N/A
145,272	114,187	776,399	776,399	0	N/A
559,154	544,608	312,269	312,269	495,999	N/A
8,722,841	8,383,941	7,210,298	5,768,584	5,545,608	N/A
N/A	N/A	N/A	N/A	N/A	\$286,045
N/A	N/A	N/A	N/A	N/A	7,849,898
<u>9,686,185</u>	<u>9,349,999</u>	<u>8,596,368</u>	<u>7,120,759</u>	<u>6,279,588</u>	<u>8,135,943</u>
129,133	136,440	125,942	129,154	135,439	N/A
2,618,061	2,202,655	2,402,674	3,294,029	3,440,021	N/A
2,877,955	2,070,730	2,188,145	1,719,966	1,312,186	N/A
729,938	742,995	769,587	764,875	758,237	N/A
0	0	(836,211)	(828,692)	(921,057)	N/A
N/A	N/A	N/A	N/A	N/A	863,642
N/A	N/A	N/A	N/A	N/A	2,868,361
N/A	N/A	N/A	N/A	N/A	575,497
N/A	N/A	N/A	N/A	N/A	1,131,583
<u>6,355,087</u>	<u>5,152,820</u>	<u>4,650,137</u>	<u>5,079,332</u>	<u>4,724,826</u>	<u>5,439,083</u>
<u>\$16,041,272</u>	<u>\$14,502,819</u>	<u>\$13,246,505</u>	<u>\$12,200,091</u>	<u>\$11,004,414</u>	<u>\$13,575,026</u>

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

	2017	2016	2015	2014
Revenues				
Taxes (1)	\$22,875,042	\$22,820,621	\$19,698,588	\$20,648,817
Charges for Services	1,316,865	1,439,170	1,279,220	1,272,274
Licenses and Permits	497,995	479,977	441,223	342,268
Fines and Forfeitures	227,119	261,776	253,729	368,109
Intergovernmental	2,763,597	2,737,344	4,106,032	3,138,374
Special Assessments	477,980	499,052	459,522	510,313
Interest	264,667	141,358	130,922	64,798
Donations	23,989	21,036	20,482	208,943
Rentals	164,758	172,849	137,112	190,031
Miscellaneous	524,561	332,601	357,138	321,424
<i>Total Revenues</i>	<u>29,136,573</u>	<u>28,905,784</u>	<u>26,883,968</u>	<u>27,065,351</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	5,909,340	6,253,951	5,941,020	5,658,375
Judicial System	139,126	131,893	220,781	123,991
Public Safety:				
Police	5,045,643	4,544,489	4,210,229	4,285,136
Fire	2,531,150	2,405,316	2,375,886	2,379,842
Public Health and Social Services	1,076,825	987,931	949,909	857,569
Street Construction, Maintenance, and Repair	3,218,196	3,192,590	3,214,009	3,225,278
Housing and Community Development	963,735	894,594	812,040	808,555
Basic Utility Services	1,906,348	2,048,023	1,911,114	1,809,942
Recreational Activities	1,892,774	1,786,943	1,756,475	1,869,032
Capital Outlay	6,503,427	3,588,452	4,634,472	4,297,901
Debt Service:				
Principal Retirement	1,368,604	1,069,465	1,035,335	1,005,335
Interest and Fiscal Charges	359,136	282,739	286,576	422,517
Bond Issuance Costs	186,766	0	35,000	0
<i>Total Expenditures</i>	<u>31,101,070</u>	<u>27,186,386</u>	<u>27,382,846</u>	<u>26,743,473</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,964,497)</u>	<u>1,719,398</u>	<u>(498,878)</u>	<u>321,878</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	18,113	14,900	0	0
Gain on Sale of Capital Assets	0	65,078	0	0
Refunding Bonds Issued	0	0	2,640,000	0
General Obligation Bonds Issued	9,980,000	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Premium on Issuance of Debt	180,777	0	0	0
OPWC Loan Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	(2,662,116)	0
Transfers In	4,153,161	2,468,989	2,272,467	2,232,116
Transfers Out	(4,153,161)	(2,468,989)	(2,272,467)	(2,232,116)
<i>Total Other Financing Sources (Uses)</i>	<u>10,178,890</u>	<u>79,978</u>	<u>(22,116)</u>	<u>0</u>
Special Item	0	0	0	(2,250,000)
<i>Net Change in Fund Balances</i>	<u>\$8,214,393</u>	<u>\$1,799,376</u>	<u>(\$520,994)</u>	<u>(\$1,928,122)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.2%	6.1%	6.2%	6.7%

(1) Includes All Taxes

2013	2012	2011	2010	2009	2008
\$19,389,630	\$19,442,490	\$19,254,109	\$18,730,301	\$17,441,398	\$20,355,101
1,278,936	1,317,669	1,210,862	1,177,776	905,024	1,006,940
309,326	564,218	430,730	525,806	362,044	387,068
299,141	266,067	254,848	308,416	279,459	338,338
4,035,155	3,183,232	2,516,919	3,179,603	2,946,251	2,612,165
949,306	488,399	324,876	324,741	428,519	620,735
75,100	120,244	295,858	307,103	485,075	894,042
6,759	7,895	6,218	8,138	7,477	16,756
67,596	66,677	84,040	44,935	46,261	218,333
958,110	450,563	632,139	485,427	469,189	313,740
<u>27,369,059</u>	<u>25,907,454</u>	<u>25,010,599</u>	<u>25,092,246</u>	<u>23,370,697</u>	<u>26,763,218</u>
5,704,562	5,646,837	5,515,740	5,541,484	5,819,602	5,941,778
93,327	109,800	203,415	208,078	165,677	122,934
4,638,749	4,570,485	4,046,058	4,299,205	4,467,546	4,217,591
2,195,067	2,267,257	2,244,514	2,390,618	2,107,045	2,106,263
886,624	880,908	861,325	842,538	910,160	129,648
3,670,149	2,872,254	3,125,788	3,460,310	2,966,943	3,439,482
795,612	863,860	887,874	813,415	900,852	846,644
1,759,741	1,949,493	1,593,784	1,432,297	2,256,844	1,925,652
1,848,435	1,803,188	1,772,171	1,846,298	1,862,876	1,598,784
3,124,437	3,981,464	2,007,069	1,332,610	2,535,718	5,577,837
963,884	1,278,884	1,178,884	1,138,884	1,270,884	1,933,884
394,976	463,528	560,548	604,565	694,576	779,233
0	118,151	0	0	0	0
<u>26,075,563</u>	<u>26,806,109</u>	<u>23,997,170</u>	<u>23,910,302</u>	<u>25,958,723</u>	<u>28,619,730</u>
<u>1,293,496</u>	<u>(898,655)</u>	<u>1,013,429</u>	<u>1,181,944</u>	<u>(2,588,026)</u>	<u>(1,856,512)</u>
18,236	30,406	32,985	13,733	17,414	75,049
0	0	0	0	0	0
0	3,580,000	0	0	0	0
0	0	0	0	0	0
0	2,005,000	0	0	0	0
0	136,940	0	0	0	0
226,721	2,308	0	0	0	0
0	(3,599,685)	0	0	0	0
3,189,271	2,277,477	2,042,634	2,447,956	2,231,175	3,798,793
(3,189,271)	(2,277,477)	(2,042,634)	(2,447,956)	(2,231,175)	(3,798,793)
<u>244,957</u>	<u>2,154,969</u>	<u>32,985</u>	<u>13,733</u>	<u>17,414</u>	<u>75,049</u>
0	0	0	0	0	0
<u>\$1,538,453</u>	<u>\$1,256,314</u>	<u>\$1,046,414</u>	<u>\$1,195,677</u>	<u>(\$2,570,612)</u>	<u>(\$1,781,463)</u>
6.4%	7.9%	8.4%	8.5%	9.0%	11.9%

City of Brecksville, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2017	\$482,603,830	\$100,874,550	\$1,667,081,086	\$20,721,470	\$23,547,125
2016	476,728,340	100,946,970	1,650,500,886	20,463,690	23,254,193
2015	472,551,960	100,539,620	1,637,404,514	19,790,100	22,488,750
2014	453,626,110	124,402,550	1,651,510,457	19,695,230	22,380,943
2013	453,604,210	123,043,670	1,647,565,371	18,850,720	21,421,273
2012	469,788,160	110,239,930	1,657,223,114	17,092,360	19,423,136
2011	470,033,220	107,690,260	1,650,638,514	16,066,350	18,257,216
2010	468,585,650	107,226,880	1,645,178,657	15,680,600	17,818,864
2009	487,768,500	104,494,650	1,692,180,429	15,167,690	17,236,011
2008	486,131,280	106,177,280	1,692,310,171	14,924,650	16,959,830

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

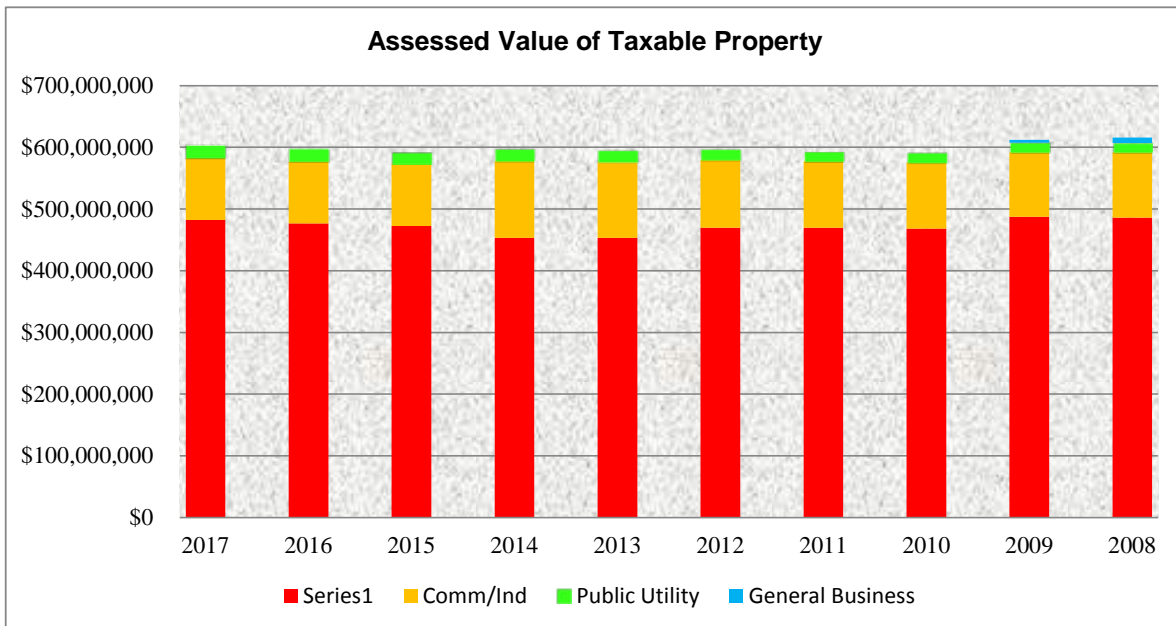
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

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

Source: Cuyahoga County, Ohio; County Fiscal Officer

Tangible Personal Property

General Business		Total		Ratio	Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$604,199,850	\$1,690,628,211	35.74%	\$8.21
0	0	598,139,000	1,673,755,079	35.74	8.21
0	0	592,881,680	1,659,893,264	35.72	8.21
0	0	597,723,890	1,673,891,400	35.71	8.21
0	0	595,498,600	1,668,986,644	35.68	8.21
0	0	597,120,450	1,676,646,251	35.61	8.21
0	0	593,789,830	1,668,895,730	35.58	8.21
0	0	591,493,130	1,662,997,521	35.57	8.21
4,678,850	74,861,600	612,109,690	1,784,278,040	34.31	8.50
8,871,057	141,936,912	616,104,267	1,851,206,913	33.28	8.60



City of Brecksville, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2017	2016	2015	2014
Unvoted Millage				
Operating	\$3.5100	\$3.5100	\$3.5100	\$3.5100
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>3.8100</u>	<u>3.8100</u>	<u>3.8100</u>	<u>3.8100</u>
Charter Millage				
1982 Charter/Fire	3.4000	3.4000	3.4000	3.4000
1987 Charter/Road Improvement	1.0000	1.0000	1.0000	1.0000
<i>Total Charter Millage</i>	<u>4.4000</u>	<u>4.4000</u>	<u>4.4000</u>	<u>4.4000</u>
Voted Millage				
Library	0.0000	0.0000	0.0000	0.0000
Total Millage	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>	<u><u>\$8.2100</u></u>

Overlapping Rates by Taxing District

Brecksville-Broadview Heights City School District				
Residential/Agricultural Real	\$44.8382	\$38.9210	\$38.9563	\$39.9725
Commerical/Industrial and Public Utility Real	52.2282	46.2177	46.9105	43.8622
General Business and Public Utility Personal	82.8900	77.0000	77.0000	77.0000
Cuyahoga Valley Career Center				
Residential/Agricultural Real	2.0000	2.0000	2.0000	2.0000
Commerical/Industrial and Public Utility Real	2.0000	2.0000	2.0000	2.0000
General Business and Public Utility Personal	2.0000	2.0000	2.0000	2.0000
Cuyahoga County Commissioner				
Residential/Agricultural Real	13.9141	13.8800	14.0500	14.0500
Commerical/Industrial and Public Utility Real	14.0060	14.0124	13.8698	14.0195
General Business and Public Utility Personal	14.0500	14.0500	14.0500	14.0500
Special Taxing Districts (1)				
Residential/Agricultural Real	9.7637	9.2408	9.2368	9.3643
Commerical/Industrial and Public Utility Real	9.8422	9.3438	9.3676	9.3401
General Business and Public Utility Personal	9.8800	9.3800	9.3800	9.3800

Source: Cuyahoga County Fiscal Officer

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 to 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 as opposed to the voted levies of the overlapping taxing districts.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Metro Parks, Port Authority, County Library, Community College

2013	2012	2011	2010	2009	2008
\$3.5100	\$3.5100	\$3.5100	\$3.5100	\$3.5100	\$3.5100
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
3.8100	3.8100	3.8100	3.8100	3.8100	3.8100
3.4000	3.4000	3.4000	3.4000	3.4000	3.4000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
0.0000	0.0000	0.0000	0.0000	0.2900	0.3900
\$8.2100	\$8.2100	\$8.2100	\$8.2100	\$8.5000	\$8.6000

\$40.1206	\$40.0657	\$39.1912	\$39.1175	\$37.2338	\$37.1756
43.2930	43.4617	42.8357	42.8641	43.4071	43.1759
77.2000	77.2000	77.2000	77.2000	77.1000	77.1000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
14.0500	13.2200	13.1182	13.1866	12.6607	11.8688
13.9495	12.9968	12.7845	12.8413	12.8153	12.4535
14.0500	13.2200	13.2200	13.3200	13.3200	13.4200
8.4639	7.5635	7.5041	7.3870	6.6597	5.9676
8.3843	7.4621	7.3648	7.3450	6.8911	6.2519
8.4800	7.5800	7.5800	7.5800	7.2800	6.7800

City of Brecksville, Ohio
Principal Real Property Taxpayers
 2017 and 2008

Taxpayer	2017	
	Real Property Assessed Valuation	Percentage of Real Property Assessed Valuation
Cleveland Electric Illuminating Company	\$16,455,320	2.82 %
Grand Bay of Brecksville	6,148,640	1.05
Holar Properties, LLC	5,717,250	0.98
PDM Group, Incorporated	4,917,500	0.84
Ohio Bell Telephone Company	4,126,510	0.71
Creekview Commons, LLC	3,513,200	0.60
Treeline, Incorporated	3,458,240	0.59
Gateway Association	3,086,550	0.53
MS Brecksville L.P.	2,975,000	0.51
Curtiss-Write Flow	2,611,570	0.46
Total	\$53,009,780	9.09 %

Total Real Property Assessed Valuation \$583,478,380

Taxpayer	2008	
	Real Property Assessed Valuation	Percentage of Real Property Assessed Valuation
Cleveland Electric Illuminating Company	\$13,427,830	2.27 %
Ohio Bell Telephone Company	8,906,460	1.50
PDM Group, Incorporated	7,334,740	1.24
Grand Bay of Brecksville	6,668,370	1.13
Cleveland Cuyahoga	6,413,230	1.08
Gateway Association	4,838,770	0.82
Creekview Commons, LLC	3,961,620	0.67
Treeline, Incorporated	3,860,000	0.65
R.C. Investors	3,377,910	0.57
CEI	3,144,050	0.53
Total	\$61,932,980	10.46 %

Total Real Property Assessed Valuation \$592,308,560

Source: Cuyahoga County Fiscal Officer

City of Brecksville, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections	Percent of		Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total		Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
			Current Tax Collections To Tax Levy	Delinquent Tax Collections			Tax Collections To Tax Levy	Tax Collections To Tax Levy		
2017	\$4,932,190	\$4,774,261	96.80%	\$114,971	\$4,889,232	99.13%	\$251,692	5.10%		
2016	4,990,947	4,756,871	95.31	82,375	4,839,246	96.96	194,442	3.90		
2015	5,165,687	4,523,952	87.58	87,656	4,611,608	89.27	298,803	5.78		
2014	5,219,426	4,532,551	86.84	91,162	4,623,713	88.59	433,570	8.31		
2013	4,910,392	4,547,214	92.60	119,432	4,666,646	95.04	301,993	6.15		
2012	4,905,724	4,736,054	96.54	122,347	4,858,401	99.04	212,193	4.33		
2011	4,884,659	4,714,666	96.52	143,718	4,858,384	99.46	205,553	4.21		
2010	4,864,431	4,702,865	96.68	146,148	4,849,013	99.68	229,099	4.71		
2009	5,179,840	5,013,860	96.80	113,222	5,127,082	98.98	263,979	5.10		
2008	5,343,912	5,052,543	94.55	123,527	5,176,070	96.86	225,651	4.22		

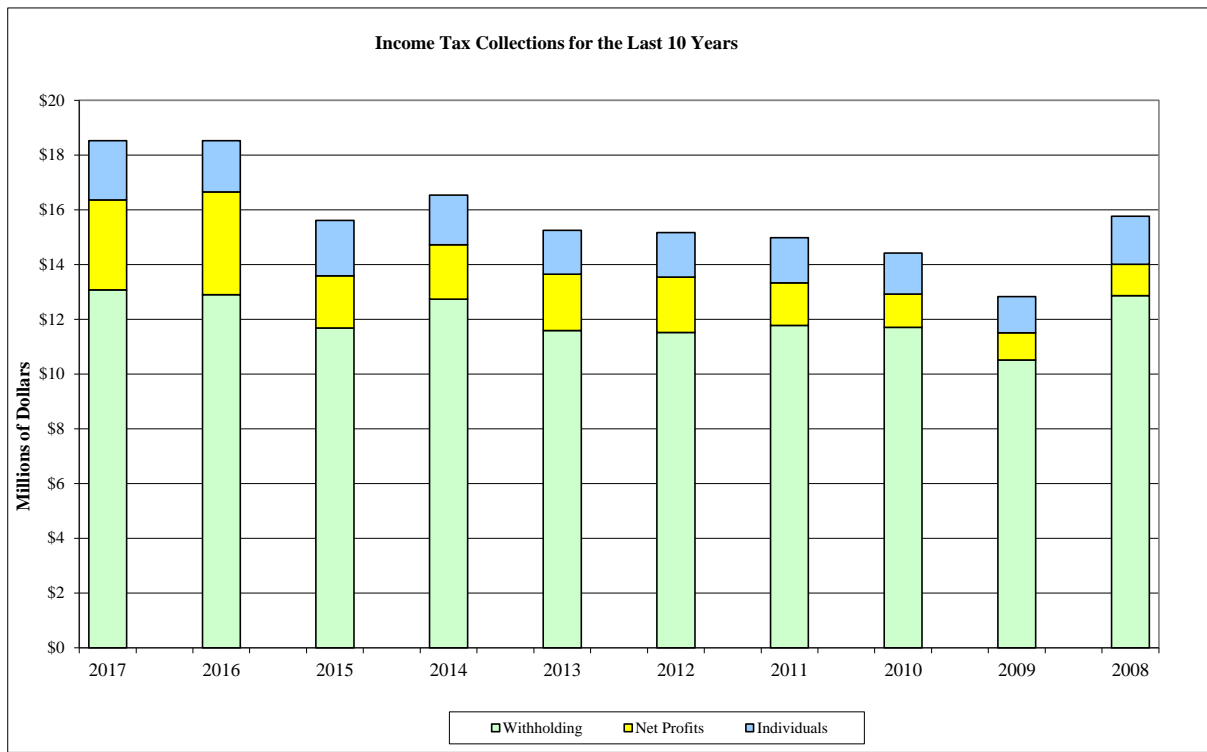
Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) State reimbursement of rollback and homestead exemptions are included.

Note: We are aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the County is unable to provide delinquent collections by levy year. We are looking at options to improve this presentation.

City of Brecksville, Ohio
Income Tax Revenue Base and Collections
 (Modified Accrual Basis)
 Last Ten Years

Tax Year	Tax Rate	Total Tax Collected	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
2017	2.00%	\$18,533,341	\$13,071,973	70.53%	\$3,290,873	17.76%	\$2,170,495	11.71%
2016	2.00	18,526,248	12,901,679	69.64	3,755,270	20.27	1,869,298	10.09
2015	2.00	15,617,083	11,683,140	74.81	1,909,969	12.23	2,023,974	12.96
2014	2.00	16,542,412	12,737,657	77.00	1,985,089	12.00	1,819,665	11.00
2013	2.00	15,253,849	11,591,400	75.99	2,059,270	13.50	1,603,179	10.51
2012	2.00	15,175,081	11,514,851	75.88	2,030,426	13.38	1,629,804	10.74
2011	2.00	14,978,641	11,779,203	78.64	1,554,783	10.38	1,644,655	10.98
2010	2.00	14,425,759	11,705,203	81.14	1,220,691	8.46	1,499,864	10.40
2009	2.00	12,835,856	10,516,417	81.93	990,928	7.72	1,328,511	10.35
2008	2.00	15,763,909	12,869,655	81.64	1,141,307	7.24	1,752,947	11.12



City of Brecksville, Ohio
Income Tax Filers by Income Level
Tax Years 2016 and 2008

Tax Year 2016 (1)(2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income (2)	Percent of Taxable Income
Over \$100,000	1,970	38.38 %	\$481,430,802	80.33 %
75,001-100,000	510	9.93	44,145,419	7.37
50,001-75,000	579	11.28	35,832,484	5.98
25,001-50,000	662	12.89	24,510,192	4.09
Under 25,000	1,413	27.52	13,369,871	2.23
Total	<u>5,134</u>	<u>100.00 %</u>	<u>\$599,288,768</u>	<u>100.00 %</u>

Tax Year 2008 (2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,745	33.45 %	\$369,717,074	74.84 %
75,001-100,000	547	10.48	47,290,018	9.57
50,001-75,000	592	11.35	36,811,458	7.45
25,001-50,000	725	13.90	27,301,031	5.53
Under 25,000	1,608	30.82	12,908,294	2.61
Total	<u>5,217</u>	<u>100.00 %</u>	<u>\$494,027,875</u>	<u>100.00 %</u>

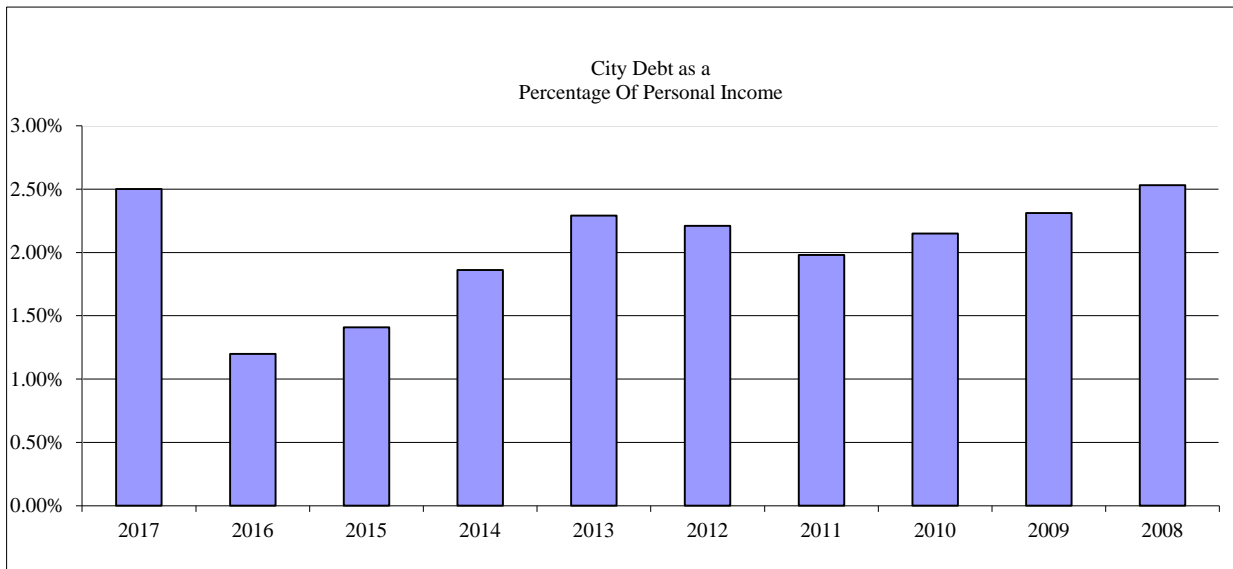
Source: Regional Income Tax Agency Data

(1) Information for 2017 was not available

(2) Taxable income of residents of the City

City of Brecksville, Ohio
*Ratios of Outstanding Debt to
 Total Personal Income and Debt Per Capita
 Last Ten Years*

Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Total	Total Personal Income (1)	Percentage Of Personal Income	Population (2)	Total Debt Per Capita
2017	\$14,346,178	\$2,454,031	\$371,281	\$17,171,490	\$686,808,360	2.50 %	13,470	\$1,275
2016	5,067,679	2,907,837	424,885	8,400,401	702,293,760	1.20	13,440	625
2015	5,660,919	3,336,643	484,350	9,481,912	670,513,930	1.41	13,543	700
2014	6,235,960	3,751,884	549,685	10,537,529	566,818,000	1.86	13,568	777
2013	6,788,673	4,160,821	615,020	11,564,514	504,512,000	2.29	13,554	853
2012	7,321,387	4,559,758	442,183	12,323,328	557,914,651	2.21	13,656	902
2011	7,856,490	2,851,828	493,759	11,202,077	565,836,360	1.98	13,656	820
2010	8,672,310	3,166,959	547,643	12,386,912	576,706,536	2.15	13,656	907
2009	9,465,056	3,467,090	601,527	13,533,673	585,948,239	2.31	13,875	975
2008	10,402,802	3,754,221	655,411	14,812,434	585,948,239	2.53	13,806	1,073



(1) Brecksville Finance Department estimates 2008-2017;
 U.S. Census Bureau

(2) Estimates 2008-2017; U.S. Census Bureau

City of Brecksville, Ohio
*Ratio of General Obligation Bonded Debt to Estimated True
Value of Taxable Property and Bonded Debt Per Capita
Last Ten Years*

Year	General Obligation Bonds (1)	Estimated True Value of Taxable Property	Ratio of Bonded Debt to Estimated True Value of Taxable Property	Bonded Debt per Capita
2017	\$14,346,178	\$1,690,628,211	0.85%	\$1,065
2016	5,067,679	1,673,755,079	0.30	377
2015	5,660,919	1,659,893,264	0.34	418
2014	6,235,960	1,673,891,400	0.37	460
2013	6,788,673	1,668,986,644	0.41	497
2012	7,321,387	1,676,646,251	0.44	536
2011	7,856,490	1,668,895,730	0.47	575
2010	8,672,310	1,662,997,521	0.52	635
2009	9,465,056	1,784,278,040	0.53	682
2008	10,402,802	1,851,206,913	0.56	753

(1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of Brecksville
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2017*

	Debt Attributable to Governmental Activities	Percentage Applicable to City (1)	Amount of Direct and Overlapping Debt
Direct Debt:			
City of Brecksville			
General Obligation Bonds	\$14,346,178	100.00%	\$14,346,178
Special Assessment Bonds	2,454,031	100.00	2,454,031
OPWC Loans	<u>371,281</u>	100.00	<u>371,281</u>
Total Direct Debt	<u>17,171,490</u>		<u>17,171,490</u>
Overlapping Debt:			
Payable from Property Taxes:			
Cuyahoga County Bonds	224,190,758	2.15	4,820,101
Regional Transit Authority Bonds	85,738,087	2.15	1,843,369
Brecksville-Broadview Heights City School District Bonds	10,970,928	59.18	6,492,595
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	570,390,568	2.15	12,263,397
Cuyahoga County Loans	11,379,917	2.15	244,668
Cuyahoga County Capital Leases	75,389,947	2.15	1,620,884
Brecksville-Broadview Heights City School District Capital Leases	<u>371,284</u>	59.18	<u>219,726</u>
Total Overlapping Debt	<u>978,431,489</u>		<u>27,504,741</u>
Total Direct and Overlapping Debt	<u>\$995,602,979</u>		<u>\$44,676,231</u>

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

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2017 collection year.

City of Brecksville, Ohio
Legal Debt Margin Information
Last Ten Years
(amounts expressed in thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Overall Debt Limitation (10.5% of Assessed Valuation)	\$63,441	\$62,805	\$62,253	\$62,761	\$62,527	\$62,698	\$62,348	\$62,107	\$64,272	\$64,691
Net Debt Within 10.5% Limitations	18,421	7,185	7,433	7,977	6,537	7,050	7,637	8,438	9,384	10,536
Overall Legal Debt Margin Within 10.5% Limitations	\$45,020	\$55,620	\$54,820	\$54,784	\$55,990	\$55,648	\$54,711	\$53,669	\$54,888	\$54,155
Total net debt applicable to the limit as a percentage of debt limit	29.04%	11.44%	11.94%	12.71%	10.45%	11.24%	12.25%	13.59%	14.60%	16.29%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$33,231	\$32,898	\$32,609	\$32,875	\$32,752	\$32,842	\$32,658	\$32,552	\$33,666	\$33,886
Net Debt Within 5.5% Limitations	18,421	7,185	7,433	7,977	6,537	7,050	7,637	8,438	9,384	10,536
Unvoted Legal Debt Margin Within 5.5% Limitations	\$14,810	\$25,713	\$25,176	\$24,898	\$26,215	\$25,792	\$25,021	\$24,094	\$24,282	\$23,350
Total net debt applicable to the limit as a percentage of debt limit	55.43%	21.84%	22.79%	24.26%	19.96%	21.47%	23.38%	25.94%	27.87%	31.09%
Legal Debt Margin Calculation for 2017										
Assessed property value							Overall Margin Within 10.5%		Unvoted Margin Within 5.5%	
Overall Debt Limitation (percentage of assessed valuation)							\$604,199,850		\$604,199,850	
Gross Indebtedness							\$63,440,984		\$33,230,992	
Less: Special Assessment Bonds							21,021,281		21,021,281	
OPWC Loans							(2,435,000)		(2,435,000)	
General Obligation Bond Retirement Fund Balance							(371,281)		(371,281)	
Net Debt Within Limitations							205,886		205,886	
Legal Debt Margin Within Limitations							\$18,420,886		\$18,420,886	
							\$45,020,098		\$45,020,098	

Note: Under State of Ohio finance law, the City of Brecksville's outstanding general obligation debt should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

City of Brecksville, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Median Family Income (1)	Per Capita Income (1)	Unemployment Rate (3)		City Square Miles (4)
					Cuyahoga County	State of Ohio	
2017	13,470	\$686,808,360	\$98,345	\$50,988	4.8%	4.7%	19.57
2016	13,440	702,293,760	100,589	52,254	5.3	4.9	19.57
2015	13,543	670,513,930	93,409	49,510	4.0	4.8	19.57
2014	13,568	566,818,000	95,470	41,776	5.3	4.7	19.57
2013	13,554	504,512,000	111,667	37,222	7.5	7.4	19.57
2012	13,656	557,914,651	91,432	40,855	6.6	6.8	19.57
2011	13,656	565,836,360	92,088	41,435	7.1	8.6	19.57
2010	13,656	576,706,536	96,038	42,231	8.6	10.1	19.54
2009	13,875	585,948,239	97,415	42,231	9.0	10.2	19.54
2008	13,806	585,948,239	97,415	42,442	7.1	6.5	19.54

(1) Estimates 2008-2017; U.S. Census Bureau

(2) Brecksville Finance Department estimates 2008-2017;
U.S. Census Bureau.

(3) Ohio Bureau of Employment Services; U.S. Department of Labor, Bureau of
Labor Statistics; Unemployment rate for the City is unavailable.

(4) City Records

City of Brecksville, Ohio
Principal Employers
Current Year and Nine Years Ago

2017			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
PNC Bank NA	Banking Services	1,278	9.05 %
Lubrizol Corporation	Chemical Technology	819	5.80
AT&T/ Ohio Bell	Communication Services	651	4.61
Crosscounty Mortgage, Incorporated	Mortgage Services	489	3.46
House of LaRose	Beverage Distribution	420	2.97
Brecksville-Broadview Heights City School District	Public Education	402	2.85
Curtiss-Wright Flow Control	Manufacturing	277	1.96
First Energy/ Illuminating Company	Electric Utility	232	1.64
NVR/ Ryan Homes	Construction	227	1.61
City of Brecksville	Municipal Government	209	1.49
Total		<u>5,004</u>	<u>35.44 %</u>
Total Employment within the City		<u>14,120</u>	

2008			
Employer	Nature of Activity	Employees	Percentage of Total City Employment
Department of Veteran Affairs	Medical Center	1,434	7.76 %
AT&T/ Ohio Bell	Communication Services	1,257	6.80
Lubrizol Corporation	Chemical Technology	811	4.39
National City Corporation	Banking Services	764	4.13
Brecksville-Broadview Heights City School District	Public Education	531	2.87
House of LaRose	Beverage Distribution	296	1.61
First Energy/ Illuminating Company	Electric Utility	252	1.36
Curtiss-Wright Flow Control	Manufacturing	249	1.35
City of Brecksville	Municipal Government	230	1.24
Cuyahoga Valley Joint Vocational School District	Vocational Education	143	0.78
Total		<u>5,967</u>	<u>32.29 %</u>
Total Employment within the City		<u>18,480</u>	

Source: Regional Income Tax Agency and a survey conducted by the City.

City of Brecksville, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Council	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Mayor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5	4.0
Income Tax	N/A	N/A	N/A	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Purchasing	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	3.0
Legal	1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Mayor's Court	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0
Technology	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	3.5	3.5
Engineering	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Administrative Support	3.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.0	1.0
Public Safety										
Police	41.0	41.5	41.5	42.5	41.5	44.5	43.5	41.0	43.0	44.5
Fire	26.0	26.0	28.5	27.0	28.0	27.5	25.5	27.0	26.5	27.0
Recreational Activities										
Community Center	31.0	49.0	34.5	36.5	37.5	42.5	44.0	45.0	47.0	47.0
Senior/Community Services	5.0	4.5	5.0	5.5	5.0	5.5	5.5	5.5	5.5	5.5
Street Construction, Maintenance and Repair Service	42.5	43.0	46.0	44.0	46.0	46.0	48.0	43.5	47.0	48.0
Housing and Community Development										
Building Inspection	6.5	6.5	7.0	6.5	6.0	6.0	5.5	6.5	6.0	7.0
Basic Utility Services										
Housekeeping	10.5	10.5	11.0	11.5	11.5	12.0	12.0	11.5	12.0	13.5
Totals:	183.5	202.5	195.0	195.0	196.5	205.0	205.5	202.0	209.0	216.5

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee as of December 31.

Source: Finance Department

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Building Department Vehicles	4	4	5	5	4	5	5	5	6	6
Other Department Vehicles	4	4	4	4	5	4	3	4	5	5
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building Vehicles	6,577	6,577	6,577	6,577	6,577	6,577	6,577	6,577	6,577	6,577
Vehicles	23	22	22	22	22	22	22	23	23	22
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building Vehicles	17,674	17,674	17,674	17,674	17,674	17,674	17,674	17,674	17,674	17,674
Vehicles	14	13	15	14	14	14	15	14	13	12
Street Construction, Maintenance and Repair										
Streets (lane miles)	189	189	189	189	189	189	189	189	189	189
Urban Forestry Vehicles	3	3	3	3	3	3	3	3	3	3
Other Public Services Vehicles	65	64	62	58	59	57	54	54	53	54
Recreational Activities										
Recreation Center	1	1	1	1	1	1	1	1	1	1
Recreation Center Square Footage	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Number of Parks	3	3	3	3	3	3	3	3	3	3
Number of Baseball Diamonds	10	10	10	10	10	10	10	10	10	10
Number of Playgrounds	8	8	8	8	8	8	8	8	8	8
Number of Tennis Courts	3	3	3	3	3	3	3	3	3	3
Number of Full Sized Soccer Fields	3	3	3	3	3	3	3	3	2	2
Vehicles	4	4	4	4	4	4	4	3	3	3
Housing and Community Development										
Human Services Center Square Footage	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Vehicles	5	5	5	5	5	6	6	5	5	6

Source: Finance Department

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

Function/Program	2017	2016	2015	2014
Police:				
Police Expenditures (in thousands)	\$4,747	\$4,218	\$4,030	\$4,065
Total Arrests	2,300	2,716	2,382	2,534
Part One Offenses	68	79	72	78
OVI Arrests	35	45	36	36
Prisoners	399	555	541	593
Motor Vehicle Accidents	231	243	191	188
Calls for Service	15,198	13,515	12,643	12,646
Incidents per Citizen	1.3535	1.0056	0.9260	0.9260
Cost per Citizen	\$352.41	\$313.84	\$295.11	\$297.67
Fire:				
Fire Expenditures (in thousands)	\$2,532	\$2,432	\$2,453	\$2,385
Emergency Responses	1,601	1,623	1,471	1,398
Fire Safety Inspections	322	132	484	381
Fire Protection Systems Inspected	49	47	44	46
Building Fire Protection Plans Reviewed	14	16	9	6
Percentage of Business Inspected	32%	25%	44%	37%
Number of Community Programs	197	190	184	188
Emergency Responses per Citizen	0.1189	0.1208	0.1077	0.1024
Cost per Citizen	\$187.97	\$180.95	\$179.63	\$174.65
Street Lights Expenditures (in thousands)	\$104	\$106	\$109	\$108
Cost per Acre of Streetlights	\$8.30	\$8.48	\$8.72	\$8.64
Public Health Services:				
Health Department (in thousands)	\$54	\$54	\$54	\$54
Health Cost per Citizen	\$4.01	\$4.02	\$3.95	\$3.95
Recreational Activities:				
Blossom Hill (in thousands)	\$281	\$264	\$285	\$261
Community Center (in thousands)	1,907	1,845	1,811	1,931
Total Leisure Service Cost (in thousands)	\$2,188	\$2,109	\$2,096	\$2,192
Cost per Citizen	\$162.44	\$156.92	\$153.49	\$160.52
Community Center Square Feet	65,000	65,000	65,000	65,000
Square Feet per Citizen	4.83	4.84	4.76	4.76
Total Recreational Revenue (in thousands)	\$1,035	\$1,110	\$933	\$1,032
Community Center Members	5,721	5,669	5,814	5,979
Total Participations	175,130	172,277	171,917	173,042
Fitness Class Participations	17,067	18,833	18,602	16,534
Participations per Citizen	13.00	12.82	12.59	12.67
Cost per Participation	\$10.89	\$10.71	\$10.53	\$11.16
Revenue per Participation	\$5.91	\$6.44	\$5.43	\$5.96
Housing and Community Development:				
Human Services (in thousands)	\$905	\$844	\$805	\$863
Cost per Citizen	\$67.19	\$63.00	\$59.00	\$63.00
Human Services Square Feet	29,000	29,000	29,000	29,000
Square Feet per Citizen	21.53	21.48	27.08	19.89
Total Human Services Revenue (in thousands)	\$97	\$116	\$87	\$93
Human Services Members	1,230	1,350	1,071	1,458
Total Participations	32,130	31,719	42,202	51,168
Participations per Citizen	2.39	2.36	3.09	3.75
Cost per Participation	\$735.77	\$625.19	\$751.63	\$591.91

2013	2012	2011	2010	2009	2008
\$3,916	\$3,956	\$3,645	\$3,716	\$3,516	\$3,350
3,308	3,009	3,036	3,658	3,181	3,542
74	96	85	80	85	83
50	47	56	47	39	64
857	931	901	908	1,258	1,235
152	206	204	215	256	293
14,349	13,708	15,174	14,701	14,302	16,603
1,0510	1,0040	1,1110	1,0770	1,0308	1,2030
\$286.76	\$289.69	\$266.92	\$272.08	\$253.41	\$242.67
\$2,355	\$2,244	\$2,304	\$2,438	\$2,159	\$2,067
1,246	1,318	1,395	1,351	1,346	1,399
337	308	284	404	249	410
78	42	59	35	49	58
3	5	3	2	3	9
33%	31%	30%	36%	25%	39%
172	140	143	197	181	245
0.0912	0.0965	0.1022	0.0989	0.0975	0.1013
\$172.42	\$164.31	\$168.72	\$178.53	\$155.60	\$149.72
\$129	\$116	\$101	\$108	\$98	\$86
\$10.28	\$9.26	\$8.08	\$8.61	\$7.60	\$6.88
\$52	\$52	\$50	\$50	\$50	\$48
\$3.84	\$3.84	\$3.62	\$3.62	\$3.57	\$3.49
\$279	\$223	\$254	\$253	\$305	\$271
2,054	1,808	1,762	1,843	1,791	1,610
\$2,333	\$2,031	\$2,016	\$2,096	\$2,096	\$1,881
\$170.89	\$148.75	\$147.61	\$153.48	\$151.03	\$136.26
65,000	65,000	65,000	65,000	65,000	65,000
4.76	4.76	4.76	4.76	4.68	4.71
\$977	\$1,157	\$1,008	\$972	\$894	\$1,039
6,200	6,242	6,693	6,479	6,606	6,798
173,308	192,970	171,646	169,171	199,102	218,209
22,603	23,521	20,754	21,584	21,624	24,107
12.69	14.13	12.57	12.39	14.35	15.81
\$11.85	\$9.37	\$10.27	\$10.89	\$10.53	\$7.38
\$5.64	\$5.99	\$5.87	\$5.74	\$4.49	\$4.76
\$838	\$707	\$696	\$676	\$720	\$701
\$61.00	\$52.00	\$51.00	\$50.00	\$51.89	\$51.00
29,000	29,000	29,000	29,000	29,000	29,000
23.37	15.65	24.21	25.55	26.34	31.80
\$88	\$89	\$81	\$81	\$81	\$76
1,241	1,853	1,198	1,135	1,101	714
50,961	42,942	38,553	37,663	46,272	36,946
3.73	3.14	2.82	2.76	3.33	2.68
\$675.33	\$381.33	\$580.88	\$595.59	\$653.95	\$982.18

(continued)

City of Brecksville, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years

Function/Program	2017	2016	2015	2014
Housing and Community Development:				
Planning and Zoning (in thousands)	\$5	\$7	\$4	\$7
Housing and Building Inspection (in thousands)	\$554	\$528	\$518	\$471
Cost per Citizen	\$41.50	\$40.00	\$38.00	\$35.00
Building Permits - Residential	952	859	761	742
Dollar Value of Permits (in thousands)	\$22,705	\$22,412	\$17,387	\$12,356
Building Permits - Commercial	205	202	183	167
Dollar Value of Permits (in thousands)	\$18,220	\$8,932	\$7,826	\$12,140
Engineering (in thousands)	\$122	\$104	\$135	\$138
Engineering Reviews				
New Topo Reviews	26	28	31	8
Revised Topo Reviews	23	30	36	14
Retaining Wall Reviews	9	8	3	2
Plat Reviews	8	8	3	2
Other Reviews	110	90	73	56
Builder Grades	50	31	25	12
Landscaping Grades	5	9	8	6
Total All Reviews	231	204	179	100
Number of Trees Planted	267	323	211	134
Number of Trees Removed	203	240	124	757
Cemetery Internments	41	61	31	45
Grave Purchases/Interment Payments (in thousands)	\$14	\$24	\$16	\$19
Street Construction, Maintenance and Repair:				
Street Maintenance (in thousands)	\$1,143	\$1,074	\$1,048	\$923
Snow and Ice Removal (in thousands)	\$142	\$149	\$191	\$240
Streets (lane miles)	191	191	189	189
Cost per mile of street	\$6.73	\$6.40	\$6.56	\$6.15
Feet of street per capita	74.87	75.04	73.08	73.08
Asphalt Usage (in tons)	6,090	6,755	8,062	12,481
Asphalt Cost per ton	\$57.75	\$54.75	\$55.00	\$55.00
Salt Usage (in tons)	6,501	8,553	10,950	11,745
Concrete Used (in cubic yards)	1,141	5,140	6,888	10,934
Brush/Grass/Yard Waste Collected (in cubic yard)	1,450	1,375	1,403	2,657
Leaves Collected (in cubic yards)	7,705	9,050	8,221	8,440
General Government:				
Law (in thousands)	\$262	\$256	\$252	\$251
Cost per budget dollar	\$0.0048	\$0.0061	\$0.0079	\$0.0083
Finance (in thousands)	\$430	\$411	\$393	\$352
Cost per budget dollar	\$0.0079	\$0.0097	\$0.0123	\$0.0112
Purchasing (in thousands)	\$202	\$196	\$195	\$177
Cost per employee	\$1,100.82	\$967.90	\$835.12	\$758.03
Lands and Buildings (in thousands)	\$1,054	\$1,187	\$1,090	\$818
Cost per citizen	\$78.25	\$88.32	\$79.82	\$59.90
Mayor's Office (in thousands)	\$266	\$257	\$249	\$237
Council (in thousands)	\$257	\$260	\$258	\$249

Source: Finance Department

2013	2012	2011	2010	2009	2008
\$6	\$5	\$5	\$5	\$4	\$13
\$462	\$454	\$479	\$505	\$521	\$471
\$34.00	\$34.00	\$35.00	\$37.00	\$37.84	\$35.00
826	853	845	895	882	742
\$4,307	\$9,648	\$3,236	\$3,654	\$5,596	\$7,450
213	208	244	207	137	205
\$12,250	\$10,818	\$4,081	\$21,592	\$3,954	\$7,075
\$187	\$339	\$339	\$241	\$256	\$178
6	7	5	5	11	11
13	9	8	8	13	23
12	7	5	39	15	9
6	4	3	6	16	9
43	51	55	13	43	41
9	6	5	9	15	17
5	3	2	4	11	7
94	87	83	84	124	117
163	92	175	168	146	110
98	157	196	190	197	135
64	54	48	43	41	46
\$38	\$43	\$33	\$27	\$30	\$24
\$1,182	\$1,070	\$1,185	\$892	\$1,033	\$1,155
\$169	\$97	\$157	\$220	\$175	\$208
189	189	189	189	189	189
\$7.15	\$6.18	\$7.10	\$5.88	\$7.21	\$7.21
73.08	73.08	73.08	73.08	72.28	72.28
9,926	5,576	7,650	5,415	7,237	2,307
\$60.75	\$60.75	\$68.30	\$68.50	\$56.81	\$55.74
10,270	4,920	7,650	6,863	8,625	9,090
6,151	5,239	44,438	3,945	1,941	1,941
1,478	1,743	3,094	2,354	2,409	2,729
7,222	7,710	6,333	6,411	7,722	5,926
\$231	\$304	\$248	\$247	\$219	\$222
\$0.0072	\$0.0077	\$0.0071	\$0.0069	\$0.0054	\$0.0052
\$339	\$319	\$308	\$325	\$342	\$299
\$0.0105	\$0.0080	\$0.0088	\$0.0090	\$0.0085	\$0.0071
\$175	\$168	\$165	\$169	\$227	\$201
\$747.46	\$720.77	\$706.21	\$724.63	\$1,027.15	\$861.07
\$742	\$651	\$563	\$602	\$785	\$767
\$54.35	\$47.65	\$41.23	\$44.06	\$56.58	\$55.57
\$235	\$234	\$233	\$218	\$217	\$231
\$249	\$250	\$248	\$238	\$234	\$229

This Page Intentionally Left Blank.



This page intentionally left blank.



Dave Yost • Auditor of State

CITY OF BRECKSVILLE

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 28, 2018