

# **CITY OF CLEVELAND, OHIO**



## ***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

**For the Fiscal Year Ended December 31, 2020**

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***CITY OF CLEVELAND***



***Comprehensive Annual Financial Report***  
***For the year ended December 31, 2020***

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Issued by the  
Department of Finance

James E. Gentile, CPA  
Acting Director

Lesly Camargo, CPA  
Acting City Controller

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# CITY OF CLEVELAND, OHIO

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# **INTRODUCTORY SECTION**

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June 24, 2021

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

## **Introduction**

We are pleased to submit the Comprehensive Annual Financial Report of the City of Cleveland (the City) for the year ended December 31, 2020. This report, prepared by the Department of Finance, includes the basic financial statements that summarize the various operations and cash flows related to the City's 2020 activities. Our intention is to provide a clear, comprehensive and materially accurate overview of the City's financial position at the close of last year. The enclosed information has been designed to allow the reader to gain an understanding of the City's finances, including financial trends, financial instruments and fund performances. The City has complete responsibility for all information contained in this report.

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

The City's financial statements have been audited by Clark, Schaefer, Hackett & Co. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Clark, Schaefer, Hackett & Co. concluded, based upon its audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2020, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

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

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



## **Structure of this Comprehensive Annual Financial Report**

This Comprehensive Annual Financial Report is designed to assist the reader in understanding the City's finances. This Comprehensive Annual Financial Report consists of the following sections:

- The Introductory Section, which includes this letter of transmittal and contains information pertinent to the City's management and organization.
- The Financial Section contains the Independent Auditors' Report, MD&A, Basic Financial Statements, Required Supplementary Information and various other statements and schedules pertaining to the City's funds and activities.
- The Statistical Section contains numerous tables of financial and demographic information. Much of this information is shown with comparative data for the ten-year period from 2011 through 2020.

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

## **Profile of the Government**

### *The City*

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

The City is included in the Cleveland-Elyria, OH Metropolitan Statistical Area (MSA), comprised of Cuyahoga, Lake, Lorain, Geauga and Medina counties. This MSA is the 34<sup>th</sup> largest of 384 Metropolitan Areas in the United States and the 2<sup>nd</sup> largest MSA in the State of Ohio.

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

### *City Government*

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

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

Legislative authority is currently vested in a 17-member Council. Council members serve four year terms and are elected from wards. The present terms of the Mayor and Council members expire on December 31, 2021. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal functions. The presiding officer is the President of Council, elected by the Council members. Kevin J. Kelley was elected as President of Council in November 2013 and re-elected in November 2017. The Clerk of Council is appointed

by Council. The Charter establishes certain administrative departments; the Council may establish divisions within departments or additional departments. The Mayor appoints all of the directors of the City's 12 departments.

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

### *Financial Reporting Entity*

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

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

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

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

### *Internal Control*

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

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

### *Accounting and Financial Reporting*

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

provide services to City departments, divisions and other governments. The City also maintains Fiduciary Funds to account for assets held by the City in an agent capacity for individuals, private organizations and other governments.

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

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

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

### *Budgeting Procedures*

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

In November of 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued. This Statement is effective for the reporting periods beginning after June 15, 2019. The objective of this Statement is to provide financial statement users with information about asset retirement obligations (ARO) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. As required, the City has implemented GASB Statement No. 83 as of December 31, 2020.

In January of 2017, GASB Statement No. 84, *Fiduciary Activities*, was issued. This Statement is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. As required, the City has implemented GASB Statement No. 84 as of December 31, 2020.

In March of 2018, GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, was issued. This Statement is effective for reporting periods beginning after June 15, 2019. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. As required, the City has implemented GASB Statement No. 88 as of December 31, 2020.

In August of 2018, GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*, was issued. This Statement is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to improve consistency in the measurement and comparability of the financial statement presentation of majority interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The City has determined that GASB Statement No. 90 has no impact on its financial statements as of December 31, 2020.

The City maintains budgetary control on a non-GAAP basis at the character level (personnel and related expenditures and other expenditures) within each division. Lower levels within each character are accounted for and reported internally. Lower levels are referred to as the program level. Estimated expenditure amounts must be pre-encumbered and subsequently encumbered prior to the release of purchase orders to vendors or finalization of other contracts. Pre-encumbrances and encumbrances that would exceed the available character level appropriation are not approved or

recorded until the Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year. As an additional control over expenditures, the City Charter requires that all contracts in excess of \$50,000 shall first be authorized and directed by ordinance of Council.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is shown on page 65 as part of the basic financial statements. For other governmental funds with appropriated annual budgets, this comparison is presented in the supplementary information subsection of this report along with more detailed information regarding the General Fund, which starts on page 144.

## Factors Affecting Financial Condition

### *Local Economy*

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

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

### *Major Industries, Economic Conditions and Employment*

The City, as well as most large urban municipalities across the nation, has faced significant economic challenges in recent years. Like all manufacturing cities across the country, the City has tried to combat the declining industry base with more professional and service industry opportunities. The City’s budget basis income tax collections decreased 7.2% in 2020 as a result of the COVID-19 pandemic.

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

For 2020, the U.S. Bureau of Labor Statistics (BLS) indicates that the Cleveland area employment base continues to become more diversified. The following table summarizes the percentage of nonfarm employment in the Cleveland area by major industry.

| <b>Industry</b>                     | <b>Percent of<br/>Workforce</b> |   |
|-------------------------------------|---------------------------------|---|
| Education and health services       | 19.17                           | % |
| Trade, transportation and utilities | 18.16                           |   |
| Professional and business services  | 14.38                           |   |
| Government                          | 12.82                           |   |
| Manufacturing                       | 11.82                           |   |
| Leisure and hospitality             | 7.99                            |   |
| Financial activities                | 6.53                            |   |
| Mining, logging and construction    | 4.10                            |   |
| Information                         | 1.25                            |   |
| Other Services                      | 3.78                            |   |
|                                     | 100.00                          | % |

### *Current Projects and 2020 Accomplishments*

The 2020 budget focused on continuing the City's commitment to improve the quality of life of its citizens by strengthening its neighborhoods, fostering a favorable business climate and providing superior services.

The City achieved the following 2020 programmatic goals and projects:

#### Department of Community Development

- The Department continued implementing neighborhood strategies to reduce blight and promote recovery from the economic downturn by making or supporting investments throughout Cleveland. Investments include, but are not limited to demolition, housing renovation, home repair, land reutilization, development of new affordable housing, storefront façade improvements, addressing homelessness and needed public services. All approaches are consistent with the CityWide plan to deploy sustainable and green principles.
- The U.S. Department of Housing and Urban Development (HUD) approved its priorities to focus our resources to address Affordable Housing, Homelessness, Non-Homeless Persons with Special Needs, Stabilizing Neighborhood Housing Markets, Non-Housing Community Development and Public Housing.
- All housing projects that receive City financial assistance, including tax abatement, are required to meet the City's Green Building Standards (GBS). The GBS incorporates national standards such as Leadership in Energy & Environmental Design (LEED) and Enterprise Community Partners' Green Community Standards.
- Eleven affordable multi-family and scatter site projects with 232 units were completed in 2020. Included in these projects were Emerald X, a 60 unit permanent supportive housing project and Aspen Place, containing 41 units. In addition 14 vacant homes in the City were renovated by Habitat for Humanity.
- The commercial revitalization team completed 35 Storefront Renovation Program projects in 2020 which included 11 comprehensive building rehabilitations, 24 neighborhood business signs and seven downtown projects.
- The Department addressed lead hazards in 125 units through the Lead Hazard Reduction Grant.
- Under the Community Engagement Healthy Homes Initiative (HHI) Program, specialists assess neighborhood housing issues and help residents and landlords understand and remove environmental hazards and bring homes to housing code compliance. In addition, the program supports the Department's Exterior Paint Program by helping residents and landlords apply for and complete the paint program.

#### Department of Building and Housing

- Inspected, condemned and razed over 779 structures.
- Initiated 1,015 court cases against negligent property owners.
- Issued 3,789 violation notices.
- Issued construction permits valued at \$873,031,083 in new construction.
- Boarded and secured 1,134 vacant structures.
- Issued 628 condemnation violations.

#### Department of Economic Development

- The Department continued to access \$10,000,000 in funding from JobsOhio for the environmental assessment and remediation of the Opportunity Corridor. The grants will help to create "shovel-ready" industrial development sites on land that is adjacent to the Opportunity Corridor, a \$300 million investment connecting

Cleveland's University Circle to the I-490 Interchange. Almost 200 acres have been assessed and are positioned to begin remediation. The Opportunity Corridor will be home to the new Cleveland Police Headquarters and to a mixed-use housing and grocery development at E. 105<sup>th</sup> St. and Cedar Avenue.

- The Neighborhood Retail Assistance Program provided \$250,000 of assistance for seven projects that leveraged over \$3,100,000 of total project investment. Vacant storefronts are being replaced by restaurants, cafés and locally-owned retail shops. These small businesses will create 23 new jobs. A few of the loan recipients include Taps & Tails, Sauce the City, and Lily's Floral.
- Under the Vacant Property Initiative (VPI) Program, the City provided approximately \$1,400,000 in assistance to six borrowers. The total project cost for these borrowers is approximately \$75,000,000 and will create almost 275 new jobs. The borrowers included Cleveland Kitchen, 75 Public Square and Fathom SEO.
- Sherwin Williams and Cross-Country Mortgage announced their intent to grow their headquarters in Downtown Cleveland. Sherwin Williams announced its intent to build a \$300,000,000 headquarters building on Public Square, where it will employ over 3,000 workers. Cross-Country Mortgage will invest over \$50,000,000 in a new campus on Superior Avenue, bringing 700 workers into the City.
- The Mayor's Neighborhood Transformation Initiative began in the Glenville neighborhood. As a result of the efforts, the first of 26 new homes are under construction, and 40 senior residents have received assistance with stabilizing and improving their homes. The Glenville CircleNorth mixed-use building opened in the fall of 2019 with 67 residential units, a retail incubator with seven small businesses and a co-working space with enhanced programming to support start-up businesses. In 2020, investment continued into the Buckeye community, as well as continued investment in home renovation and commercial storefront.

#### Department of Public Health (CDPH)

- The Division of Environment investigated 4,030 citizen nuisance complaints and issued 191 tickets. Clean Cleveland inspections were suspended in 2020. Staff were routinely reassigned to support CDPH's COVID-19 response efforts including initial interviews and/or contact tracing.
- The Division of Health program, MomsFirst, served over 1,054 parents in 2020, conducted 270 home visits and made a total of 3,578 phone/virtual visits.
- Over 356,000 condoms were distributed through Community Solutions to non-profit and social service agencies in the surrounding Cleveland area. CDPH Health Clinics conducted 1,183 HIV tests in 2020.
- 221 childhood immunization, 59 HPV, 19 Hepatitis A vaccinations and 355 flu shots were administered in 2020. Over 3,100 patients were seen in the health centers.
- Vital statistics issued 30,449 birth certificates and 32,805 death certificates.
- The Division of Air Quality completed 89 asbestos inspections and reviewed 581 asbestos projects, issued 497 City air permits, renewed 48 Ohio EPA permits and issued 29 new Ohio EPA permits. The Division took 40 enforcement actions during the year.
- As part of the Department's responsibility to provide disease surveillance and emergency preparedness, epidemiologists investigated two Legionella, nine influenza and more than 26 COVID-19 outbreaks; participated in over eight functional and real world experiences exercises i.e. COVID-19 surveillance and Point of Dispensing (PODs) activations.

#### Department of Aging

- Provided core services to 7,124 unduplicated clients including both older adults and adults with disabilities.
- Secured approximately \$669,000 in grants to support programs for seniors and adults with disabilities.

- 119 home repair jobs were completed in the 2<sup>nd</sup> year of the Age Friendly Home Investment Program for older adults and adults with disabilities.
- Utilized the City's Code Red Communication system to provide 46 different informational recorded calls to Cleveland seniors during the COVID-19 pandemic. 761,865 connections were made by live answer or voicemail and provided education and information to older adult residents.
- 35,000 masks to protect against COVID-19 were delivered to older adults and adults with disabilities by Aging staff.
- 21 Neighborhood Senior Walks were held, at least one in each ward, to provide opportunities for older adults to get active and to get access to health information including information about COVID-19.

#### The Office of Equal Opportunity (OEO)

- Under Codified Ordinance No. 123.08, OEO is the Citywide Prevailing Wage Coordinator. Since 2011, OEO has established itself as a convener and facilitator of standardized policies and procedures related to prevailing wage. The Prevailing Wage Coordinators informally report to the Director of OEO ensuring standardization in practices, policies and procedures. Additionally, the implementation of Labor Compliance Tracker (LCP) software has enhanced standardization and effectiveness through technology. As such the OEO, through the Director, will continue the role of convener and facilitator.
- OEO continues utilizing two compliance software systems, Business to Government Now (B2GNow) and LCP Tracker. Adoption of these technologies meets the Mayoral goal of efficiency through technology.
- Since 2013, OEO has maintained a registry of certified contractors. While there are many contractors listed in B2GNow, there are approximately 600 certified contractors listed in the system. The certification team continues to provide in-depth consultation to applicants, assisting them with certification and engaging contractors with doing business with the City. Additionally, the certification team provides business development and outreach to contractors through one-on-one meetings and sharing information regarding networking opportunities.
- As noted in 2019, OEO worked with Cleveland City Council to amend Section 187.14 of the Codified Ordinances of Cleveland, Ohio, 1976 (amended by Ordinance No. 532-13 and passed May 13, 2013) of the Small Contract Rotation Programs.
  - In 2020, OEO launched learning opportunities for the City's very small contractors. Along with our partners in the Division of Purchasing and Supplies and the Department of Public Works, the program was officially launched. Despite COVID-19, small contractors were able to attend nine classes on various topics impacting contractors, along with networking sessions with their peers. For the pilot program, contractors in the trades of electrical, flooring, painting and HVAC will be placed in a rotation as the City renovates its recreation centers.

#### Department of Public Works

- The Division of Recreation served 41,000 nutritious meals in 2020.
- Several Managers from the Division of Recreation completed a Leadership Training Course designed to enhance various leadership skills that can be conveyed to staff. The course was conducted by Dr. Dennis Kowalski owner and professor at Leadership and Learning Consultation, LLC.
- Managers in the Division of Recreation completed a training course for the upcoming Certified Park and Recreation Professional exam.
- The City of Cleveland Division of Recreation applied for a major grant to help supplement design cost associated with the 2020 \$400,000 GO Bond sale to renovate the pond and deck at Camp Forbes. These improvements will stop the pond from leaking and provide aeration for future aquatic life.

- The Division of Recreation received a \$9,000 grant from Ohio Department of Natural Resources (ODNR) through the Boating and Education program for new kayaks, safety vests and storage equipment at Camp Forbes.
- The Division of Recreation received a land and water conservation fund grant to replace the playground, safety surface and amenities at Estabrook Recreation Center.
- The Bureau of Cultural Arts developed a partnership with TV-20 to tape arts programming during the COVID-19 pandemic allowing both youth and adults to continue to explore their artistic nature.
- The Bureau of Cultural Arts developed a virtual Showagon for the community to enjoy, as well as a virtual playwriting program where youth developed a play virtually with the help of instructors.
- The Bureau of Cultural Arts developed a Grab and Go Arts, as well as Curbside Clay Pick-up where project instructions and materials were supplied to the community.
- In 2020, Highland Park Golf Course generated the most revenue from golf rounds in over a decade.
- The Division of Recreation sent staff door-to-door informing the community about COVID-19 facts and safety precautions.
- The Division of Park Maintenance performed 1,374 interments in 2020.
- The restoration of the archway and gate houses at Woodland Cemetery were completed.
- The Division of Park Maintenance, Greenhouse Section, grew, planted and cared for 6,000 annual flowers in Downtown City-owned flower beds and planters.
- The Division of Park Maintenance provided 87,041 service visits to 25,291 vacant properties.
- The Division of Park Maintenance performed 539 illegal dumpsite clean-ups.
- The Division of Park Maintenance completed 22 Playground Enhance projects and 38 Baseball Field Enhance projects.
- The Division of Park Maintenance took over landscape maintenance of the Shoreway from the Ohio Department of Transportation.
- 3,885 trees were trimmed.
- 976 trees were removed by in-house crews.
- 667 trees were removed by contractor (this covered Jan-Oct only).
- 1,924 trees were planted.
- The Division of Waste Collection processed 266,793 tons of solid waste and 1,278 tons of recyclable material in 2020.
- The Division of Motor Vehicle Maintenance (MVM), purchased 63 new vehicles, which include 50 police vehicles, 6 fire trucks, 4 EMS ambulances and 3 Chevy Bolt electric vehicles. Also two additional charging stations were installed at Willard garage for electric vehicles, with plans to install additional charging stations at various locations in Cleveland.
- New LED lighting was installed at various MVM repair garages.



- The MVM training department presented 27 in-house training classes, 1 off-site training with AC DELCO at TRI-C West, off-site recruitment at Cuyahoga Valley Career Center, outside training classes with Grapple Truck for Waste operators, 26 in-house and on-road classes for CDL training and testing, Automotive Technician testing for the Civil Service department and in-house safety training for Public Employment Risk Reduction Program (PERPP) / Health and Safety for MVM employees.
- The Division of Streets resurfaced 406,698 square yards of curb-to-curb projects.
- The Division of Traffic Engineering painted 345 miles of lane lines in 2020.

#### Department of Public Safety

- The CPD worked closely with the Cuyahoga County Prosecutor's Office to develop an electronic grand jury packet submission process. All detectives were trained and the program was fully implemented in 2020.
- The CPD converted to an electronic forfeiture packet process in 2020. This is a more efficient, streamlined process while also providing a much improved tracking system.
- The CPD implemented a Real Time Crime Center (RTCC). The RTCC will be the cornerstone of all active crime solving activities. Detectives have already utilized the assets RTCC can provide, resulting in the apprehension of several violent criminals.
- The CPD completed the electronic duty pilot program in 2020. The pilot program was so successful CPD actualized electronic duty reports Division-wide for basic patrol.
- Gunshot detecting technology was installed in the 4<sup>th</sup> District Mount Pleasant community and adjoining neighborhoods. This technology is able to detect the sound of gun fire immediately, alerting police for a quicker response. With this capability officers have a greater chance of catching the offender and providing medical assistance to victims of gun violence.
- In 2020, CFD went through the process of lowering their Insurance Services Offices (ISO) Rating, which scores fire departments on various criteria for a composite rating from 1-10 with 1 being the top rating. Through the dedication of all members, CFD hopes to reach the "Gold Standard" of an ISO Rating of 1 in 2021.
- CFD met the challenge of the Pandemic through enhanced Personal Protective Equipment and Protocols implemented to protect members and citizens while still providing excellent service to the community. Cleveland Fire Paramedics and EMT's have been administering COVID-19 vaccines and will continue to assist in those efforts moving forward in 2021.
- 2020 saw several improvements to Cleveland Fire Stations including new roofs at Stations 10, 11 and 23; new air conditioning units at Stations 1 and 4; facilities to accommodate female firefighters at Stations 11 and 1.
- CFD received several new apparatuses in 2020, which included six fire vehicles. Additionally, CFD has been awarded a \$900,000 Port Security Grant toward the purchase of a new Fire Boat.
- In 2020, the Cleveland Fire Investigation Unit (FIU) added two members and underwent extensive training with the Ohio State Fire Marshal's Office on identifying the cause and origin of suspicious fires.
- The Fire Training Academy (FTA) saw numerous renovations in 2020, including a refurbished Training Tower and Burn Room.
- FTA Staff researched, built and validated a Firefighter Mile Course to conduct physical ability testing for the next cadet class and increase diversity within CFD. A class of 80 new Cadets is expected in 2021.

- In 2020, the Fire Prevention Bureau (FPB) increased State certification levels of Fire Inspectors, rebuilt permitting workflow to increase accountability and efficiency and made permitting information available to contractors and the public in real-time to ensure Fire Codes are being followed and enforced.
- Two new positions of Community Engagement/ Diversity were established in 2020.
- Fire Dispatch implemented new dispatching software and replaced all fire apparatus mobile data computers to provide important information to responding companies.
- CFD implemented a “Red Team” program to reduce paper usage for internal forms and communications and have been scanning Personnel and Medical Files for electronic storage.
- The Division of Emergency Medical Service (EMS) was significantly impacted by the coronavirus pandemic. Early in 2020, in preparation to ensure the safety of all personnel as well as the community we serve, EMS collaborated with and received guidance from the CDPH and hospital partners on the 2019 Novel Coronavirus and enhanced guidance for infection control. From the initial 9-1-1 call, callers were screened about exposure to the coronavirus and information was provided to the responding EMT’s/Paramedics. The Cleveland EMS COVID-19 Playbook was developed to provide medical, administrative and operational guidelines on managing the coronavirus.
- As an integral part of managing the coronavirus and mitigating the community impact, EMS provided support to the CDPH during their planning and implementation of providing the coronavirus vaccine to the community.
- EMS graduated the first EMT Certification training class. The EMT Certification training program was the first initial certification training program provided by EMS, allowing the Division to hire non-certified persons, provide the EMT training, then after completion of the EMT Academy, the EMT’s provide pre-hospital medical care to the community.
- EMS logistics section replaced/replenished over 430 First Aid Kits and 95 naloxone kits utilized by the CPD to provide life-saving first aid. The training of First Aid, CPR, choking, AED training was continued by the Division of Police.
- EMS continues to partner with our local hospital systems to identify opportunities to establish programs to meet the increasing medical needs of the community. The collaborative efforts include the agreement of the four hospital systems to have the emergency departments remain open to EMS traffic at all times. This ensures that patients are able to remain within their hospital network unless a specific medical or traumatic emergency dictates otherwise.
- The Department of Public Safety continued its partnership with the MetroHealth System to provide Public Safety Medical Director services, which include Medical Director oversight for the EMS, CFD and CPD. The partnership expanded in 2018 with the addition of the EMS Fellowship, which provides training to the fellow in EMS Operations, Communications, Event Medicine, Disaster Medicine, Special Operations, Quality Improvement, Education, Critical Care Transport and EMS Administration. In 2020, Dr. Jennifer DeMarco graduated from the Fellowship program and another EMS Fellow, Dr. Eric Frantz, will start in 2021.
- The City continued their agreement with the Cuyahoga County Sheriff assuming all jail duties for the City of Cleveland. All City jail facilities have been closed and all arrests within the City of Cleveland are booked, processed and housed at the Cuyahoga County jail.
- The Office of Professional Standards and the Civilian Police Review Board are working closely with the DOJ and the monitoring team to ensure that citizen complaints involving sworn and civilian employees of the Division of Police are thoroughly investigated and resolved. New operating manuals for the Office of Professional Standards and the Civilian Police Review Board have been drafted and staffing levels have been increased to ensure complaints are investigated timely and resolved fairly and impartially. These changes have been implemented to build trust and accountability.

- The Division of Animal Care and Control (ACC) continued to provide service to residents and care for impounded animals while operating under COVID-19 restrictions.
- ACC began listing all impounded animals online to better serve owners virtually.
- ACC worked with residents by returning animals in the field and offering citations in lieu of impoundment when appropriate.
- ACC made all adoptions and owner reclaims by appointment only to limit capacity in the building and saw an increase in live outcomes, with a 93% Live Release Rate for dogs in 2020.
- ACC's CITY DOGS volunteer program continued to support quality enrichment for the dogs in our care.
- ACC's new non-profit partner, Friends of CITY DOGS Cleveland, had a successful year of fundraising despite COVID-19 restrictions and supported medical and enrichment needs for dogs in the kennel.
- ACC also continued their partnership with Cleveland Municipal Court to provide a program for individuals who have committed animal-related offenses. The Animal Related Offenses Class (A ROC) program's goal is to help educate and create more responsible pet owners. The class is taught by two Animal Control Officers.

#### Department of Public Utilities

- The Division of Water services not only the City, but also 69 direct service communities, seven master meter communities and three emergency standby communities. They provide water to approximately 432,000 city and suburban accounts in the Cleveland metropolitan area. Of these 432,000 accounts, approximately 118,000 accounts were located within the City, accounting for 22.5% of the Division's metered sales revenue. The Division provides billing and payment services for the Northeast Ohio Regional Sewer District (NEORS) and other communities. The major capital projects included suburban water main renewals, improvements of sedimentation basins at the Nottingham Water Treatment Plant, plant enhancement programs and back-up generators.
- The Division of Cleveland Public Power (CPP) provided approximately 74,000 residential, business and governmental customers in the City with reliable and affordable power in 2020. CPP sold approximately 1.528 billion Kilowatt hours (KWh) of electricity. In addition, they completed a software upgrade to transfer their accounts receivable module from Banner Financial Systems to Oracle's Customer Care & Billing (CC&B). The primary purpose of the upgrade was to achieve increased efficiencies within the Department of Public Utilities due to existing use of CC&B for both the Divisions of Water and Water Pollution Control. The major capital projects included the Southern Transmission Line construction, roof replacement at the Lake Road facility and auto transformers.
- The Division of Water Pollution Control maintains the local sanitary and storm water collection system within the City. The system is comprised of 1,444 miles of sewer lines, more than 44,000 catch basins and 12 pump/lift stations. In 2020, the Division's sewers transported 1,559,730 cubic feet (Mcf) of water. The major capital outlays were for rehabilitation of the East 185th and Marcella Road sewer lines, motor vehicles and additional sewer re-linings and installations.

#### Department of Port Control

- During 2020, Cleveland Hopkins International Airport (CLE) enplaned 2,059,668 passengers and had aircraft landed weight of 3,514,736,000 pounds.
- During 2020, CLE concessions developer Fraport (formerly AIRMAL) opened two new retailers; TUMI on Concourse C and Cleveland Mask on Concourse A.
- In 2020 in-terminal Concessions sales decreased by 64%, \$20,026,026 compared to \$55,838,253 in 2019. Airport Concessions Disadvantaged Business Enterprise (ACDBE) sales accounted for 54.3%, up from 50.9% in 2019.

- During 2020, CLE substantially completed the North Airfield Improvements Phase III Project. The project included work on Taxiways Alpha & Romeo, along with substantial storm water improvements.
- During 2020, CLE substantially completed the Storm Sewer Pumps Replacement Project. The project included roadway improvements to the Terminal Upper Road.
- During 2020, CLE substantially completed the Main Terminal Boiler Replacement Project. The project replaced six terminal boilers that were 49 years old. The new boilers replaced the aging infrastructure and will be significantly more energy efficient.

#### Department of Law

- Drafted approximately 320 contracts.
- Reviewed approximately 1,005 contracts for legal form and correctness.
- Prepared and processed 397 requests for legislation for introduction to City Council.
- Obtained 273 search warrants for Housing Court enforcement actions.
- Assisted Department of Building & Housing to obtain legal authorization for 376 demolitions of unsafe structures in the City.
- Prosecuted 1,002 criminal complaints in Housing Court for failing to comply with Building & Housing administrative orders at sites with code violations found at properties.
- Processed 483 claims for property damage and other losses.
- Represented the City in 41 liquor permit hearings and processed 113 liquor permit requests.
- The City's web-based records-request-system (GOVQA) processed 27,010 requests.
- Responded to 124 subpoenas for City records.
- Represented the City in 685 civil cases pending in various state and federal courts.
- Processed 1,042 citizen complaints in the Prosecutors' office.
- Issued 10,014 misdemeanor charges, of which 1,198 were domestic-violence misdemeanor charges.
- Issued 4,625 felony charges, of which 500 were domestic-violence felony charges.
- Addressed 1,173 operating vehicle impaired (OVI) charges.
- Addressed 22,347 traffic offense charges.

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

- Began phase 2 of the Toxic Stress/Trauma Management project, designed to transform the City's 22 recreation centers into trauma-informed neighborhood resource and recreation centers. As part of this project, a director was hired to manage and provide guidance to the social-work trained trauma-informed care coaches to connect patrons of the centers to community-based resources and support services. Through this initiative hundreds of individuals received support and/or connections to resources/services.
- Developed and implemented a professional development program to prepare Division of Recreation leadership staff to obtain the Certified Park and Recreation Professional (CPRP) certification, which is the national standard for all parks and recreation professionals who want to be at the forefront of their profession.

- Began phase 1 of the development of standards and clear performance indicators for our Neighborhood Resource and Recreation Centers as a part of our effort to improve the quality of each center and ensure consistency relative to quality across all centers.

#### Office of Capital Projects

- Plan, design, manage and construct street and bridge capital improvement projects and develop funding strategies through the pursuit of grants and loans from various sources by completing construction on several projects including;
  - West 19th Place (Duck Island) (Carnegie to Smith)
  - Fulton Phase 2 (Lorain to Detroit)
  - East 116th Resurfacing from Miles to Union
  - East 100th Street (Euclid to Chester)
  - East 55th Street (Harvard to Broadway)
  - Lakeside Ave (East 26th Street to East 40th Street)
  - Hamilton Ave (East 40th Street to East 55th Street)
  - Safe Route to Schools Improvement
- In conjunction with the City's resurfacing program:
  - 1,317 American with Disability Act (ADA) ramps were installed.
  - 82 required inspections and inventory of bridges were completed.
  - The Office of Capital Projects inspected 1,752 roads, bridges, subdivisions and utility cut projects in the public right of way to ensure quality control.
- Further the City's neighborhood revitalization efforts through the implementation, construction and/or rehabilitation of City facilities and infrastructure in accordance with the Mayor's Capital Improvement Plan by completing the design or construction of several projects including construction of roof repairs or replacement at two recreation centers, three public safety facilities and mechanical improvements at two recreation centers. Other public facility improvements included:
  - Halloran Ice Rink
  - Music Hall Interior improvements
  - Fire Station Female Facilities PH I
  - Fire Training Tower Repairs
  - Oleatha Wilson Park
  - Glenview - MLK Park
  - Mark Tromba Park
  - Walter A Burkes Playground
  - Three baseball fields, four basketball/tennis courts and three playgrounds were resurfaced.
- Provided the City departments and other entities with assistance on real estate matters by:
  - Managing the Towpath Trail Project, including the ribbon cutting ceremony for Stage Three (Steelyard to Literary), Construction of Stage Four (Literary to Canal Basin) and Stage One (Harvard to Steelyard), funding and design of a Stage Four trailhead improvement project at Canal Basin Park.
  - Continued oversight of right-of-way and real estate matters for roads and bridge reconstruction projects; handled real estate transactions needed for various public works and private development projects; negotiated and completed leases or lease renewals with various entities; oversaw and coordinated real estate matters for the Cleveland Metropolitan School District's master facilities plan, the Cleveland Public Library facilities master plan, NEORS D Project Clean Lake infrastructure projects, NEORS D storm water management projects and various projects with the Cleveland Metroparks and City's Department of Public Utilities.

## Office of Sustainability

- Hosted Mayor Jackson's 12<sup>th</sup> Annual Sustainable Cleveland Summit, held virtually due to COVID-19.
- Continued implementation of the Cleveland Climate Action Plan, which includes 107 actions throughout six focus areas.
- Continued implementation of the Cleveland Tree Plan, including a focus on policy, governance of the Cleveland Tree Coalition and making progress on community-wide tree goals.
- Continued sustainability outreach through social media channels, e-newsletters, monthly meetings and targeted campaigns.
- Secured or managed the following grants:
  - \$80,000 from the U.S. Forest Service to plant more than 150 trees in the Bellaire-Puritas and St. Clair-Superior neighborhoods;
  - \$40,000 from the National Recreation and Parks Association to support community engagement efforts around Cleveland's 10-Minute walk goal to ensure that all Cleveland residents live within a half mile (or 10-minute walk) of a clean, safe, programmed park;
  - \$475,000 from the Robert Wood Johnson Foundation to launch Circular Cleveland, a two-year initiative in partnership with Cleveland Neighborhood Progress to support a more local circular economy in Cleveland;
  - \$150,000 from Partners for Places, Cleveland Foundation, Gund Foundation, and the United Black Fund to support the City's 100% clean electricity goal, with a focus on reducing energy burdens and improving quality of life for residents;
  - Technical assistance grant from the US Green Building Council to support Cleveland's LEED for Cities and Communities certification; and
  - Technical assistance from the Carbon Disclosure Project (CDP) for sustainable financing training.
- Managed and reported on utility and energy data for all City facilities. Since 2010, the City's energy consumption is down 2% on a weather normalized basis and City buildings are using 11% less energy per square foot, saving approximately \$4 million per year in utility costs.
- Installed two dedicated Fleet Electric Vehicle Charging stations at the Willard Garage/City Hall and partnered with various City departments to purchase and roll-out three Electric Vehicles (EVs) for dedicated City fleet use.
- Supported the addition of 15 more miles of bike infrastructure, including trails, bike lanes and sharrows.
- Completed the 2019-2020 Youth Sustainability Leadership Program.
- Purchased 20 water bottle filling stations for use in City facilities.
- Continued to support community choice municipal electricity aggregation with Northeast Ohio Public Energy Council (NOPEC) which resulted in cost savings, rate stability and 100% renewable energy for residents and small businesses; Recognized by the U.S. Environmental Protection Agency (EPA) as a Green Power Community (GPC) for meeting or exceeding EPA's GPC usage requirements.
- Continued to be featured in the CDP annual 'A' Listing of Cities for reporting and disclosure on the City's Climate Action planning, mitigation and adaptation.
- Completed a City-wide natural gas supply procurement for all municipal accounts.
- Featured in the American Council for an Energy-Efficient Economy (ACEEE) 2020 City Clean energy scorecard, ranking #29 out of 100 major US Cities.
- Supported the Northeast Ohio Areawide Coordinating Agency (NOACA) 2020 Commuter Choice Challenge and encouraged employee participation in the Gohio Commute online tracking platform.

## 2021 Budget

The City passed a balanced budget for fiscal year 2021 on March 15, 2021. During 2020, the City experienced significant budgetary challenges due to the COVID-19 impact and social unrest. The COVID-19 pandemic has had far reaching consequences beyond the spread of the disease itself and the efforts to quarantine. As a result of the pandemic our local economy has been severely adversely impacted by employee layoffs and business shut downs during 2020. As a result of the shutdown, our income and other taxes were significantly below our projections for 2020 by almost \$60 million. This significant revenue shortfall was offset with federal funds for COVID-19 relief of \$60 million in the General Fund. With the receipt of this federal funding, accompanied by our cost cutting measures, we did not have any reductions in workforce while still maintaining the same level of service. With the pandemic continuing into 2021, projected revenues and expenses are at reduced levels. Specifically revenues that are continuing to decline include income tax, admission tax, hotel tax, parking tax and licenses and permits. Declines in expenses are mainly attributed to not budgeting some of our non-critical vacant positions. Though 2021 is not structurally balanced where annual revenues are equal to or greater than annual appropriations, we have a balanced budget as a result of using our beginning balance.

The estimate of receipts and expenditures for all General Fund departments and divisions, per the 2021 budget are as follows:

- Total revenues and other financing sources are projected to be \$636 million. The City's income tax is the largest source of revenue. It is generated by a 2.5% rate on wages for Cleveland residents and non-residents; the City is anticipating to collect \$424 million in the General Fund in income tax for 2021.
- Total expenditures and other financing uses are estimated to increase from \$651.2 million to \$659.3 million. This modest increase is predominantly due to the hiring freeze in the preceding year, as well as the ratification of some collective bargaining agreements.

Long-Term financial planning:

Despite the impacts of 2020, the City is positioned for the future and will continue to make investments that create increased service to the citizens of Cleveland. The City has allocated \$5 million from the General Fund to be used for the 2021 streets re-surfacing program, \$5 million for the demolition program, \$5 million to economic development to support programming for recovery and growth of Cleveland's small business community from the impact of COVID-19 and \$5 million to community development for emergency rental and utility assistance.

During 2021, the Division of Police anticipates three classes, totaling 180 cadets. The Division of Fire anticipates two classes, totaling 100 cadets. And the Division of Emergency Medical Service anticipates two classes, totaling 40 cadets.

Additionally, we have created a new division in the Department of Public Health, the Division of Health, Equity and Social Justice. The role of this new division is to focus specifically on finding solutions to inequities and disparities caused by institutional racism. The pandemic highlighted the inequities that people face when finding jobs, accumulating wealth, accessing health care and obtaining a positive outcome.

### **Business Incentives and creating Economic Development**

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

Department of Economic Development

The City uses tax increment financing (TIF) authorized by the Ohio Revised Code (ORC) Chapter 5709 as a tool to support development in the City. TIFs are often used to support financing to close project funding gaps, without which the project would not be able to move forward. Most TIFs authorized by the City are Non-School TIFs, providing that the Cleveland Metropolitan School District receives its share of the tax revenues generated by the development,

approximately 60% of the total taxes. TIFs are analyzed by the Department staff to ensure that the project meets a but-for test, confirming that the development would not proceed without the incentive, as well as to determine that the City receives an adequate return on its investment in the form of other taxes, job creation and retention or policy goals.

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

An example of a successful use of TIF to support a redevelopment project is the relocation of Cross-Country Mortgage to Superior Avenue in Cleveland. They are proposing to redevelop a mixed-use campus including their corporate headquarters, with a mix of historic rehabilitation of multiple buildings and new construction. CCM proposes to invest approximately \$37,500,000 in the development of its headquarters and an additional \$18,000,000 in a multi-family development around the project site. This project will lead to the location of 700 jobs in the heart of the City within five years of the project being completed.

#### Department of Community Development

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

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

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

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

#### Monitoring Incentives:

The City of Cleveland (Department of Community Development) is required by statute to file online annually, by March 31st, all CRA tax abatement information with the State of Ohio.

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

Tax Abatement is available to both homeowners and developers. Work must be completed under a permit issued by the City of Cleveland Department of Building and Housing on property located in the City of Cleveland only. During Tax Year 2017, the length or term of abatement for existing abatements would vary from 10 to 15 years depending on the type of project. For tax abatements processed after August 8, 2017, pursuant to Ordinance # 244-17, passed May 22, 2017 and effective May 24, 2017, the term for all projects eligible for CRA tax abatement is 15 years, except for the 10-year extension available for certain conversions of historic apartment buildings into condominiums.



The Residential Property Tax Abatement Program aims to:

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

Residents and developers seeking tax abatement for residential projects must meet Cleveland Green Building Standards (GBS).

The GBS is designed to save homeowners money on utilities and support local green jobs, while also improving the health of the community and reducing our collective contribution to climate change. The GBS also creates direct benefits for developers and builders, including cost savings from efficient operation, a marketing advantage, and public recognition for high performance homes. Tax abatement has contributed to the development of 24,323 units of housing dating back to 1994. Since 2010 (the first year of the GBS) 4,730 GBS units were completed. In 2019, a total of 784 units met the GBS.

- Single family – 88 new constructions, 71 rehabs
- Multi-family – 461 new constructions, 164 rehabs

### **Major Initiatives**

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

- *Art in Everything! a Cleveland Initiative* – Mayor Frank G. Jackson's Art in Everything Initiative invites residents of the City of Cleveland, as well as visitors, an opportunity to experience the rich artistic and cultural diversity of our City. The Art in Everything program includes but is not limited to: Annual Holiday and Cultural Parades, Cultural Heritage Month Celebrations, Beats & Eats, Food Truck Friday, Annual Children's Christmas play, Art Exhibits, Youth Performances of music and spoken word and the Mayor's Holiday Gala & Food Basket Give-Away.
- *Form Based Zoning a New Approach to Zoning* – The goal is an entirely new zoning code that embodies the Mayor's mantra of Health, Sustainability and Equity. This new approach to zoning is called Form-Based Code. The Cleveland Form-Based Code will be piloted in a few geographies to start - the City Planning Commission has identified sections of the Detroit Shoreway and Cudell neighborhoods as the first areas for implementation of this tool. Additional target areas will include the Opportunity Corridor and Hough area.
- *Thrive 105-93* – With grant funds from the US Department of Transportation (USDOT) Tiger program and its own matching contribution, the City of Cleveland set out to define a collective vision for the neighborhoods connected by the #10 bus route. This plan seeks to unite the aspirations of each community into a coordinated playbook that each can follow, work towards and benefit from. The plan identifies ways in which communities along route #10 can work together to attract new investment and foster a renewed spirit of entrepreneurship all while emphasizing their neighborhood's unique citizens, attributes, and history. The City is currently implementing the initiative and has obtained resources from State, Local and Federal sources to begin its construction and implementation.
- *Vision for the Valley* – The Vision for the Valley initiative symbolizes Mayor Frank Jackson's vision for "One Cleveland," linking east to west at the point where both sides of the City come together making Cleveland a seamless and more sustainable City.

## Awards and Acknowledgements

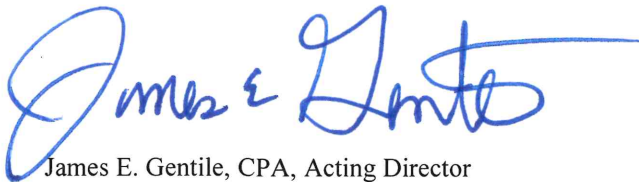
*The Independent Audit:* The City Charter requires an annual audit of the financial statements of all accounts of the City by an Independent Certified Public Accountant. Accordingly, this year's audit was completed by Clark, Schaefer, Hackett & Co. The year ended December 31, 2020, represents the 40<sup>th</sup> consecutive year the City has prepared a Comprehensive Annual Financial Report. In addition to the independent auditors, the City maintains its own Internal Audit Division. Along with the duty of assisting the independent auditors, the Internal Audit Division is responsible for strengthening and reviewing the City's internal controls. The Internal Audit Division performs its own independent operational and financial audits of the City's many funds, departments and divisions. We believe that the City's internal control structure adequately safeguards its assets and provides reasonable assurance of proper recording of all financial transactions.

*Government Finance Officers Association (GFOA) Certificate of Achievement Award:* The GFOA of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 36 years (years ended 1984 – 2019). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

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

Very truly yours,



James E. Gentile, CPA, Acting Director  
Department of Finance



Lesly Camargo, CPA  
Acting City Controller

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CITY OF CLEVELAND, OHIO

City Officials  
Frank G. Jackson, Mayor

EXECUTIVE STAFF

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

ADMINISTRATION

Mary McNamara ..... Director, Department of Aging  
Ayonna Blue Donald..... Director, Department of Building and Housing  
Freddy L. Collier, Jr..... Director, City Planning Commission  
Michael Spreng ..... Secretary, Civil Service Commission  
Michiel Wackers. .... Director, Department of Community Development  
Grady Stevenson, Jr. .... Director, Community Relations Board  
David Ebersole..... Director, Department of Economic Development  
James Gentile ..... Interim Director, Department of Finance  
Nycole West ..... Director, Department of Human Resources  
Matthew L. Spronz..... Director, Mayor’s Office of Capital Projects  
Michael Curry. .... Interim Director, Office of Equal Opportunity  
Sabra T. Pierce-Scott..... Director, Mayor’s Office of Quality Control and Performance Management  
Robert Kennedy. .... Director, Department of Port Control  
Brian Kimball..... Acting Director, Department of Public Health  
Martin J. Keane. .... Director, Department of Public Utilities  
Michael Cox..... Director, Department of Public Works

# CITY OF CLEVELAND, OHIO

## City Council

|                                    |                                |
|------------------------------------|--------------------------------|
| Kevin J. Kelley .....              | President of Council / Ward 13 |
| Blaine A. Griffin.....             | Majority Leader / Ward 6       |
| Jasmin Santana .....               | Majority Whip / Ward 14        |
| Patricia J. Britt.....             | City Clerk, Clerk of Council   |
| Joseph T. Jones.....               | Ward 1                         |
| Kevin L. Bishop.....               | Ward 2                         |
| Kerry McCormack.....               | Ward 3                         |
| Marion Anita Gardner, Interim..... | Ward 4                         |
| Delores L. Gray .....              | Ward 5                         |
| Basheer S. Jones .....             | Ward 7                         |
| Michael D. Polensek.....           | Ward 8                         |
| Kevin Conwell.....                 | Ward 9                         |
| Anthony T. Hairston.....           | Ward 10                        |
| Brian Mooney.....                  | Ward 11                        |
| Anthony Brancatelli.....           | Ward 12                        |
| Jenny Spencer .....                | Ward 15                        |
| Brian Kazy .....                   | Ward 16                        |
| Charles Slife .....                | Ward 17                        |



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

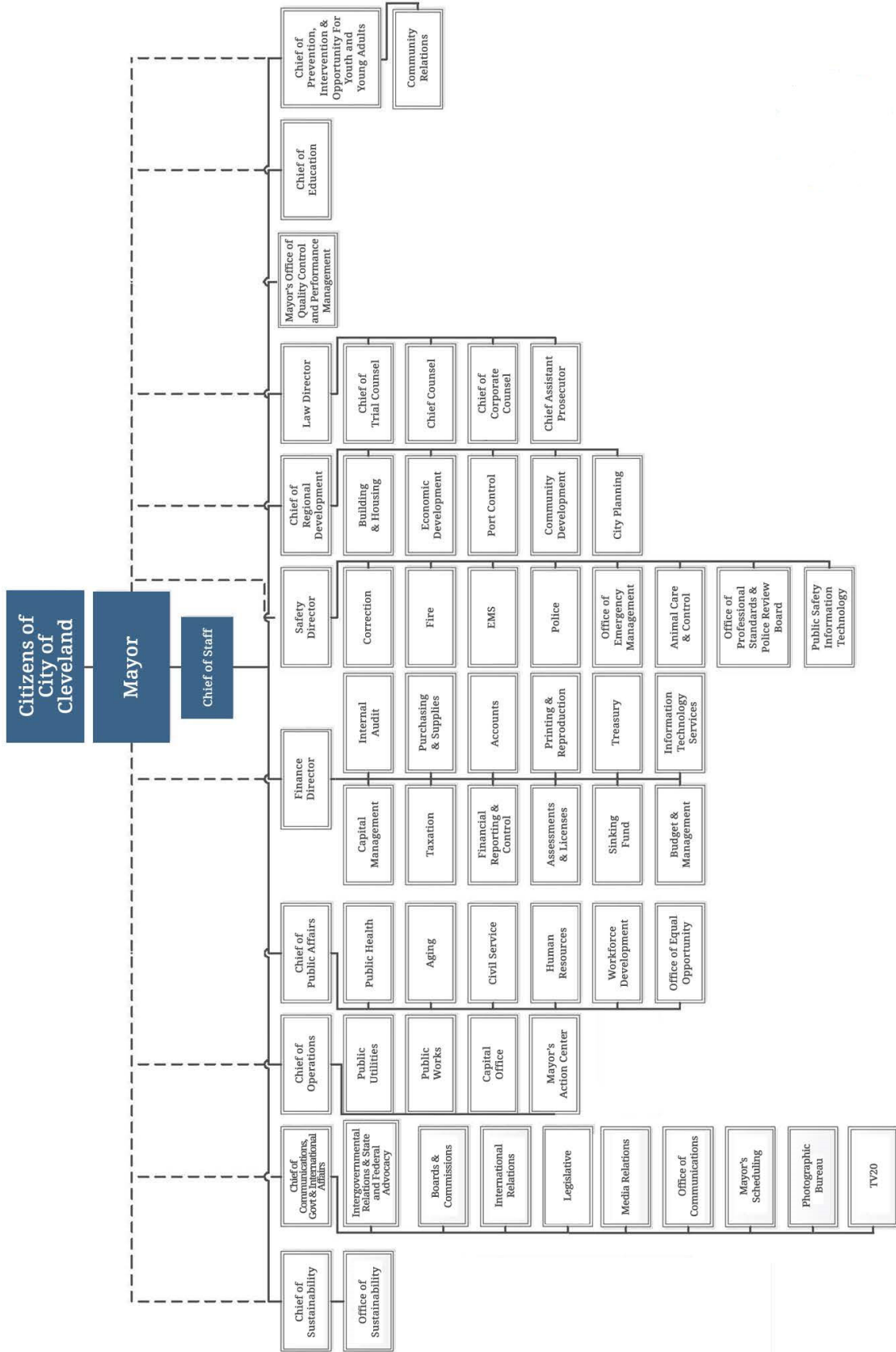
**City of Cleveland  
Ohio**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

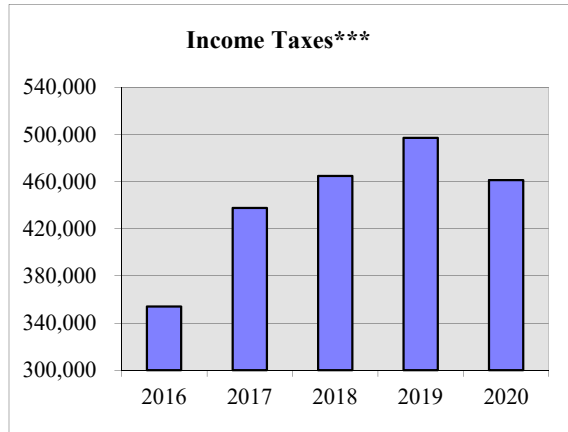
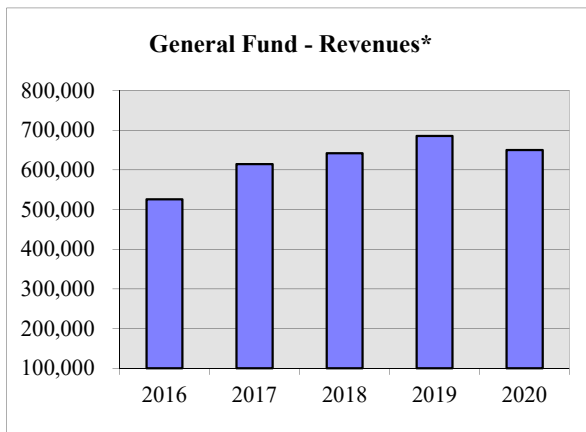
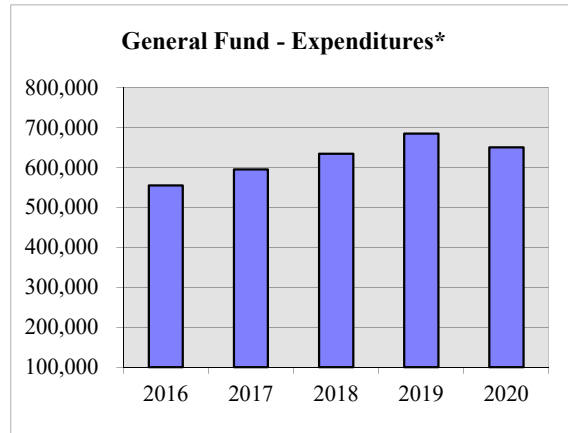
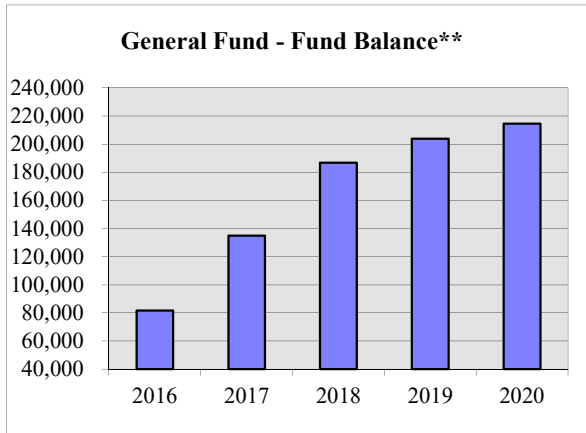
Executive Director/CEO



# CITY OF CLEVELAND, OHIO

## FINANCIAL HIGHLIGHTS

(Amounts in Thousands)



| For Year Ended | General Fund Fund Balance** | General Fund Revenues* | General Fund Expenditures* | Income Taxes*** |
|----------------|-----------------------------|------------------------|----------------------------|-----------------|
| 2016           | 81,722                      | 526,199                | 555,470                    | 354,151         |
| 2017           | 134,860                     | 615,244                | 595,844                    | 437,676         |
| 2018           | 186,909                     | 642,595                | 634,937                    | 464,803         |
| 2019           | 203,892                     | 685,652                | 685,734                    | 496,973         |
| 2020           | 214,554                     | 650,167                | 651,252                    | 461,362         |

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

\*\* *GAAP Basis*.

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



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# **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, Ohio (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland, Ohio, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

During the year ended December 31, 2020, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result of the implementation of GASB Statement No. 84, the City restated net position at January 1, 2020 for the change in accounting principle (See Note 21). Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The combining and individual nonmajor fund financial statements and schedules and capital assets schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021 on our consideration of the City of Cleveland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cleveland's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
June 24, 2021

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# CITY OF CLEVELAND, OHIO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Cleveland (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2020. Please read this information in conjunction with the City's financial statements and footnotes that begin on page 58.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2020 by approximately \$2.557 billion (net position).
- Of the approximately \$2.557 billion of net position, governmental activities accounted for approximately \$230.0 million of net position, while business-type activities net position accounted for approximately \$2.327 billion.
- The City's net position increased by \$24.2 million as compared to 2019. The governmental activities net position decreased by \$23.3 million and the business-type activities net position increased by \$47.5 million.
- At the end of the current year, unassigned fund balance for the General Fund was \$121.9 million, which represents the amount available for spending at the City's discretion. The unassigned fund balance equals 21.3% of the total General Fund expenditures and other financing uses.
- In 2020, the City's total long-term debt and other long-term debt-related obligations, excluding premiums, accreted interest and discounts decreased by \$88.9 million. The decrease is due to payments made on debt of \$160.0 million offset by new debt issues for General Obligation bonds of \$60.7 million and Subordinate Lien Income Tax bonds of \$69.8 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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



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

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

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

The City presents 29 individual governmental funds on a modified accrual basis. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Public Health Fund, which are considered to be major funds. Data from the other 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

The basic fiduciary fund financial statement can be found on pages 71-72 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to achieve a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 73-132 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

### Summary Statements of Net Position as of December 31, 2020 and 2019

|                                  | <u>Governmental</u> |                   | <u>Business-Type</u> |                     | <u>Total</u>        |                     |
|----------------------------------|---------------------|-------------------|----------------------|---------------------|---------------------|---------------------|
|                                  | <u>Activities</u>   |                   | <u>Activities</u>    |                     |                     |                     |
|                                  | 2020                | 2019              | 2020                 | 2019                | 2020                | 2019                |
| (Amounts in Thousands)           |                     |                   |                      |                     |                     |                     |
| Assets:                          |                     |                   |                      |                     |                     |                     |
| Current and other assets         | \$ 1,092,901        | \$ 1,058,523      | \$ 1,214,566         | \$ 1,222,713        | \$ 2,307,467        | \$ 2,281,236        |
| Capital assets                   | <u>1,269,062</u>    | <u>1,252,272</u>  | <u>3,034,227</u>     | <u>3,032,996</u>    | <u>4,303,289</u>    | <u>4,285,268</u>    |
| Total assets                     | 2,361,963           | 2,310,795         | 4,248,793            | 4,255,709           | 6,610,756           | 6,566,504           |
| Deferred outflows of resources   | 209,078             | 338,567           | 109,814              | 131,067             | 318,892             | 469,634             |
| Liabilities:                     |                     |                   |                      |                     |                     |                     |
| Net pension liability            | 734,725             | 929,193           | 158,395              | 224,015             | 893,120             | 1,153,208           |
| Net OPEB liability               | 234,375             | 221,047           | 110,111              | 105,347             | 344,486             | 326,394             |
| Long-term obligations            | 977,639             | 969,070           | 1,454,074            | 1,539,753           | 2,431,713           | 2,508,823           |
| Other liabilities                | <u>159,545</u>      | <u>161,408</u>    | <u>251,200</u>       | <u>234,350</u>      | <u>410,745</u>      | <u>395,758</u>      |
| Total liabilities                | 2,106,284           | 2,280,718         | 1,973,780            | 2,103,465           | 4,080,064           | 4,384,183           |
| Deferred inflows of resources    | 234,751             | 115,294           | 57,627               | 3,617               | 292,378             | 118,911             |
| Net position:                    |                     |                   |                      |                     |                     |                     |
| Net investment in capital assets | 722,806             | 722,633           | 1,724,704            | 1,633,097           | 2,447,510           | 2,355,730           |
| Restricted                       | 209,288             | 208,522           | 184,926              | 207,837             | 394,214             | 416,359             |
| Unrestricted                     | <u>(702,088)</u>    | <u>(677,805)</u>  | <u>417,570</u>       | <u>438,760</u>      | <u>(284,518)</u>    | <u>(239,045)</u>    |
| Total net position               | <u>\$ 230,006</u>   | <u>\$ 253,350</u> | <u>\$ 2,327,200</u>  | <u>\$ 2,279,694</u> | <u>\$ 2,557,206</u> | <u>\$ 2,533,044</u> |

The net pension liability is reported by the City at December 31, 2020 and is reported pursuant to *Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions — an amendment of GASB Statement No. 27*. GASB Statement No. 75 significantly revises accounting for costs and liabilities related to OPEB. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability.

GASB Statement No. 68 and GASB Statement No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statement No. 68 and GASB Statement No. 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State Statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State Statute. The ORC permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liabilities of the pension/OPEB plans against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB Statement No. 68 and GASB Statement No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows of resources.

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

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$2.557 billion at the close of the most recent fiscal year. This represents an increase of 1.0% in 2020. Of the net position from governmental activities, \$722.8 million represents its investment in capital assets (e.g., land, land improvements, buildings, infrastructure, furniture, fixtures, equipment and vehicles), net of accumulated depreciation, less any related, still-outstanding debt issued to acquire, construct or improve those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. Another significant portion of net position, \$209.3 million, represents resources that are subject to external restrictions on how they may be used.

In 2020, the total assets and deferred outflows of resources from governmental activities decreased by \$78.3 million. This decrease is primarily attributed to a decrease in deferred outflow of resources of \$129.5 million offset by an increase in cash and cash equivalents of \$44.3 million. The decrease in deferred outflow of resources is related to investment returns

exceeding expectations for pension. The increase in cash and cash equivalents largely relates to an increase in the Workers' Compensation Reserve Fund.

Also in 2020, the total liabilities and deferred inflows of resources from governmental activities decreased by \$55.0 million. This was caused primarily due to a decrease in the pension liability offset by an increase in deferred inflows of resources related to pension. The decrease in pension liability is due to investment returns for pension exceeding expectations.

Of the business-type net position, \$1.725 billion represents its investment in capital assets, net of accumulated depreciation, less any related, still-outstanding debt issued to acquire, construct or improve those assets. These capital assets are used to provide services to their customers. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$184.9 million of net position is subject to external restrictions on their use. The remaining balance of \$417.6 million is unrestricted and may be used to meet the City's ongoing obligations to customers and creditors.

In 2020, business-type total assets and deferred outflows of resources decreased by \$28.2 million. This decrease is primarily attributed to a decrease in deferred outflows of resources related to pension of \$43.9 million.

Business-type total liabilities and deferred inflows of resources decreased by \$75.7 million mainly due to a decrease in long-term obligations due in more than one year of \$79.5 million. Pension liability also decreased by \$65.6 million. It was offset by an increase in deferred inflows of resources related to pension of \$32.5 million and OPEB of \$16.9 million. Due to other governments also increased by \$13.8 million.

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

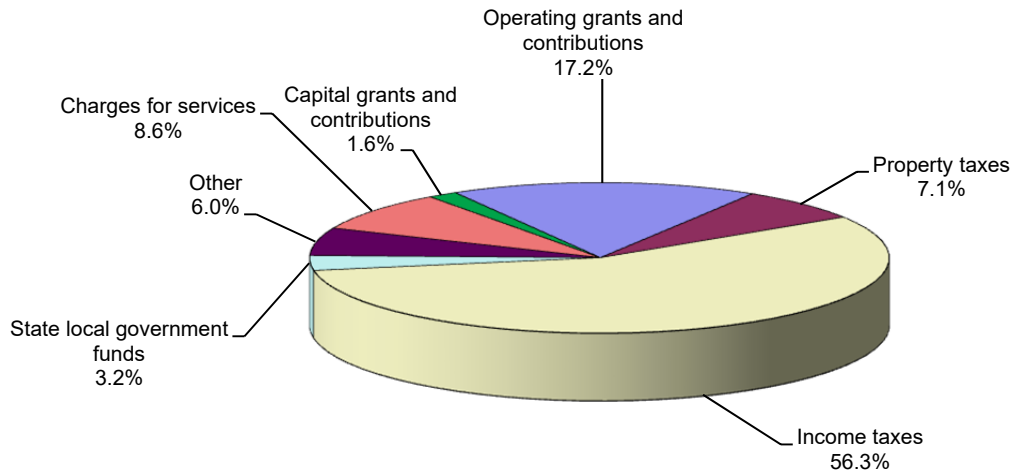
**Changes in Net Position**  
**For the Years Ended December 31, 2020 and 2019**

|  | <u>Governmental</u> |                   | <u>Business-Type</u> |                     | <u>Total</u>        |                     |
|--|---------------------|-------------------|----------------------|---------------------|---------------------|---------------------|
|  | <u>Activities</u>   |                   | <u>Activities</u>    |                     |                     |                     |
|  | 2020                | 2019              | 2020                 | 2019                | 2020                | 2019                |
| Revenues:                                |                     |                   |                      |                     |                     |                     |
| Program revenues:                        |                     |                   |                      |                     |                     |                     |
| Charges for services                     | \$ 69,935           | \$ 79,061         | \$ 660,085           | \$ 724,592          | \$ 730,020          | \$ 803,653          |
| Operating grants and contributions       | 139,544             | 80,294            | 4,138                | 6,329               | 143,682             | 86,623              |
| Capital grants and contributions         | 12,582              | 23,279            | 88,280               | 77,512              | 100,862             | 100,791             |
| General revenues:                        |                     |                   |                      |                     |                     |                     |
| Income taxes                             | 458,943             | 487,077           |                      |                     | 458,943             | 487,077             |
| Property taxes                           | 57,955              | 58,252            |                      |                     | 57,955              | 58,252              |
| Other taxes                              | 16,349              | 44,633            |                      |                     | 16,349              | 44,633              |
| Unrestricted shared revenues             | 15,556              | 20,894            |                      |                     | 15,556              | 20,894              |
| State local government funds             | 25,936              | 26,658            |                      |                     | 25,936              | 26,658              |
| Unrestricted investment earnings         | 3,827               | 14,997            | 11                   | 26                  | 3,838               | 15,023              |
| Other                                    | 13,022              | 20,210            | 65                   | 625                 | 13,087              | 20,835              |
| Total revenues                           | <u>813,649</u>      | <u>855,355</u>    | <u>752,579</u>       | <u>809,084</u>      | <u>1,566,228</u>    | <u>1,664,439</u>    |
| Expenses:                                |                     |                   |                      |                     |                     |                     |
| General Government                       | 160,148             | 191,388           |                      |                     | 160,148             | 191,388             |
| Public Works                             | 156,576             | 172,526           |                      |                     | 156,576             | 172,526             |
| Public Safety                            | 397,692             | 75,355            |                      |                     | 397,692             | 75,355              |
| Community Development                    | 33,643              | 31,523            |                      |                     | 33,643              | 31,523              |
| Building and Housing                     | 15,320              | 16,974            |                      |                     | 15,320              | 16,974              |
| Public Health                            | 18,321              | 21,269            |                      |                     | 18,321              | 21,269              |
| Economic Development                     | 20,454              | 28,428            |                      |                     | 20,454              | 28,428              |
| Interest on debt                         | 27,198              | 27,059            |                      |                     | 27,198              | 27,059              |
| Water                                    |                     |                   | 300,180              | 316,588             | 300,180             | 316,588             |
| Sewer                                    |                     |                   | 29,358               | 31,318              | 29,358              | 31,318              |
| Electricity                              |                     |                   | 199,950              | 220,883             | 199,950             | 220,883             |
| Airport facilities                       |                     |                   | 168,310              | 187,779             | 168,310             | 187,779             |
| Nonmajor activities                      |                     |                   | 14,916               | 17,834              | 14,916              | 17,834              |
| Total expenses                           | <u>829,352</u>      | <u>564,522</u>    | <u>712,714</u>       | <u>774,402</u>      | <u>1,542,066</u>    | <u>1,338,924</u>    |
| Changes in net position before transfers | (15,703)            | 290,833           | 39,865               | 34,682              | 24,162              | 325,515             |
| Transfers                                | <u>(7,641)</u>      | <u>(7,112)</u>    | <u>7,641</u>         | <u>7,112</u>        | <u>-</u>            | <u>-</u>            |
| Changes in net position                  | <u>(23,344)</u>     | <u>283,721</u>    | <u>47,506</u>        | <u>41,794</u>       | <u>24,162</u>       | <u>325,515</u>      |
| Beginning net position                   | 253,350             | (30,371)          | 2,279,694            | 2,237,900           | 2,533,044           | 2,207,529           |
| Ending net position                      | <u>\$ 230,006</u>   | <u>\$ 253,350</u> | <u>\$ 2,327,200</u>  | <u>\$ 2,279,694</u> | <u>\$ 2,557,206</u> | <u>\$ 2,533,044</u> |

Governmental activities decreased the City's net position by \$23.3 million as compared to a \$283.7 million increase in 2019. The decrease is primarily attributed to an increase in expenses for Public Safety of \$322.3 million due to changes in assumption in the Ohio Police and Fire OPEB Plan in 2019. This was offset by an increase in revenues for operating grants and contributions of \$59.3 million and a decrease in revenues for other taxes of \$28.3 million. The increase in revenues for operating grants and contributions is related to the CARES grant received from the federal government. The decrease in revenues for other taxes is related to the significant decreases in admission, parking and hotel taxes due to the COVID-19 pandemic.

Business-type activities increased the City's net position by \$47.5 million in 2020 compared to a \$41.8 million increase in 2019. The change from the prior year is mainly attributed to a decrease of \$16.4 million in expenses for Division of Water and \$19.5 million for Division of Port Control. The decrease in expenses for Division of Water is due to a decrease in maintenance expenses from fewer repairs of water meters, hydrants, connectors and valves. The decrease in expenses for Division of Port Control is related to a decrease in operating expenses such as utilities, professional fees, training, supplies, salary, wages and benefits due to the COVID-19 pandemic. This was offset by a decrease of \$45.3 million in charges for services for Division of Port Control due to the decline in air travel. Expenses for the Division of Cleveland Public Power also decreased by \$20.9 million mainly due to decreases in pension expense and telecommunication costs.

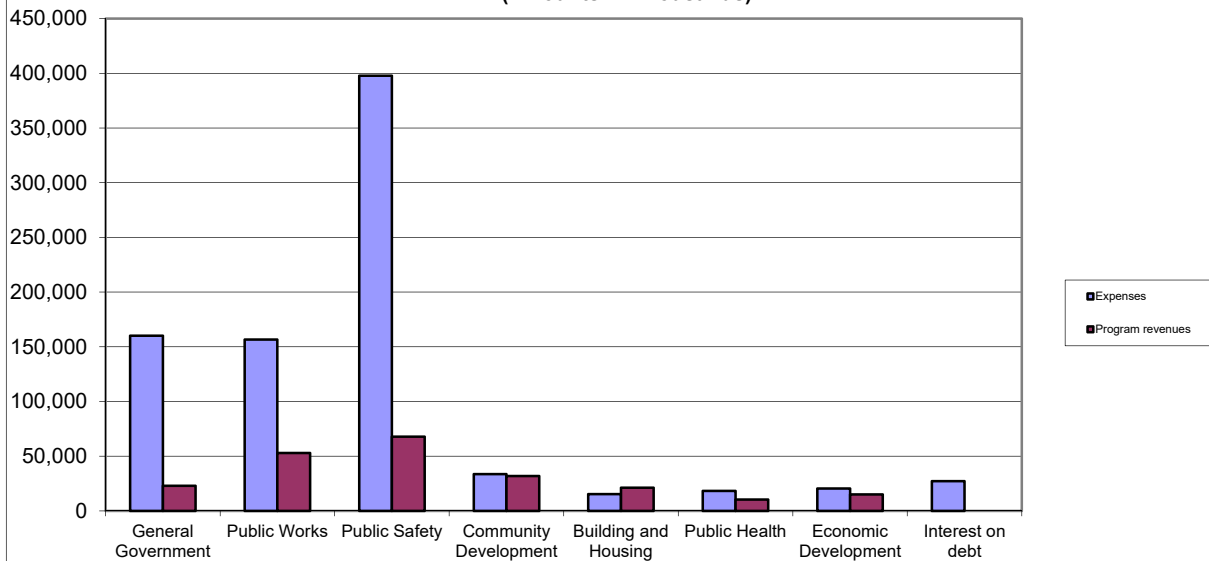
## Revenues by Source - Governmental Activities



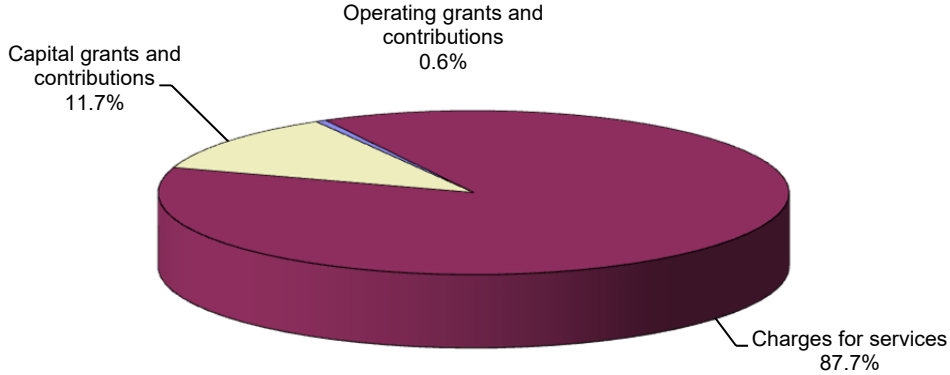
Other includes other taxes, shared revenues, unrestricted investment earnings and other general revenues.

## Expenses and Program Revenues - Governmental Activities

(Amounts in Thousands)

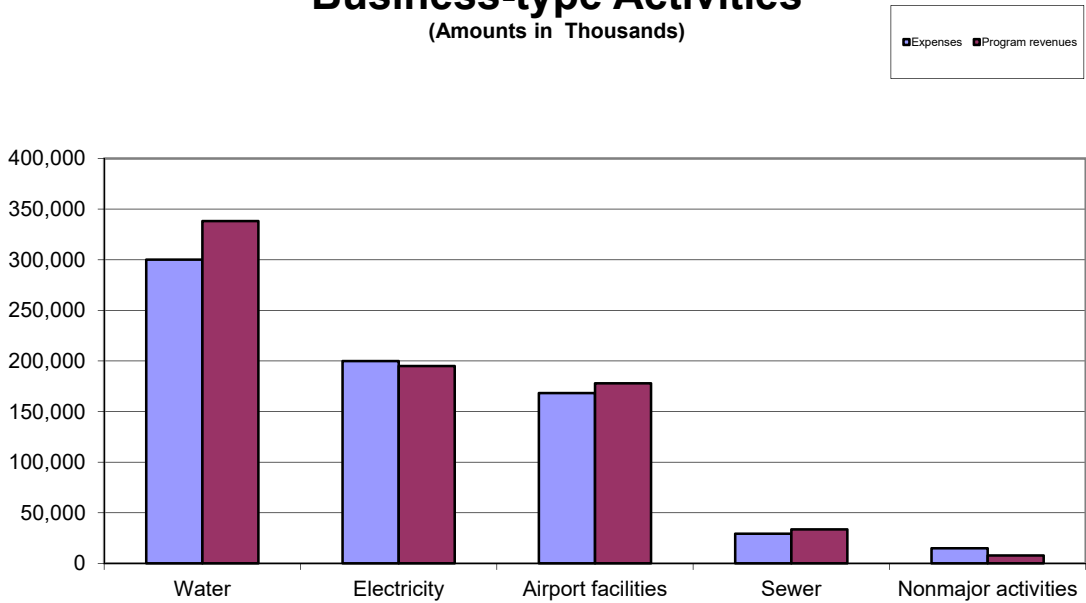


# Revenues by Source - Business-type Activities



# Expenses and Program Revenues - Business-type Activities

(Amounts in Thousands)





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

**Division of Water:** The Division operates a major public water supply system, the tenth largest in the United States that serves not only the City, but also sixty-nine direct service, seven master meter and three emergency standby suburban municipalities in the Cleveland Metropolitan Area. They provide water to approximately 432,000 city and suburban accounts in the Cleveland Metropolitan Area. Operating revenue in 2020 increased to \$327.3 million from \$320.2 million in 2019. The rise is primarily attributed to an increase in metered service revenue of \$8.2 million as a result of a rate increase for the City and suburbs. This was offset by a decrease in ancillary revenue. Operating expenses, exclusive of depreciation, decreased approximately 7.2% to \$201.8 million compared to \$217.4 million in 2019.

**Division of Cleveland Public Power:** The Division supplies electrical service to approximately 74,000 customers in the City. The Division is responsible for supplying, transmitting and distributing electricity and providing related electrical services to customers within its service area. The Division's 2020 operating revenue decreased by 8.3% to \$186.8 million from \$203.8 million in 2019. Purchased power expense decreased by 9.0% to \$122.1 million in 2020 from \$134.2 million in 2019. Operating expenses, exclusive of depreciation and purchased power decreased 16.8% to \$44.0 million in 2020 compared to \$52.9 million in 2019.

**Division of Water Pollution Control:** The Division was created for the purpose of supplying sewer services to customers within the Cleveland metropolitan area. The Division currently has approximately 117,077 customer accounts in the City, of which 95.9% are residential and 4.1% commercial. The Division's 2020 operating revenue decreased by 8.7% to \$29.4 million from \$32.2 million in 2019. The decline is primarily attributed to a 6.8% decrease in metered consumption. Operating expenses, exclusive of depreciation, decreased 4.9% to \$23.2 million in 2020 compared to \$24.4 million in 2019.

**Department of Port Control:** The City's Department of Port Control includes the Divisions of Cleveland Hopkins International Airport and Burke Lakefront Airport. During 2020, 29 passenger airlines provided scheduled airline service at Cleveland Hopkins International Airport. Burke Lakefront Airport, a federally certified commercial and general aviation reliever airport, provides the majority of its services to air taxi operators serving the City's downtown business activities. The Divisions' change in net position for 2020 was \$9.2 million. Landing fee revenue decreased due to a decrease in landed weight. Total operating expenses for 2020 decreased primarily due to reduction in operating expenses such as utilities, professional fees, training, supplies, salaries wages and benefits. Non-Operating revenues decreased due to a decrease in passenger facility charges and investment income, offset by an increase in bond amortization expense. The decrease in non-operating expenses is attributed to decreased interest expense related to lower interest paid and fewer capital expenses.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$706.7 million, an increase of \$8.9 million and approximately 1.3% in comparison with the prior year. The components of the governmental fund balances include an unassigned balance of \$121.9 million, which indicates the amount available for spending at the City's discretion. An additional \$422.4 million of fund balance is available for expenditures that are legally restricted for a particular purpose. The non-spendable portion of fund balance has \$8.2 million of funds that are not in a spendable form, such as pre-paid expenditures. An additional \$69.5 million is committed to fund specific purposes and cannot be reassigned without legislative approval. The remaining assigned balance of \$84.6 million represents funds that the City intends to use for a specific purpose.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$121.9 million and the total fund balance was \$214.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 21.3% of total General Fund expenditures and other financing uses, while total fund balance represents approximately 37.6% of that same amount.

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

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance Information - GAAP Basis**  
**2020 and 2019**

| (Amounts in Thousands)                                       |                   |                   |
|--|-------------------|-------------------|
|  | <u>2020</u>       | <u>2019</u>       |
| Revenues:  |                   |                   |
| Income taxes   | \$ 414,844        | \$ 432,704        |
| Property taxes   | 38,373            | 37,905            |
| State local government funds                                 | 25,616            | 26,304            |
| Other taxes  | 16,349            | 44,739            |
| Other shared revenues  | 14,981            | 17,796            |
| Licenses and permits   | 16,041            | 19,490            |
| Charges for services   | 33,764            | 32,796            |
| Fines, forfeits and settlements                              | 6,587             | 10,909            |
| Investment earnings  | 1,925             | 6,140             |
| Grants   | 585               | 707               |
| Miscellaneous  | 12,799            | 18,783            |
| Total revenues   | <u>581,864</u>    | <u>648,273</u>    |
| Expenditures:  |                   |                   |
| General Government   | 89,855            | 102,500           |
| Public Works   | 75,235            | 80,187            |
| Public Safety  | 306,881           | 340,573           |
| Community Development  | 1,300             | 289               |
| Building and Housing   | 12,506            | 12,270            |
| Economic Development   | 2,063             | 1,698             |
| Other  | 9,032             | 8,255             |
| Capital outlay   | 17,898            | 18,989            |
| Total expenditures   | <u>514,770</u>    | <u>564,761</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | 67,094            | 83,512            |
| Other financing sources (uses):                              |                   |                   |
| Transfers out  | (56,441)          | (66,529)          |
| Sale of City assets  | 9                 |                   |
| Net change in fund balance                                   | 10,662            | 16,983            |
| Fund balance at beginning of year                            | <u>203,892</u>    | <u>186,909</u>    |
| Fund balance at end of year                                  | <u>\$ 214,554</u> | <u>\$ 203,892</u> |

The City also presents Public Health as a major governmental fund. It includes all public health related activity of the City, including operations and Public Health Department related grant activity. The Public Health's change in fund balance increased by \$648,000 in 2020 due to increased transfers in from the General Fund.

**Analysis of General Fund Revenues**

General Fund revenues and other financing sources totaled \$581.9 million in 2020, a decrease of approximately \$66.4 million from 2019. A discussion of each of the major types of General Fund revenues follows.

*Municipal Income Taxes*

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

The income tax is also imposed on gross salaries and wages earned in the City by non-residents of the City and on salaries, wages, and other compensation of City residents earned within or outside the City. The income tax liability of a City resident employed outside the City is reduced by a credit equal to 100% of the tax paid to the municipality in which the City resident is employed. The tax on business profits is imposed on the part of profits attributable to business conducted within the City. In 2020, approximately 93% of the total income taxes paid to the City were derived from non-residents employed in the City and business profits.

In 2020, income tax revenue decreased by \$17.9 million, primarily due to the decrease in income tax collection and an increase in the unemployment rate in 2020 as a result of the COVID-19 pandemic.

*Property Taxes*

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

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

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

| <b>Tax<br/>Collection<br/>Year</b> | <b>Real<br/>Property</b> | <b>Public Utility<br/>Tangible<br/>Personal</b> | <b>Total<br/>Assessed<br/>Valuation</b> |
|------------------------------------|--------------------------|---|---|
| (Amounts in Thousands)             |                          |   |   |
| 2020                               | \$ 4,664,325             | \$ 468,023                                      | \$ 5,132,348                            |
| 2019                               | \$ 4,826,299             | \$ 436,992                                      | \$ 5,263,291                            |

Property tax revenue increased by approximately \$468,000 in 2020 from 2019 levels.

*State Local Government Funds, Other Taxes and Other Shared Revenues*

State Local Government Funds, Other Taxes and Other Shared Revenues include taxes levied and collected by the State of Ohio or counties and partially redistributed to the City and other political subdivisions. Other Taxes and Other Shared Revenues include state income, sales, admission, motor vehicle, parking, hotel, commercial activity, corporate franchise, casino, homestead and rollback, public utility, estate and cigarette taxes as well as liquor fees. State Local Government Funds revenue decreased by \$688,000 or 2.6% in 2020 due to mandatory non-essential business shutdowns to control the spread of COVID-19. Other Taxes decreased by \$28.4 million or 63.5% from 2019 levels primarily as a result of the mandatory business shutdowns as well as decreased traveling during the pandemic. Other Shared Revenues decreased by \$2.8 million or 15.8% from 2019 levels.

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

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

***Analysis of General Fund Expenditures***

General Fund expenditures and other financing uses totaled \$571.2 million in 2020, a decrease of 9.5% from 2019. The amount of expenditures and other uses by function on a GAAP basis, including the increases (decreases) over the prior year, are shown in the following table:

| <u>Expenditures and Other Financing Uses</u> | <u>Actual 2020</u> | <u>% of Total</u> | <u>Actual 2019</u> | <u>% of Total</u> | <u>Increase (Decrease)</u> | <u>% Change</u> |
|--|--------------------|-------------------|--------------------|-------------------|----------------------------|-----------------|
| (Amounts in Thousands)                       |                    |                   |                    |                   |                            |                 |
| Current:                                     |                    |                   |                    |                   |                            |                 |
| General Government                           | \$89,855           | 15.73             | \$102,500          | 16.24             | \$(12,645)                 | (12.34)         |
| Public Works                                 | 75,235             | 13.17             | 80,187             | 12.70             | (4,952)                    | (6.18)          |
| Public Safety                                | 306,881            | 53.73             | 340,573            | 53.95             | (33,692)                   | (9.89)          |
| Community Development                        | 1,300              | 0.23              | 289                | 0.05              | 1,011                      | 349.83          |
| Building and Housing                         | 12,506             | 2.19              | 12,270             | 1.94              | 236                        | 1.92            |
| Economic Development                         | 2,063              | 0.36              | 1,698              | 0.27              | 365                        | 21.50           |
| Other  | 9,032              | 1.58              | 8,255              | 1.31              | 777                        | 9.41            |
| Capital Outlay                               | 17,898             | 3.13              | 18,989             | 3.00              | (1,091)                    | (5.75)          |
| Transfers Out                                | 56,441             | 9.88              | 66,529             | 10.54             | (10,088)                   | (15.16)         |
| <br>   |                    |                   |                    |                   |                            |                 |
| Total Expenditures and Other Financing Uses  | <u>\$571,211</u>   |                   | <u>\$631,290</u>   |                   | <u>\$(60,079)</u>          |                 |

The total expenditures and other financing uses decreased by \$60.1 million. The decrease was primarily caused by decreases in Public Safety, General Government, transfers out and Public Works expenditures. The decrease relates to the City being awarded the CARES Act federal funds. The expenditures were reported in other governmental funds.

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

The unrestricted net position of the Division of Water, Water Pollution and Control, Cleveland Public Power and the Department of Port Control Funds amounted to \$309.5 million, \$28.0 million, (\$1.1) million and \$95.5 million, respectively, at December 31, 2020. The change in net position for each of the respective funds amounted to an increase of \$40.1 million, an increase of \$4.5 million, a decrease of \$4.2 million and an increase of \$9.2 million during 2020. Other factors concerning the finances of the City's proprietary funds have already been addressed in the discussion of the City's business-type activities.

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

Employees and Labor Relations

As of December 31, 2020 and 2019, the City had approximately 7,159 and 7,401 full-time employees, respectively. Of the 7,159 full-time employees, approximately 5,887 full-time employees are represented by 39 collective bargaining units. The largest collective bargaining units, together with the approximate number of employees represented by such units, include the American Federation of State, County and Municipal Employees, Local 100 – 1,405 members; Cleveland Police Patrolmen’s Association (CPPA) – 1268 members; the Association of Cleveland Firefighters – 700 members; Municipal Foreman and Laborers Union, Local 1099 – 521 members; and Local 507 – 301 members.

There have been no significant labor disputes or work stoppages in the City within the last 37 years.

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

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

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

| <u>Year</u> | <u>Amount Paid</u>     |         |
|-------------|------------------------|---------|
|             | (Amounts in Thousands) |         |
| 2020        | \$                     | 496,000 |
| 2019        | \$                     | 494,000 |

In 2020, there was an increase in salaries and wages payable of 0.4% from the prior year due to retroactive salary payments.

**GENERAL FUND BUDGETARY ANALYSIS**

In 2020, the principal differences between the original and final budgeted expenditures included a \$7.1 million increase in capital outlay due to the costs associated with vehicles, equipment, demolition and other capital expenditures.

The major differences between the final amended budget and the actual total revenues were decreases of \$8.6 million in other taxes, \$4 million in fines, forfeits, and settlements, \$3.7 million in licenses and permits, \$3 million in other shared revenue, \$2.6 million in investment earnings and \$2.6 million in charges for services. Miscellaneous revenues increased \$1.4 million. The decrease in other taxes was primarily attributed to lower admissions tax, parking tax and hotel tax collections due to mandatory non-essential business shutdowns. Licenses and Permits decreased mainly due to a decline in building permits and certificates of occupancy. The decrease in investment earnings resulted from lower interest rates and miscellaneous revenue increased due to the City’s receipt of the Workers’ Compensation refund.

The major differences between the final amended budget and the actual total expenditures were decreases of \$15.9 million in General Government and \$16.5 million in Public Safety both due to anticipated additional staffing and the positions not being filled due to Covid-19.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets:** The City’s capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$4.303 billion (net of accumulated depreciation). This capital assets balance includes land; land improvements; utility plant; buildings, structures and improvements; furniture, fixtures, equipment and vehicles; infrastructure; and construction in progress. The total increase in the City’s capital assets for the current fiscal year was 0.4% (a 1.3% increase for governmental activities and a .04% increase for business-type activities). A Summary of the City’s capital assets at December 31, 2020 is as follows:

|  | <b><u>Capital Assets, Net of Accumulated Depreciation</u></b> |                      |                    |
|--|---|----------------------|--------------------|
|  | <b>Governmental</b>   | <b>Business-Type</b> |                    |
|  | <b>Activities</b>   | <b>Activities</b>    | <b>Total</b>       |
|  | <b>(Amounts in Thousands)</b>                                 |                      |                    |
| Land   | \$71,192  | \$191,913            | \$263,105          |
| Land Improvements                            | 66,672  | 64,372               | 131,044            |
| Utility plant                                |   | 1,681,177            | 1,681,177          |
| Buildings, structures and improvements       | 337,117   | 298,467              | 635,584            |
| Furniture, fixtures, equipment, and vehicles | 78,783  | 196,764              | 275,547            |
| Infrastructure                               | 419,568   | 228,830              | 648,398            |
| Construction in progress                     | 295,730   | 372,704              | 668,434            |
| <b>Total</b>                                 | <b>\$1,269,062</b>  | <b>\$3,034,227</b>   | <b>\$4,303,289</b> |

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

- The Division of Cleveland Public Power’s main additions to construction in progress during 2020 included Southern Transmission Line, Auto transformers, roof replacements, and general engineering services.
- The Division of Water incurred a net increase of \$20.2 million in capital spending for construction in progress related to water main renewals, the plant enhancement program, Nottingham sedimentation basins, and enhancements to the Crown Plant water system and back-up generators.
- The Department of Port Control had a net decrease of \$3.0 million in construction in progress related to completed projects in 2020. Major project spending in 2020 for construction in progress included the Primary Road Fire and Domestic Waterline Improvements and the CLE Ground Transportation Center Upgrades Project.
- The Division of Water Pollution Control’s principal spending for construction in progress in 2020 included sewer installations, East 85<sup>th</sup> Street rehabilitation, professional services, and replacement of the pump station on East 37<sup>th</sup> Street.
- Construction in progress spending for Governmental Activities had a net increase of \$33.1 million in 2020. Major projects included improvements to various recreational centers, including roof repair or replacement, the LED Lighting Project, infrastructure improvements, and the development of the new police headquarters building.

The primary sources for financing the City’s Capital Improvement Projects are general obligation bond proceeds, certificates of participation proceeds, urban renewal bond proceeds, revenue bond proceeds, proceeds from capital leases, interest earned on funds during the construction period, restricted income taxes and funds from the State Issue 2 and Local Transportation Improvement Programs. The City has three primary goals relating to its Capital Improvements: (1) preservation and revitalization of the City’s neighborhoods, (2) economic development and job creation and (3) providing cost-effective, basic

City services to Cleveland residents and the business community. Additional information on the City's capital assets, including commitments made for future capital expenditures, can be found in Note 14 – Capital Assets.

**Long-term debt and certain other obligations:** At the end of the current fiscal year, the City had total long-term debt and certain other obligations outstanding of \$2.119 billion as shown below. General Obligation Bonds are typically issued for general governmental activities and are backed by the full faith and credit of the City. Revenue bonds are typically recorded in the applicable Enterprise Fund and are supported by the revenues generated by the respective Enterprise Fund. The remainder of the City's debt represents bonds or notes secured solely by specified revenue sources.

The activity in the City's debt obligations outstanding during the year ended December 31, 2020 is summarized below (excluding unamortized discounts, premiums and accreted interest).

|  | <b>Balance<br/>January 1,<br/>2020</b> | <b>Debt<br/>Issued</b> | <b>Debt<br/>Refunded<br/>or Defeased</b> | <b>Debt<br/>Retired</b> | <b>Balance<br/>December 31,<br/>2020</b> |
|--|--|------------------------|--|-------------------------|--|
|  | (Amounts in Thousands)                 |                        |  |                         |  |
| <b><u>Governmental Activities:</u></b>   |  |                        |  |                         |  |
| General Obligation Bonds                 | \$ 292,810                             | \$ 60,685              | \$ (17,340)                              | \$ (25,170)             | \$ 310,985                               |
| Subordinated Income Tax Refunding Bonds  | 24,730                                 |                        |  | (4,465)                 | 20,265                                   |
| Subordinate Lien Income Tax Bonds        | 327,260                                | 69,820                 | (44,545)                                 | (12,685)                | 339,850                                  |
| Non-Tax Revenue Bonds                    | 49,078                                 | 2,050                  |  | (4,056)                 | 47,072                                   |
| Annual Appropriation Bonds               | 8,820                                  |                        |  | (345)                   | 8,475                                    |
| Certificates of Participation            | 77,715                                 |                        |  | (7,815)                 | 69,900                                   |
| Capital Lease Obligations                | 488                                    |                        |  | (488)                   | -  |
| Note/Loans Payable                       | 1,266                                  |                        |  | (79)                    | 1,187                                    |
|  | <u>782,167</u>                         | <u>132,555</u>         | <u>(61,885)</u>                          | <u>(55,103)</u>         | <u>797,734</u>                           |
| Total Governmental Activities            |  |                        |  |                         |  |
| <b><u>Business –Type Activities:</u></b> |  |                        |  |                         |  |
| Revenue Bonds                            | 1,352,593                              | 268,810                | (276,545)                                | (96,245)                | 1,248,613                                |
| Loans Payable                            | 72,750                                 | 8,127                  |  | (8,623)                 | 72,254                                   |
|  | <u>1,425,343</u>                       | <u>276,937</u>         | <u>(276,545)</u>                         | <u>(104,868)</u>        | <u>1,320,867</u>                         |
| Total Business –Type Activities          |  |                        |  |                         |  |
| Total                                    | <u>\$ 2,207,510</u>                    | <u>\$ 409,492</u>      | <u>\$ (338,430)</u>                      | <u>\$ (159,971)</u>     | <u>\$ 2,118,601</u>                      |

Funds used to meet the debt service requirements of the City's General Obligation Bonds are from certain ad valorem taxes, restricted income taxes and interest earnings. Ad valorem taxes, the primary source of funds, amounted to \$20.0 million in 2020 which represents approximately 52.5% of the debt service requirements on the General Obligation Bonds. These taxes were derived from a levy of \$4.35 per \$1,000 of assessed property. The remaining 47.5% of debt service requirements is retired from a portion of the City's restricted income tax proceeds, homestead and rollback reimbursement from the State, premium generated through the issuance of bonds, interest earnings and other miscellaneous revenue sources generated within the Debt Service Funds.

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

The City's bond ratings for governmental and revenue bonds are as follows as of December 31, 2020:

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

\* Parking Facilities' bonds only carry an insured rating.

\*\* On November 5, 2020, S&P Global lowered its rating on the City's General Airport Revenue Bonds to A-(negative outlook) from A. This downgrade was the result of the impacts on the airline industry from the COVID-19 pandemic.

The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to management, citizens and investors. Net general bonded debt is total general bonded debt supported by taxes less amounts available in the Debt Service Fund. This data at December 31, 2020 was:

|   |               |
|---|---------------|
| Net General Bonded Debt:                        | \$323,543,000 |
| Ratio of Net Bonded Debt to Assessed Valuation: | 6.30%         |
| Net General Bonded Debt Per Capita:             | \$815.35      |

The ORC provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.50% of the assessed value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.50% of total assessed value of property. The City's total debt limit (10.50%) is \$538,896,584 and unvoted debt limit (5.50%) is \$282,279,163. At December 31, 2020, the City had capacity under the indirect debt limitation calculation per the ORC to issue approximately \$150 million in additional unvoted debt. These debt limitations are not expected to affect the financing of any currently planned facilities or services.

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

The City reports a deferred outflow of resource and a liability in the amount of the fair value of the interest rate swaps, which reflect the prevailing interest rate environment at December 31, 2020 and an investment loss or gain as appropriate, based on the change in fair value. The specific terms and conditions of each swap have been provided by the respective counterparty for each swap and confirmed by the City's financial advisor.

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



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

The United States and the State of Ohio declared a state of emergency in March 2020, due to the COVID-19 pandemic. The financial impact of the pandemic and the ensuing emergency measures will impact subsequent periods of the City. To date, however, the City has realized a decrease in income tax, licenses and permit fees, casino revenues, fines and forfeitures as well as other revenues as the result of the stay at home order. Local businesses have shut down permanently and there has been an increase in unemployment. Although, the impact on the City's future operating revenues, expenses, and any recovery from emergency funding cannot be estimated, the City continues to monitor revenues and expenses frequently to maintain City operations.

### ***Other Impacting Factors***

- On March 1, 2021, the City entered into a Second Amended and Restated Continuing Covenants Agreement with Wells Fargo Municipal Capital Strategies, LLC with regard to the \$69,900,000 2010B Stadium Certificates of Participation.
- On March 11, 2021 the American Rescue Plan Act of 2021 (ARPA) was signed into law. The City anticipates that it will receive \$512.0 million over the course of two years.
- On March 22, 2021, City Council approved legislation authorizing the issuance not to exceed \$58,500,000 of General Obligation Bonds.
- Also on March 22, 2021, City Council approved legislation authorizing the issuance not to exceed \$65,000,000 of Subordinate Lien Income Tax Bonds.
- City Council also approved on March 22, 2021, legislation in an amount not to exceed \$16,000,000 for the issuance of Economic and Community Development Bonds (Core City Fund).
- Effective May 3, 2021, the City entered into an agreement with U.S. Bank National Association under which the bank became the purchaser of the City's outstanding \$19,160,000 Taxable Economic and Community Development Refunding Revenue Bonds, Series 2013A (Core City Fund).

### **NEED ADDITIONAL INFORMATION**

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

# **BASIC FINANCIAL STATEMENTS**

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2020  
(Amounts in Thousands)**

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>     |
|---|------------------------------------|-------------------------------------|------------------|
| <b>ASSETS</b>   |                                    |                                     |                  |
| Cash and cash equivalents                             | \$ 745,562                         | \$ 665,740                          | \$ 1,411,302     |
| Investments   | 223                                |                                     | 223              |
| Receivables:  |                                    |                                     |                  |
| Taxes   | 147,007                            |                                     | 147,007          |
| Accounts  | 6,923                              | 232,380                             | 239,303          |
| Recoverable costs of purchased power                  |                                    | 653                                 | 653              |
| Grants  | 12,290                             |                                     | 12,290           |
| Loans   | 114,376                            |                                     | 114,376          |
| Unbilled revenue                                      |                                    | 23,515                              | 23,515           |
| Accrued interest                                      | 12                                 |                                     | 12               |
| Assessments   | 59,472                             |                                     | 59,472           |
| Less: Allowance for doubtful accounts                 | (47,095)                           | (32,081)                            | (79,176)         |
| Receivables, net                                      | <u>292,985</u>                     | <u>224,467</u>                      | <u>517,452</u>   |
| Internal balances                                     | 1,461                              | (1,461)                             | -                |
| Due from other governments                            | 47,759                             | 8,398                               | 56,157           |
| Inventory of supplies                                 | 1,371                              | 20,782                              | 22,153           |
| Prepaid expenses and other assets                     | 3,540                              | 4,297                               | 7,837            |
| Restricted assets:                                    |                                    |                                     |                  |
| Cash and cash equivalents                             |                                    | 291,272                             | 291,272          |
| Accrued interest receivable                           |                                    | 5                                   | 5                |
| Accrued passenger facility charge                     |                                    | 1,066                               | 1,066            |
| Total restricted assets                               | <u>-</u>                           | <u>292,343</u>                      | <u>292,343</u>   |
| Capital assets:                                       |                                    |                                     |                  |
| Land and construction in progress                     | 366,922                            | 564,617                             | 931,539          |
| Other capital assets, net of accumulated depreciation | <u>902,140</u>                     | <u>2,469,610</u>                    | <u>3,371,750</u> |
| Total capital assets                                  | <u>1,269,062</u>                   | <u>3,034,227</u>                    | <u>4,303,289</u> |
| Total assets  | <u>2,361,963</u>                   | <u>4,248,793</u>                    | <u>6,610,756</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                                    |                                     |                  |
| Loss on refunding                                     | 13,038                             | 65,837                              | 78,875           |
| Pension   | 122,280                            | 26,361                              | 148,641          |
| OPEB  | <u>73,760</u>                      | <u>17,616</u>                       | <u>91,376</u>    |
| Total deferred outflows of resources                  | <u>209,078</u>                     | <u>109,814</u>                      | <u>318,892</u>   |

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

# CITY OF CLEVELAND, OHIO

## STATEMENT OF NET POSITION

DECEMBER 31, 2020

(Amounts in Thousands)

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
|--|------------------------------------|-------------------------------------|---------------------|
| <b>LIABILITIES</b>                         |                                    |                                     |                     |
| Accounts payable                           | \$ 26,882                          | \$ 39,942                           | \$ 66,824           |
| Accrued wages and benefits                 | 35,591                             | 9,601                               | 45,192              |
| Claims payable                             | 11,508                             |                                     | 11,508              |
| Due to other governments                   | 76,238                             | 167,884                             | 244,122             |
| Accrued interest payable                   | 5,069                              | 21,601                              | 26,670              |
| Unearned revenue                           | 4,257                              |                                     | 4,257               |
| Liabilities payable from restricted assets |                                    | 12,172                              | 12,172              |
| Long-term obligations:                     |                                    |                                     |                     |
| Due within one year                        | 97,714                             | 97,620                              | 195,334             |
| Due in more than one year                  | 879,925                            | 1,356,454                           | 2,236,379           |
| Net pension liability                      | 734,725                            | 158,395                             | 893,120             |
| Net OPEB liability                         | 234,375                            | 110,111                             | 344,486             |
| Total liabilities                          | <u>2,106,284</u>                   | <u>1,973,780</u>                    | <u>4,080,064</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                                    |                                     |                     |
| Property tax                               | 55,366                             |                                     | 55,366              |
| Special assessment - TIF                   | 13,458                             |                                     | 13,458              |
| Excess recoverable cost of purchased power |                                    | 4,614                               | 4,614               |
| Derivative instruments-interest rate swaps |                                    | 4                                   | 4                   |
| Pension                                    | 110,927                            | 35,795                              | 146,722             |
| OPEB                                       | 55,000                             | 17,214                              | 72,214              |
| Total deferred inflows of resources        | <u>234,751</u>                     | <u>57,627</u>                       | <u>292,378</u>      |
| <b>NET POSITION</b>                        |                                    |                                     |                     |
| Net investment in capital assets           | 722,806                            | 1,724,704                           | 2,447,510           |
| Restricted for:                            |                                    |                                     |                     |
| Capital                                    | 79,811                             | 286                                 | 80,097              |
| Debt service                               | 42,103                             | 165,920                             | 208,023             |
| Loans                                      | 30,857                             |                                     | 30,857              |
| Other purposes                             | 56,517                             | 18,720                              | 75,237              |
| Unrestricted                               | (702,088)                          | 417,570                             | (284,518)           |
| Total net position                         | <u>\$ 230,006</u>                  | <u>\$ 2,327,200</u>                 | <u>\$ 2,557,206</u> |

CITY OF CLEVELAND, OHIO

STATEMENT OF ACTIVITIES

December 31, 2020

(Amounts in Thousands)

|                                | <u>Expenses</u>     | <u>Program Revenues</u>     |   |   |
|--------------------------------|---------------------|-----------------------------|---|---|
|                                |                     | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Functions/Programs:            |                     |                             |   |   |
| Governmental activities:       |                     |                             |   |   |
| General Government             | \$ 160,148          | \$ 13,105                   | \$ 9,649                                  | \$ 115                                  |
| Public Works                   | 156,576             | 18,452                      | 22,350                                    | 12,173                                  |
| Public Safety                  | 397,692             | 15,853                      | 51,911                                    |   |
| Community Development          | 33,643              | 1,167                       | 30,668                                    |   |
| Building and Housing           | 15,320              | 18,827                      | 2,390                                     |   |
| Public Health                  | 18,321              | 2,389                       | 7,983                                     |   |
| Economic Development           | 20,454              | 142                         | 14,593                                    | 294                                     |
| Interest on debt               | 27,198              |                             |   |   |
| Total governmental activities  | <u>829,352</u>      | <u>69,935</u>               | <u>139,544</u>                            | <u>12,582</u>                           |
| Business-type activities:      |                     |                             |   |   |
| Water                          | 300,180             | 327,272                     | 3,085                                     | 7,816                                   |
| Sewer                          | 29,358              | 29,392                      | 222                                       | 3,967                                   |
| Electricity                    | 199,950             | 192,583                     | 188                                       | 2,134                                   |
| Airport facilities             | 168,310             | 103,088                     | 575                                       | 74,313                                  |
| Nonmajor activities:           |                     |                             |   |   |
| Public Auditorium              | 3,060               | 595                         |   |   |
| Westside Market                | 2,051               | 929                         | 3   |   |
| Eastside Market                | 60                  |                             |   |   |
| Municipal Parking Lots         | 6,005               | 3,875                       | 13  | 50                                      |
| Cemeteries                     | 2,493               | 1,677                       | 38  |   |
| Golf Courses                   | 1,247               | 674                         | 14  |   |
| Total business-type activities | <u>712,714</u>      | <u>660,085</u>              | <u>4,138</u>                              | <u>88,280</u>                           |
| Total                          | <u>\$ 1,542,066</u> | <u>\$ 730,020</u>           | <u>\$ 143,682</u>                         | <u>\$ 100,862</u>                       |

General revenues:

Income taxes

Property taxes

Other taxes

Unrestricted shared revenues

State local government funds

Unrestricted investment earnings

Other

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

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

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

| <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>        |
|------------------------------------|-------------------------------------|---------------------|
| \$ (137,279)                       | \$                                  | \$ (137,279)        |
| (103,601)                          |                                     | (103,601)           |
| (329,928)                          |                                     | (329,928)           |
| (1,808)                            |                                     | (1,808)             |
| 5,897                              |                                     | 5,897               |
| (7,949)                            |                                     | (7,949)             |
| (5,425)                            |                                     | (5,425)             |
| (27,198)                           |                                     | (27,198)            |
| <u>(607,291)</u>                   | <u>-</u>                            | <u>(607,291)</u>    |
|                                    | 37,993                              | 37,993              |
|                                    | 4,223                               | 4,223               |
|                                    | (5,045)                             | (5,045)             |
|                                    | 9,666                               | 9,666               |
|                                    | (2,465)                             | (2,465)             |
|                                    | (1,119)                             | (1,119)             |
|                                    | (60)                                | (60)                |
|                                    | (2,067)                             | (2,067)             |
|                                    | (778)                               | (778)               |
|                                    | <u>(559)</u>                        | <u>(559)</u>        |
| <u>-</u>                           | <u>39,789</u>                       | <u>39,789</u>       |
| <u>(607,291)</u>                   | <u>39,789</u>                       | <u>(567,502)</u>    |
| 458,943                            |                                     | 458,943             |
| 57,955                             |                                     | 57,955              |
| 16,349                             |                                     | 16,349              |
| 15,556                             |                                     | 15,556              |
| 25,936                             |                                     | 25,936              |
| 3,827                              | 11                                  | 3,838               |
| 13,022                             | 65                                  | 13,087              |
| (7,641)                            | <u>7,641</u>                        | -                   |
| <u>583,947</u>                     | <u>7,717</u>                        | <u>591,664</u>      |
| (23,344)                           | 47,506                              | 24,162              |
| <u>253,350</u>                     | <u>2,279,694</u>                    | <u>2,533,044</u>    |
| <u>\$ 230,006</u>                  | <u>\$ 2,327,200</u>                 | <u>\$ 2,557,206</u> |

CITY OF CLEVELAND, OHIO

BALANCE SHEET-GOVERNMENTAL FUNDS  
DECEMBER 31, 2020  
(Amounts in Thousands)

|   | <u>General</u>           | <u>Public Health</u>   | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|--------------------------|------------------------|---------------------------------|---------------------------------|
| <b>ASSETS</b>   |                          |                        |                                 |                                 |
| Cash and cash equivalents   | \$ 203,399               | \$ 2,174               | \$ 456,301                      | \$ 661,874                      |
| Investments   |                          |                        | 223                             | 223                             |
| Receivables:  |                          |                        |                                 |                                 |
| Taxes   | 112,487                  |                        | 34,520                          | 147,007                         |
| Accounts  | 6,910                    |                        |                                 | 6,910                           |
| Grants  | 114                      | 897                    | 11,279                          | 12,290                          |
| Loans   | 50                       |                        | 114,326                         | 114,376                         |
| Accrued interest  | 3                        |                        | 9                               | 12                              |
| Assessments   | 51,266                   |                        | 8,206                           | 59,472                          |
| Less: Allowance for doubtful accounts                                     | <u>(47,095)</u>          |                        |                                 | <u>(47,095)</u>                 |
| Receivables, net  | <u>123,735</u>           | <u>897</u>             | <u>168,340</u>                  | <u>292,972</u>                  |
| Due from other funds  | 2,637                    | 1,415                  | 13,912                          | 17,964                          |
| Due from other governments  | 22,689                   | 3                      | 25,067                          | 47,759                          |
| Prepaid expenditures and other assets                                     | <u>2,919</u>             | <u>32</u>              | <u>130</u>                      | <u>3,081</u>                    |
| <b>TOTAL ASSETS</b>   | <b><u>\$ 355,379</u></b> | <b><u>\$ 4,521</u></b> | <b><u>\$ 663,973</u></b>        | <b><u>\$ 1,023,873</u></b>      |
| <b>LIABILITIES</b>  |                          |                        |                                 |                                 |
| Accounts payable  | \$ 5,438                 | \$ 513                 | \$ 17,673                       | \$ 23,624                       |
| Accrued wages and benefits  | 32,431                   | 456                    | 1,888                           | 34,775                          |
| Due to other governments  | 487                      | 1                      | 75,101                          | 75,589                          |
| Unearned revenue  | 64                       | 870                    | 3,323                           | 4,257                           |
| Due to other funds  | <u>3,420</u>             | <u>165</u>             | <u>17,197</u>                   | <u>20,782</u>                   |
| Total liabilities   | <u>41,840</u>            | <u>2,005</u>           | <u>115,182</u>                  | <u>159,027</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                          |                        |                                 |                                 |
| Deferred inflow   | <u>98,985</u>            | <u>3</u>               | <u>59,190</u>                   | <u>158,178</u>                  |
| Total deferred inflows of resources                                       | <u>98,985</u>            | <u>3</u>               | <u>59,190</u>                   | <u>158,178</u>                  |
| <b>FUND BALANCES</b>  |                          |                        |                                 |                                 |
| Nonspendable  | 8,082                    | 32                     | 128                             | 8,242                           |
| Restricted  |                          | 1,897                  | 420,543                         | 422,440                         |
| Committed   |                          | 584                    | 68,930                          | 69,514                          |
| Assigned  | 84,600                   |                        |                                 | 84,600                          |
| Unassigned  | <u>121,872</u>           |                        |                                 | <u>121,872</u>                  |
| Total fund balances   | <u>214,554</u>           | <u>2,513</u>           | <u>489,601</u>                  | <u>706,668</u>                  |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b><u>\$ 355,379</u></b> | <b><u>\$ 4,521</u></b> | <b><u>\$ 663,973</u></b>        |                                 |

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

|   |                   |
|---|-------------------|
| Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and, therefore, are not reported in the funds.  | 1,265,793         |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.  | 89,354            |
| Long-term liabilities, including bonds and claims payable, are not due and payable in the current period and therefore are not reported in the funds.   | (958,112)         |
| The assets, liabilities and deferred outflows/inflows of resources of most of the internal service funds are included in the governmental activities in the statement of net position.  | 39,301            |
| The net pension liability and net OPEB liability are not due and payable in the current period; (excluding internal service) therefore the liabilities and related deferred inflows/outflows of resources are not reported in governmental funds: |                   |
| Pension   | (707,889)         |
| OPEB  | <u>(205,109)</u>  |
| Net position of governmental activities   | <u>\$ 230,006</u> |

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

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Amounts in Thousands)**

|  | <u>General</u>    | <u>Public<br/>Health</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------|--------------------------|---|---|
| <b>REVENUES:</b>   |                   |                          |   |   |
| Income taxes   | \$ 414,844        | \$                       | \$ 51,855                               | \$ 466,699                              |
| Property taxes   | 38,373            |                          | 19,991                                  | 58,364                                  |
| State local government funds                                 | 25,616            |                          |   | 25,616                                  |
| Other taxes  | 16,349            |                          |   | 16,349                                  |
| Other shared revenues  | 14,981            |                          | 38,072                                  | 53,053                                  |
| Licenses and permits   | 16,041            | 1,206                    | 873                                     | 18,120                                  |
| Charges for services   | 33,764            | 1,183                    | 1,958                                   | 36,905                                  |
| Fines, forfeits and settlements                              | 6,587             |                          | 1,599                                   | 8,186                                   |
| Investment earnings  | 1,925             | 8                        | 1,738                                   | 3,671                                   |
| Grants   | 585               | 6,937                    | 105,219                                 | 112,741                                 |
| Contributions  |                   |                          | 377                                     | 377                                     |
| Miscellaneous  | 12,799            | 644                      | 3,401                                   | 16,844                                  |
| Total revenues   | <u>581,864</u>    | <u>9,978</u>             | <u>225,083</u>                          | <u>816,925</u>                          |
| <b>EXPENDITURES:</b>   |                   |                          |   |   |
| Current:   |                   |                          |   |   |
| General Government   | 89,855            |                          | 20,828                                  | 110,683                                 |
| Public Works   | 75,235            |                          | 29,476                                  | 104,711                                 |
| Public Safety  | 306,881           |                          | 47,848                                  | 354,729                                 |
| Community Development  | 1,300             |                          | 29,629                                  | 30,929                                  |
| Building and Housing   | 12,506            |                          | 1,640                                   | 14,146                                  |
| Public Health  |                   | 17,019                   |   | 17,019                                  |
| Economic Development   | 2,063             |                          | 17,783                                  | 19,846                                  |
| Other  | 9,032             |                          |   | 9,032                                   |
| Capital outlay   | 17,898            |                          | 102,417                                 | 120,315                                 |
| Debt service:  |                   |                          |   |   |
| Principal retirement   |                   |                          | 55,103                                  | 55,103                                  |
| Interest   |                   |                          | 31,353                                  | 31,353                                  |
| General Government   |                   |                          | 1,088                                   | 1,088                                   |
| Other  |                   |                          | 1,088                                   | 1,088                                   |
| Total expenditures   | <u>514,770</u>    | <u>17,019</u>            | <u>338,253</u>                          | <u>870,042</u>                          |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | <u>67,094</u>     | <u>(7,041)</u>           | <u>(113,170)</u>                        | <u>(53,117)</u>                         |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                   |                          |   |   |
| Transfers in   |                   | 7,689                    | 94,256                                  | 101,945                                 |
| Transfers out  | (56,441)          |                          | (51,156)                                | (107,597)                               |
| Issuance of bonds  |                   |                          | 132,555                                 | 132,555                                 |
| Premium on bonds   |                   |                          | 5,200                                   | 5,200                                   |
| Payment to refund bonds                                      |                   |                          | (70,109)                                | (70,109)                                |
| Sale of City assets  | 9                 |                          |   | 9                                       |
| Total other financing sources (uses)                         | <u>(56,432)</u>   | <u>7,689</u>             | <u>110,746</u>                          | <u>62,003</u>                           |
| NET CHANGE IN FUND BALANCES                                  | 10,662            | 648                      | (2,424)                                 | 8,886                                   |
| FUND BALANCES AT BEGINNING OF YEAR                           | <u>203,892</u>    | <u>1,865</u>             | <u>492,025</u>                          | <u>697,782</u>                          |
| FUND BALANCES AT END OF YEAR                                 | <u>\$ 214,554</u> | <u>\$ 2,513</u>          | <u>\$ 489,601</u>                       | <u>\$ 706,668</u>                       |

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



# CITY OF CLEVELAND, OHIO

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020 (Amounts in Thousands)

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

|  |                    |
|--|--------------------|
| Net change in fund balances - total governmental funds (page 63)   | \$ 8,886           |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.   | 18,986             |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   | (4,070)            |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences, including accrued interest, in the treatment of long-term debt and related items. | (6,842)            |
| 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.  | (1,438)            |
| Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows of resources, except for amounts reported as deferred inflows/outflows of resources, changes in the net pension/OPEB liabilities are reported as pension/OPEB expense in the statement of activities:   |                    |
| Pension  | (41,661)           |
| OPEB   | (28,316)           |
| The net revenue of certain activities of internal service funds is reported with governmental activities.  | <u>31,111</u>      |
| Change in net position of governmental activities (pages 60 and 61)  | <u>\$ (23,344)</u> |

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

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES (BUDGET AND ACTUAL) - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual*</u>   | <u>Variance-<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|------------------|--|
| <b>REVENUES:</b>   |                            |                         |                  |  |
| Income taxes   | \$ 444,330                 | \$ 411,000              | \$ 410,100       | \$ (900)                                     |
| Property taxes   | 38,749                     | 38,749                  | 38,373           | (376)  |
| State local government funds   | 26,289                     | 26,289                  | 25,504           | (785)  |
| Other taxes  | 40,830                     | 26,491                  | 17,939           | (8,552)                                      |
| Other shared revenues  | 13,728                     | 13,728                  | 10,689           | (3,039)                                      |
| Licenses and permits   | 19,658                     | 19,658                  | 15,956           | (3,702)                                      |
| Charges for services   | 36,164                     | 36,164                  | 33,575           | (2,589)                                      |
| Fines, forfeits and settlements  | 10,917                     | 10,917                  | 6,934            | (3,983)                                      |
| Investment earnings  | 4,300                      | 4,300                   | 1,715            | (2,585)                                      |
| Grants   | 417                        | 60,417                  | 60,005           | (412)  |
| Miscellaneous  | <u>28,017</u>              | <u>28,017</u>           | <u>29,368</u>    | <u>1,351</u>                                 |
| Total revenues   | <u>663,399</u>             | <u>675,730</u>          | <u>650,158</u>   | <u>(25,572)</u>                              |
| <b>EXPENDITURES:</b>   |                            |                         |                  |  |
| Current:   |                            |                         |                  |  |
| General Government   | 119,113                    | 125,525                 | 109,576          | 15,949                                       |
| Public Works   | 81,333                     | 80,533                  | 75,217           | 5,316  |
| Public Safety  | 377,751                    | 372,634                 | 356,117          | 16,517                                       |
| Community Development  | 2,208                      | 2,013                   | 1,872            | 141  |
| Building and Housing   | 13,959                     | 13,709                  | 12,543           | 1,166  |
| Public Health  | 10,506                     | 10,456                  | 9,277            | 1,179  |
| Economic Development   | 2,083                      | 2,083                   | 1,656            | 427  |
| Other  | 21,795                     | 21,795                  | 21,107           | 688  |
| Capital outlay   | <u>6,825</u>               | <u>13,962</u>           | <u>13,962</u>    | <u>-</u>                                     |
| Total expenditures   | <u>635,573</u>             | <u>642,710</u>          | <u>601,327</u>   | <u>41,383</u>                                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES   | <u>27,826</u>              | <u>33,020</u>           | <u>48,831</u>    | <u>15,811</u>                                |
| <b>OTHER FINANCING SOURCES (USES):</b>   |                            |                         |                  |  |
| Transfers in   | 8,140                      |                         |                  | -  |
| Transfers out  | (39,496)                   | (52,359)                | (49,925)         | 2,434  |
| Sale of City assets  | <u>4,200</u>               | <u>9</u>                | <u>9</u>         | <u>-</u>                                     |
| Total other financing sources (uses)   | <u>(27,156)</u>            | <u>(52,350)</u>         | <u>(49,916)</u>  | <u>2,434</u>                                 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING<br>SOURCES OVER (UNDER) EXPENDITURES AND OTHER<br>FINANCING USES | <u>670</u>                 | <u>(19,330)</u>         | <u>(1,085)</u>   | <u>18,245</u>                                |
| DECERTIFICATION OF PRIOR YEAR ENCUMBRANCES<br>AND PRE-ENCUMBRANCES   |                            |                         | <u>798</u>       | <u>798</u>                                   |
| NET CHANGE IN FUND BALANCE   | 670                        | (19,330)                | (287)            | 19,043                                       |
| FUND BALANCE AT BEGINNING OF YEAR  | <u>43,802</u>              | <u>43,802</u>           | <u>43,802</u>    | <u>-</u>                                     |
| FUND BALANCE AT END OF YEAR  | <u>\$ 44,472</u>           | <u>\$ 24,472</u>        | <u>\$ 43,515</u> | <u>\$ 19,043</u>                             |

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

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

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2020**

(Amounts in Thousands)

|   | Business Type Activities - Enterprise Funds |                               |                              |                                  |                                 | Total<br>Enterprise<br>Funds | Governmental<br>Activities -<br>Internal<br>Service Funds |
|---|---|-------------------------------|------------------------------|----------------------------------|---------------------------------|------------------------------|---|
|   | Division of<br>Water                        | Water<br>Pollution<br>Control | Cleveland<br>Public<br>Power | Department<br>of Port<br>Control | Nonmajor<br>Enterprise<br>Funds |                              |   |
| <b>ASSETS</b>                               |   |                               |                              |                                  |                                 |                              |   |
| Current assets:                             |   |                               |                              |                                  |                                 |                              |   |
| Cash and cash equivalents                   | \$ 406,212                                  | \$ 78,511                     | \$ 61,033                    | \$ 111,822                       | \$ 7,113                        | \$ 664,691                   | \$ 84,737   |
| Restricted cash and cash equivalents        | 5,234                                       | 1,538                         | 996                          | 4,404                            |                                 | 12,172                       |   |
| Receivables:                                |   |                               |                              |                                  |                                 |                              |   |
| Accounts                                    | 70,243                                      | 135,961                       | 22,274                       | 3,799                            | 103                             | 232,380                      | 13  |
| Recoverable costs of purchased power        |   |                               | 653                          |                                  |                                 | 653                          |   |
| Unbilled revenue                            | 10,929                                      | 1,947                         | 7,519                        | 3,120                            |                                 | 23,515                       |   |
| Less: Allowance for doubtful accounts       | (17,182)                                    | (2,870)                       | (10,015)                     | (1,954)                          | (60)                            | (32,081)                     |   |
| Receivables, net                            | 63,990                                      | 135,038                       | 20,431                       | 4,965                            | 43                              | 224,467                      | 13  |
| Due from other funds                        | 2,656                                       | 29                            | 2,268                        | 2                                | 19                              | 4,974                        | 4,379   |
| Due from other governments                  |   | 538                           |                              | 7,860                            |                                 | 8,398                        |   |
| Inventory of supplies                       | 8,660                                       | 701                           | 8,675                        | 2,741                            | 5                               | 20,782                       | 1,371   |
| Prepaid expenses and other assets           | 3,046                                       | 65                            | 381                          | 684                              | 29                              | 4,205                        | 551   |
| Total current assets                        | 489,798                                     | 216,420                       | 93,784                       | 132,478                          | 7,209                           | 939,689                      | 91,051  |
| Noncurrent assets:                          |   |                               |                              |                                  |                                 |                              |   |
| Restricted assets:                          |   |                               |                              |                                  |                                 |                              |   |
| Cash and cash equivalents                   | 34,944                                      | 2,651                         | 4,066                        | 223,668                          | 13,771                          | 279,100                      |   |
| Accrued interest receivable                 | 1   |                               |                              | 4                                |                                 | 5                            |   |
| Accrued passenger facility charges          |   |                               |                              | 1,066                            |                                 | 1,066                        |   |
| Total restricted assets                     | 34,945                                      | 2,651                         | 4,066                        | 224,738                          | 13,771                          | 280,171                      | -   |
| Capital assets:                             |   |                               |                              |                                  |                                 |                              |   |
| Land  | 5,731                                       | 295                           | 5,574                        | 166,882                          | 13,431                          | 191,913                      | 663   |
| Land improvements                           | 17,666                                      | 188                           | 1,723                        | 94,931                           | 15,481                          | 129,989                      | 179   |
| Utility plant                               | 2,026,345                                   | 215,167                       | 623,613                      |                                  |                                 | 2,865,125                    |   |
| Buildings, structures and improvements      | 265,740                                     | 11,475                        | 23,536                       | 375,034                          | 119,949                         | 795,734                      | 4,483   |
| Furniture, fixtures, equipment and vehicles | 618,828                                     | 16,610                        | 91,814                       | 125,984                          | 6,498                           | 859,734                      | 21,701  |
| Infrastructure                              |   |                               |                              | 1,018,128                        |                                 | 1,018,128                    |   |
| Construction in progress                    | 182,218                                     | 22,315                        | 43,167                       | 113,139                          | 11,865                          | 372,704                      |   |
| Less: Accumulated depreciation              | (1,388,120)                                 | (135,804)                     | (439,402)                    | (1,148,783)                      | (87,567)                        | (3,199,676)                  | (23,181)  |
| Total capital assets, net                   | 1,728,408                                   | 130,246                       | 350,025                      | 745,315                          | 79,657                          | 3,033,651                    | 3,845   |
| Total noncurrent assets                     | 1,763,353                                   | 132,897                       | 354,091                      | 970,053                          | 93,428                          | 3,313,822                    | 3,845   |
| Total assets                                | 2,253,151                                   | 349,317                       | 447,875                      | 1,102,531                        | 100,637                         | 4,253,511                    | 94,896  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |   |                               |                              |                                  |                                 |                              |   |
| Loss on refunding                           | 23,699                                      |                               | 23,932                       | 18,064                           | 142                             | 65,837                       |   |
| Pension                                     | 13,465                                      | 1,632                         | 4,012                        | 5,123                            | 699                             | 24,931                       | 3,852   |
| OPEB  | 8,863                                       | 1,076                         | 2,667                        | 3,399                            | 451                             | 16,456                       | 2,856   |
| Total deferred outflows of resources        | 46,027                                      | 2,708                         | 30,611                       | 26,586                           | 1,292                           | 107,224                      | 6,708   |

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**

**DECEMBER 31, 2020**

**(Amounts in Thousands)**

|   | Business-Type Activities - Enterprise Funds |                               |                              |                                  |                                 |                              | Governmental<br>Activities -<br>Internal<br>Service Funds |
|---|---|-------------------------------|------------------------------|----------------------------------|---------------------------------|------------------------------|---|
|   | Division of<br>Water                        | Water<br>Pollution<br>Control | Cleveland<br>Public<br>Power | Department<br>of Port<br>Control | Nonmajor<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds |   |
| <b>LIABILITIES</b>  |   |                               |                              |                                  |                                 |                              |   |
| Current liabilities:  |   |                               |                              |                                  |                                 |                              |   |
| Accounts payable  | \$ 16,482                                   | \$ 1,319                      | \$ 12,013                    | \$ 10,188                        | \$ 343                          | \$ 40,345                    | \$ 3,315  |
| Accrued wages and benefits  | 9,599                                       | 1,211                         | 3,089                        | 4,164                            | 410                             | 18,473                       | 13,604  |
| Claims payable  |   |                               |                              |                                  |                                 | -                            | 11,508  |
| Due to other funds  | 1,791                                       | 2,707                         | 554                          | 1,255                            | 123                             | 6,430                        | 105   |
| Due to other governments  |   | 163,107                       |                              | 4,516                            | 261                             | 167,884                      | 648   |
| Accrued interest payable  | 8,801                                       | 188                           | 856                          | 11,638                           | 118                             | 21,601                       |   |
| Current payable from restricted assets  | 5,234                                       | 1,538                         | 996                          | 4,404                            |                                 | 12,172                       |   |
| Current portion of long-term obligations  | 30,400                                      | 1,020                         | 9,030                        | 44,250                           | 3,730                           | 88,430                       |   |
| Total current liabilities   | <u>72,307</u>                               | <u>171,090</u>                | <u>26,538</u>                | <u>80,415</u>                    | <u>4,985</u>                    | <u>355,335</u>               | <u>29,180</u>   |
| Noncurrent liabilities:   |   |                               |                              |                                  |                                 |                              |   |
| Accrued wages and benefits  | 1,710                                       | 180                           | 491                          | 710                              | 78                              | 3,169                        | 876   |
| Construction loans payable  | 50,678                                      | 12,991                        |                              |                                  |                                 | 63,669                       |   |
| Accreted interest payable   |   |                               | 26,331                       |                                  |                                 | 26,331                       |   |
| Revenue bonds payable   | 446,779                                     | 33,522                        | 191,008                      | 584,664                          | 4,009                           | 1,259,982                    |   |
| Net pension liability   | 78,470                                      | 9,849                         | 26,253                       | 30,925                           | 4,399                           | 149,896                      | 22,863  |
| Net OPEB liability  | 53,900                                      | 6,715                         | 17,316                       | 22,219                           | 2,905                           | 103,055                      | 17,568  |
| Other   |   |                               | 1,056                        |                                  |                                 | 1,056                        |   |
| Total noncurrent liabilities  | <u>631,537</u>                              | <u>63,257</u>                 | <u>262,455</u>               | <u>638,518</u>                   | <u>11,391</u>                   | <u>1,607,158</u>             | <u>41,307</u>   |
| Total liabilities   | <u>703,844</u>                              | <u>234,347</u>                | <u>288,993</u>               | <u>718,933</u>                   | <u>16,376</u>                   | <u>1,962,493</u>             | <u>70,487</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |   |                               |                              |                                  |                                 |                              |   |
| Excess recoverable costs of purchased power   |   |                               | 4,614                        |                                  |                                 | 4,614                        |   |
| Derivative instruments-interest rate swaps  |   |                               |                              |                                  | 4                               | 4                            |   |
| Pension   | 18,055                                      | 2,191                         | 5,434                        | 6,924                            | 962                             | 33,566                       | 5,769   |
| OPEB  | 8,629                                       | 1,047                         | 2,597                        | 3,309                            | 461                             | 16,043                       | 2,862   |
| Total deferred inflows of resources   | <u>26,684</u>                               | <u>3,238</u>                  | <u>12,645</u>                | <u>10,233</u>                    | <u>1,427</u>                    | <u>54,227</u>                | <u>8,631</u>  |
| <b>NET POSITION</b>   |   |                               |                              |                                  |                                 |                              |   |
| Net investment in capital assets  | 1,228,048                                   | 83,751                        | 175,109                      | 162,024                          | 75,196                          | 1,724,128                    | 3,845   |
| Restricted for capital projects   | 68  | 18                            | 179                          | 21                               |                                 | 286                          |   |
| Restricted for debt service   | 31,078                                      | 2,672                         | 2,663                        | 123,710                          | 5,797                           | 165,920                      |   |
| Restricted for passenger facility charges   |   |                               |                              | 18,720                           |                                 | 18,720                       |   |
| Unrestricted  | 309,456                                     | 27,999                        | (1,103)                      | 95,476                           | 3,133                           | 434,961                      | 18,641  |
| Total net position  | <u>\$ 1,568,650</u>                         | <u>\$ 114,440</u>             | <u>\$ 176,848</u>            | <u>\$ 399,951</u>                | <u>\$ 84,126</u>                | <u>2,344,015</u>             | <u>\$ 22,486</u>  |
| Adjustment to reflect the consolidation<br>of internal service fund activities related<br>to enterprise funds |   |                               |                              |                                  |                                 | (16,815)                     |   |
| NET POSITION OF BUSINESS-TYPE ACTIVITIES  |   |                               |                              |                                  |                                 | <u>\$ 2,327,200</u>          |   |

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

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|   | Business-Type Activities - Enterprise Funds |                               |                              |                                  |                                 | Total<br>Enterprise<br>Funds | Governmental<br>Activities -<br>Internal<br>Service Funds |
|---|---|-------------------------------|------------------------------|----------------------------------|---------------------------------|------------------------------|---|
|   | Division of<br>Water                        | Water<br>Pollution<br>Control | Cleveland<br>Public<br>Power | Department<br>of Port<br>Control | Nonmajor<br>Enterprise<br>Funds |                              |   |
| OPERATING REVENUES:   |   |                               |                              |                                  |                                 |                              |   |
| Charges for services  | \$ 327,261                                  | \$ 29,392                     | \$ 186,792                   | \$ 103,088                       | \$ 7,750                        | \$ 654,283                   | \$ 200,026  |
| Total operating revenue   | <u>327,261</u>                              | <u>29,392</u>                 | <u>186,792</u>               | <u>103,088</u>                   | <u>7,750</u>                    | <u>654,283</u>               | <u>200,026</u>  |
| Operations  | 136,502                                     | 13,636                        | 26,392                       | 76,260                           | 10,960                          | 263,750                      | 168,891   |
| Maintenance   | 65,340                                      | 9,516                         | 17,608                       | 4,374                            | 65                              | 96,903                       | 3,156   |
| Purchased power   |   |                               | 122,115                      |                                  |                                 | 122,115                      |   |
| Depreciation  | 73,098                                      | 4,721                         | 22,375                       | 60,666                           | 3,333                           | 164,193                      | 550   |
| Total operating expenses  | <u>274,940</u>                              | <u>27,873</u>                 | <u>188,490</u>               | <u>141,300</u>                   | <u>14,358</u>                   | <u>646,961</u>               | <u>172,597</u>  |
| OPERATING INCOME (LOSS)   | <u>52,321</u>                               | <u>1,519</u>                  | <u>(1,698)</u>               | <u>(38,212)</u>                  | <u>(6,608)</u>                  | <u>7,322</u>                 | <u>27,429</u>   |
| NON-OPERATING REVENUES (EXPENSES):  |   |                               |                              |                                  |                                 |                              |   |
| Investment income (loss)  | 3,055                                       | 223                           | 168                          | 1,338                            | 104                             | 4,888                        | 167   |
| Interest expense  | (21,569)                                    | (1,199)                       | (9,554)                      | (22,417)                         | (614)                           | (55,353)                     |   |
| Passenger facility charges  |   |                               |                              | 8,230                            |                                 | 8,230                        |   |
| Gain (loss) on disposal of capital assets   | (147)                                       | (2)                           |                              | 65                               |                                 | (84)                         |   |
| Other revenues (expenses)   | 6,393                                       | 288                           | 6,862                        | (52)                             | 14                              | 13,505                       |   |
| Total non-operating<br>revenues (expenses)  | <u>(12,268)</u>                             | <u>(690)</u>                  | <u>(2,524)</u>               | <u>(12,836)</u>                  | <u>(496)</u>                    | <u>(28,814)</u>              | <u>167</u>  |
| INCOME (LOSS) BEFORE CONTRIBUTIONS<br>AND TRANSFERS   | 40,053                                      | 829                           | (4,222)                      | (51,048)                         | (7,104)                         | (21,492)                     | 27,596  |
| Capital contributions   |   | 3,678                         |                              | 60,282                           | 2,786                           | 66,746                       | 115   |
| Transfers in  |   |                               |                              |                                  | 4,855                           | 4,855                        | 797   |
| Change in net position  | <u>40,053</u>                               | <u>4,507</u>                  | <u>(4,222)</u>               | <u>9,234</u>                     | <u>537</u>                      | <u>50,109</u>                | <u>28,508</u>   |
| NET POSITION AT BEGINNING OF YEAR   | <u>1,528,597</u>                            | <u>109,933</u>                | <u>181,070</u>               | <u>390,717</u>                   | <u>83,589</u>                   |                              | <u>(6,022)</u>  |
| NET POSITION AT END OF YEAR   | <u>\$ 1,568,650</u>                         | <u>\$ 114,440</u>             | <u>\$ 176,848</u>            | <u>\$ 399,951</u>                | <u>\$ 84,126</u>                |                              | <u>\$ 22,486</u>  |
| Adjustment to reflect consolidation of<br>internal service fund activities related<br>to enterprise funds |   |                               |                              |                                  |                                 | (2,603)                      |   |
| CHANGE IN NET POSITION OF<br>BUSINESS-TYPE ACTIVITIES   |   |                               |                              |                                  |                                 | <u>\$ 47,506</u>             |   |

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

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | Business-Type Activities - Enterprise Funds |                               |                              |                                  |                                 | Total<br>Enterprise<br>Funds | Governmental<br>Activities -<br>Internal<br>Service Funds |
|--|---|-------------------------------|------------------------------|----------------------------------|---------------------------------|------------------------------|---|
|  | Division of<br>Water                        | Water<br>Pollution<br>Control | Cleveland<br>Public<br>Power | Department<br>of Port<br>Control | Nonmajor<br>Enterprise<br>Funds |                              |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                             |   |                               |                              |                                  |                                 |                              |   |
| Cash received from customers   | \$ 297,193                                  | \$ 27,255                     | \$ 187,637                   | \$ 112,098                       | \$ 7,817                        | \$ 632,000                   | \$ 190,600  |
| Cash payments to suppliers for goods or services                         | (100,148)                                   | (11,175)                      | (16,930)                     | (45,582)                         | (6,742)                         | (180,577)                    | (128,218)   |
| Cash payments to employees for services                                  | (83,756)                                    | (9,628)                       | (16,965)                     | (32,626)                         | (4,098)                         | (147,073)                    | (28,165)  |
| Cash payments for purchased power  |   |                               | (120,859)                    |                                  |                                 | (120,859)                    |   |
| Cash received on behalf of other communities                             |   | 401,522                       |                              |                                  |                                 | 401,522                      |   |
| Agency activity on behalf of other sewer authorities                     |   | (401,987)                     |                              |                                  |                                 | (401,987)                    |   |
| Other  | 21,178                                      | 492                           | (4,550)                      |                                  |                                 | 17,120                       |   |
| Net cash provided by (used for) operating activities                     | 134,467                                     | 6,479                         | 28,333                       | 33,890                           | (3,023)                         | 200,146                      | 34,217  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                  |   |                               |                              |                                  |                                 |                              |   |
| Cash received through transfers from other funds                         |   |                               |                              |                                  | 4,855                           | 4,855                        | 797   |
| Cash received for royalties  |   |                               |                              |                                  | 14                              | 14                           |   |
| Cash received from electric excise tax                                   |   |                               | 5,791                        |                                  |                                 | 5,791                        |   |
| Net cash provided by (used for) noncapital financing activities          | -   | -                             | 5,791                        | -                                | 4,869                           | 10,660                       | 797   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>         |   |                               |                              |                                  |                                 |                              |   |
| Cash receipts for passenger facility charges                             |   |                               |                              | 9,587                            |                                 | 9,587                        |   |
| Proceeds from sale of revenue bonds, loans and notes                     | 206,344                                     | 8,127                         | 97,499                       |                                  |                                 | 311,970                      |   |
| Acquisition and construction of capital assets                           | (86,796)                                    | (19,657)                      | (17,242)                     | (35,685)                         | (617)                           | (159,997)                    | (134)   |
| Principal paid on long-term debt   | (146,001)                                   | (802)                         | (3,740)                      | (41,585)                         | (3,540)                         | (195,668)                    |   |
| Interest paid on long-term debt  | (19,797)                                    | (1,718)                       | (6,142)                      | (21,699)                         | (608)                           | (49,964)                     |   |
| Cash paid to escrow agent for refunding                                  | (114,735)                                   |                               | (99,223)                     |                                  |                                 | (213,958)                    |   |
| Capital grant proceeds   |   | 3,391                         |                              | 61,315                           |                                 | 64,706                       |   |
| Net cash provided by (used for) capital and related financing activities | (160,985)                                   | (10,659)                      | (28,848)                     | (28,067)                         | (4,765)                         | (233,324)                    | (134)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                             |   |                               |                              |                                  |                                 |                              |   |
| Interest received on investments   | 3,123                                       | 265                           | 172                          | 1,576                            | 112                             | 5,248                        | 167   |
| Net cash provided by (used for) investing activities                     | 3,123                                       | 265                           | 172                          | 1,576                            | 112                             | 5,248                        | 167   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>              | <b>(23,395)</b>                             | <b>(3,915)</b>                | <b>5,448</b>                 | <b>7,399</b>                     | <b>(2,807)</b>                  | <b>(17,270)</b>              | <b>35,047</b>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                    | <b>469,785</b>                              | <b>86,615</b>                 | <b>60,647</b>                | <b>332,495</b>                   | <b>23,691</b>                   | <b>973,233</b>               | <b>49,690</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                          | <b>\$ 446,390</b>                           | <b>\$ 82,700</b>              | <b>\$ 66,095</b>             | <b>\$ 339,894</b>                | <b>\$ 20,884</b>                | <b>\$ 955,963</b>            | <b>\$ 84,737</b>  |

(Continued)

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | Business-Type Activities - Enterprise Funds |                               |                              |                                  |                                 | Total<br>Enterprise<br>Funds | Governmental<br>Activities -<br>Internal<br>Service Funds |
|--|---|-------------------------------|------------------------------|----------------------------------|---------------------------------|------------------------------|---|
|  | Division of<br>Water                        | Water<br>Pollution<br>Control | Cleveland<br>Public<br>Power | Department<br>of Port<br>Control | Nonmajor<br>Enterprise<br>Funds |                              |   |
| RECONCILIATION OF OPERATING<br>INCOME (LOSS) TO NET CASH PROVIDED<br>BY (USED FOR) OPERATING ACTIVITIES:       |   |                               |                              |                                  |                                 |                              |   |
| Operating income (loss)  | \$ 52,321                                   | \$ 1,519                      | \$ (1,698)                   | \$ (38,212)                      | \$ (6,608)                      | \$ 7,322                     | \$ 27,429   |
| Adjustment to reconcile operating income<br>(loss) to net cash provided by (used for)<br>operating activities: |   |                               |                              |                                  |                                 |                              |   |
| Depreciation   | 73,098                                      | 4,721                         | 22,375                       | 60,666                           | 3,333                           | 164,193                      | 550   |
| (Increase) Decrease in Assets:   |   |                               |                              |                                  |                                 |                              |   |
| Receivables, net   | (5,314)                                     | (14,460)                      | (2,770)                      | 6,260                            | 112                             | (16,172)                     | (13)  |
| Prepaid expenses and other assets  | 51  | 4                             | 8                            | (54)                             |                                 | 9                            | 12  |
| Due from other funds   | 14  | 11                            | 802                          | 12                               | (7)                             | 832                          | (1,017)   |
| Inventory of supplies  | 1,566                                       | (42)                          | 551                          | (67)                             |                                 | 2,008                        | (238)   |
| (Increase) Decrease in Deferred Outflows of Resources:   |   |                               |                              |                                  |                                 |                              |   |
| Pension  | 21,971                                      | 2,489                         | 6,610                        | 8,552                            | 1,245                           | 40,867                       | 7,623   |
| OPEB   | (4,303)                                     | (537)                         | (1,297)                      | (1,602)                          | (227)                           | (7,966)                      | (1,398)   |
| Increase (Decrease) in Liabilities:  |   |                               |                              |                                  |                                 |                              |   |
| Accounts payable   | 98  | (498)                         | 1,095                        | 653                              | (526)                           | 822                          | 670   |
| Accrued wages and benefits   | 826   | 62                            | 482                          | 436                              | 15                              | 1,821                        | 1,422   |
| Net pension liability  | (32,889)                                    | (3,991)                       | (9,899)                      | (12,613)                         | (1,757)                         | (61,149)                     | (10,858)  |
| Net OPEB liability   | 2,389                                       | 290                           | 719                          | 916                              | 125                             | 4,439                        | 787   |
| Claims payable   |   |                               |                              |                                  |                                 | -                            | 2,042   |
| Due to other funds   | (167)                                       | 19                            | 424                          | (470)                            | (57)                            | (251)                        | 60  |
| Due to other governments   |   | 13,898                        |                              | (71)                             | 16                              | 13,843                       | (970)   |
| Accrued expenses and other liabilities   | (3)   | (17)                          | (1,136)                      |                                  |                                 | (1,156)                      |   |
| Increase (Decrease) in Deferred Inflows of Resources:  |   |                               |                              |                                  |                                 |                              |   |
| Excess purchased power costs   |   |                               | 4,614                        |                                  |                                 | 4,614                        |   |
| Pension  | 16,323                                      | 1,981                         | 4,899                        | 6,231                            | 859                             | 30,293                       | 5,314   |
| OPEB   | 8,486                                       | 1,030                         | 2,554                        | 3,253                            | 454                             | 15,777                       | 2,802   |
| Total adjustments  | 82,146                                      | 4,960                         | 30,031                       | 72,102                           | 3,585                           | 192,824                      | 6,788   |
| NET CASH PROVIDED BY (USED FOR)<br>OPERATING ACTIVITIES  | \$ 134,467                                  | \$ 6,479                      | \$ 28,333                    | \$ 33,890                        | \$ (3,023)                      | \$ 200,146                   | \$ 34,217   |
| SCHEDULE OF NONCASH CAPITAL AND RELATED<br>FINANCING ACTIVITIES:   |   |                               |                              |                                  |                                 |                              |   |
| Contributions of capital assets  | \$  | \$                            | \$                           | \$                               | \$ 2,786                        | \$ 2,786                     | \$ 115  |
| Accounts payable related to capital assets   | 5,234                                       | 1,538                         | 996                          | 4,404                            |                                 | 12,172                       |   |
| Capital assets added from accounts payable   |   |                               |                              |                                  | 70                              | 70                           | 13  |

(Concluded)

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

**CITY OF CLEVELAND, OHIO**

**STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

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|                            | <u>Total</u>    |
|----------------------------|-----------------|
| <b>Assets</b>              |                 |
| Cash and cash equivalents  | \$ 14,955       |
| Taxes receivable           | 17,727          |
| Accounts receivable        | 1,872           |
| Due from other governments | <u>1,409</u>    |
| Total assets               | <u>35,963</u>   |
| <b>Liabilities</b>         |                 |
| Accounts payable           | 3,474           |
| Due to others              | 1,753           |
| Due to other governments   | <u>24,668</u>   |
| Total liabilities          | <u>29,895</u>   |
| <b>Net Position</b>        |                 |
| Restricted                 | <u>6,068</u>    |
| Total net position         | <u>\$ 6,068</u> |

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



CITY OF CLEVELAND, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Amounts in Thousands)

|   | <u>Total</u>    |
|---|-----------------|
| <b>Additions</b>                              |                 |
| Fire escrow proceeds                          | \$ 546          |
| Law enforcement trust funds                   | 504             |
| Governmental, trust and custodial funds       | 15              |
| Income tax collected for other governments    | 129,604         |
| Fines collected for other governments         | 17,079          |
| Investment income                             | <u>1</u>        |
| Total additions                               | <u>147,749</u>  |
| <b>Deductions</b>                             |                 |
| Special assessments                           | 136             |
| Governmental, trust and custodial funds       | 231             |
| Law enforcement trust funds                   | 401             |
| Payments of income tax to other governments   | 129,604         |
| Payments of fines to other governments        | 17,079          |
| Other   | <u>23</u>       |
| Total deductions                              | <u>147,474</u>  |
| Change in net position                        | 275             |
| Net position, beginning of year (as restated) | <u>5,793</u>    |
| Net position, end of year                     | <u>\$ 6,068</u> |

**CITY OF CLEVELAND, OHIO**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND REPORTING ENTITY**

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

**Reporting Entity:** The accompanying financial statements as of December 31, 2020 and for the year then ended have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

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

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

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

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

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

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

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

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

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

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

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Significant Accounting Policies:***

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

#### **A. *Government-Wide and Fund Financial Statements***

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

#### **Basic Financial Statements:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. ***Financial Reporting Presentation***

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

**GOVERNMENTAL FUNDS**

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

**PROPRIETARY FUNDS**

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

**FIDUCIARY FUNDS**

1. **Custodial Funds** – Custodial Funds are used to account for assets held by the City for individuals, private organizations, or other governments. The City's more significant Custodial Funds are used to account for Municipal Court and income tax collections for other municipalities.

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

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

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

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary and fiduciary fund financial statements

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

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

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

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

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

#### D. ***Budgetary Procedures***

The City is required by State law to adopt annual budgets for the General Fund, certain Special Revenue Funds (including the Division of Streets, Restricted Income Tax, Rainy Day Reserve, Schools Recreation and Cultural Activities and Cleveland Stadium Operations Funds), Debt Service Funds (except for Cleveland Stadium Debt Service Fund) and Proprietary Operating Funds. Modifications to the original budget are approved by City Council throughout the year. The City maintains budgetary control by not permitting expenditures to exceed appropriations for personnel costs (including benefits) and other costs (including debt service and capital outlay), within a division of the City, without the approval of City Council. Adjustments to the budget can only be made within a division and then within each category. Further legislation is needed in order to move budget amounts from "personnel" to "other" or vice versa, or between divisions. City Council adopted four appropriation amendments during 2020 which reallocated appropriations and increased the budget by 2.96% from the original budget. Unencumbered appropriations for annually budgeted funds lapse at year end.

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

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

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

A reconciliation of the General Fund’s results of operations for 2020 reported on the budget basis versus the GAAP basis is as follows:

|  | <b>(Amounts in Thousands)</b> |
|--|-------------------------------|
| Excess (deficiency) of Revenues and Other Financing Sources over (under) |                               |
| Expenditures and Other Financing Uses (Budget Basis)                     | \$ (1,085)                    |
| Adjustments:   |                               |
| Revenue Accruals   | (68,294)                      |
| Expenditure and other financing sources (uses) Accruals                  | 45,410                        |
| Encumbrances and Pre-Encumbrances  | 34,631                        |
| Net Change in Fund Balance   | \$ 10,662                     |

**E. Other Significant Accounting Policies**

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

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

The City has invested funds in STAR Ohio during 2020. STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, for the purpose of measuring the value of shares in STAR Ohio. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV share that approximates fair value.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

**Swap Agreements:** The City may enter into interest rate swap agreements to modify interest rates on outstanding debt. The City has accordingly recorded the fair value of each swap in the government-wide financial statements. As further described in Note 5 – Debt And Other Long-Term Obligations, the City has two swap agreements outstanding at December 31, 2020, one for its Subordinated Income Tax Variable Rate Refunding Bonds and one on the Parking Facilities Refunding Revenue Bonds.

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

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

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

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

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

**Net Pensions/OPEB Liabilities:** For purposes of measuring the net pension/OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB and pension/OPEB expenses, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

#### F. **Accounting Pronouncements**

In November of 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued. This Statement is effective for the reporting periods beginning after June 15, 2019. The objective of this Statement is to provide financial statement users with information about asset retirement obligations (ARO) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. As required, the City has implemented GASB Statement No. 83 as of December 31, 2020.

In January of 2017, GASB Statement No. 84, *Fiduciary Activities*, was issued. This Statement is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. As required, the City has implemented GASB Statement No. 84 as of December 31, 2020.

In March of 2018, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued. This Statement is effective for reporting periods beginning after June 15, 2019. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. As required, the City has implemented GASB Statement No. 88 as of December 31, 2020.

In August of 2018, GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*, was issued. This Statement is effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to improve consistency in the measurement and comparability of the financial statement presentation of majority interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The City has determined that GASB Statement No. 90 has no impact on its financial statements as of December 31, 2020.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$958.1 million difference are as follows:

|  | <b>(Amounts in Thousands)</b> |                  |
|--|-------------------------------|------------------|
| Bonds and notes payable  | \$                            | (797,734)        |
| Other payable  |                               | (16,000)         |
| Unamortized bond premium/discount  |                               | (54,631)         |
| Accrued interest payable   |                               | (5,069)          |
| Claims and adjustments   |                               | (13,342)         |
| Loss on refunding  |                               | 13,038           |
| Compensated absences   |                               | (84,374)         |
| Net adjustment to <i>fund balance - total governmental funds</i><br>to arrive at <i>net position - governmental activities</i> | \$                            | <u>(958,112)</u> |

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

|  | <b>(Amounts in Thousands)</b> |                  |
|--|-------------------------------|------------------|
| Deferred outflows of resources - pension   | \$                            | 119,858          |
| Deferred inflows of resources - pension  |                               | (107,386)        |
| Net pension liability  |                               | <u>(720,361)</u> |
| Net adjustment to <i>fund balance - total governmental funds</i><br>to arrive at <i>net position - governmental activities</i> | \$                            | <u>(707,889)</u> |

|  | <b>(Amounts in Thousands)</b> |                  |
|--|-------------------------------|------------------|
| Deferred outflows of resources - OPEB  | \$                            | 72,064           |
| Deferred inflows of resources - OPEB   |                               | (53,310)         |
| Net OPEB liability   |                               | <u>(223,863)</u> |
| Net adjustment to <i>fund balance - total governmental funds</i><br>to arrive at <i>net position - governmental activities</i> | \$                            | <u>(205,109)</u> |

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$19.0 million difference are as follows:

|   | (Amounts in Thousands) |               |
|---|------------------------|---------------|
| Capital outlay  | \$                     | 88,468        |
| Depreciation expense  |                        | (68,208)      |
| Capital asset disposal  |                        | (1,274)       |
|   |                        | <hr/>         |
| Net adjustment to <i>changes in fund balances - total governmental funds to arrive at change in net position of governmental activities</i> | \$                     | <u>18,986</u> |

Another element of that reconciliation states that revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements. The details of this \$4.1 million difference are as follows:

|   | (Amounts in Thousands) |                |
|---|------------------------|----------------|
| Reversal of prior year deferred inflows of resources  | \$                     | (93,424)       |
| Current year deferred inflows of resources  |                        | <u>89,354</u>  |
| Net adjustment to <i>changes in fund balances - total governmental funds to arrive at change in net position of governmental activities</i> | \$                     | <u>(4,070)</u> |

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences, including accrued interest and in the treatment of long-term debt is \$6.8 million which is detailed as follows:

|   | (Amounts in Thousands) |                |
|---|------------------------|----------------|
| Debt issued or incurred:  |                        |                |
| Issuance of general obligation bonds and other obligations  | \$                     | (132,555)      |
| Accrued interest  |                        | 5,701          |
| Premium on debt   |                        | (5,200)        |
| Principal repayments:   |                        |                |
| General obligation debt and other obligations   |                        | 54,615         |
| Payment on capital lease  |                        | 488            |
| Refunding of general obligation bonds and other obligations   |                        | <u>70,109</u>  |
| Net adjustment to <i>changes in fund balances - total governmental funds to arrive at change in net position of governmental activities</i> | \$                     | <u>(6,842)</u> |

Another element of that reconciliation states that some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$1.4 million difference are as follows:

| (Amounts in Thousands)  |                          |
|---|--------------------------|
| Compensated absences  | \$ (6,649)               |
| Claims judgements   | <u>5,211</u>             |
| Net adjustment to <i>changes in fund balances - total</i>               |                          |
| <i>governmental funds</i> to arrive at <i>change in net position of</i> |                          |
| <i>governmental activities</i>  | <u><u>\$ (1,438)</u></u> |

**NOTE 4 – POOLED AND SEGREGATED CASH AND INVESTMENTS**

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

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

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

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

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

Monthly, the City determines that the collateral has a market value adequate to cover the deposits and that it has been segregated either physically or in book entry form. At year end, the carrying amount of the City’s deposits including certificates of deposit was \$95,500,000 and the actual bank balance totaled \$128,353,000. The difference represents outstanding warrants payable and normal reconciling items. Based on the criteria described in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements* and GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*, \$128,353,000 of the bank balance was insured or collateralized with securities held by the City or by its agent in the City’s name.

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral for securities that are in possession of an outside party. At year end, the City’s deposits were

fully insured or collateralized. All deposits are collateralized with eligible securities pledged and deposited either with the City or with a qualified trustee by the financial institution as security for repayment of all public monies deposited in the financial institution whose market value at all times is equal to at least 110% of the carrying value of the deposits being secured.

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

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City (excluding STAR Ohio and money market mutual funds) as of December 31, 2020:

| Type of Investment     | Fair Value       | Fair Value Measurements Using |                  |
|------------------------|------------------|-------------------------------|------------------|
|                        |                  | Level 1                       | Level 2          |
| (Amounts in Thousands) |                  |                               |                  |
| U.S. Treasury Notes    | \$ 223           | \$ 223                        | \$               |
| Commercial Paper       | 31,950           |                               | 31,950           |
| Manuscript Debt        | 4,852            |                               | 4,852            |
| Other                  | <u>3,064</u>     | <u>          </u>             | <u>3,064</u>     |
| Total Investments      | <u>\$ 40,089</u> | <u>\$ 223</u>                 | <u>\$ 39,866</u> |

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

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy dealing with investment custodial risk beyond the requirement in the State Statute.

**Credit Risk:** The City’s investments as of December 31, 2020 include U.S. Treasury Notes, STAR Ohio, commercial paper, money market mutual funds, manuscript debt and other investments. The City maintains the highest ratings for its investments. Investments in the Dreyfus Government Cash Management Mutual Fund, First American Government Obligations Fund, Federated Government Obligations Fund, Government Obligations Fund, Morgan Stanley Government Institutional Mutual Funds and STAR Ohio carry a rating of AAAm, which is the highest money market fund rating given by S&P Global. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Investments in U.S. Bank N.A. Open Commercial Paper carries a S&P Global rating of A-1+. The City has no investment policy that would further limit its investment choices.

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

| <u>Type of Investment</u>      | <u>Value</u>        | <u>Cost</u>         | <u>Investment Maturities</u>  |                            |
|--------------------------------|---------------------|---------------------|-------------------------------|----------------------------|
|                                |                     |                     | <u>Less than<br/>One Year</u> | <u>5 Years<br/>or More</u> |
|                                |                     |                     | (Amounts in Thousands)        |                            |
| U.S. Treasury Notes            | \$ 223              | \$ 223              | \$ 223                        | \$                         |
| STAR Ohio                      | 891,537             | 891,537             | 891,537                       |                            |
| Commercial Paper               | 31,950              | 31,950              | 31,950                        |                            |
| Money Market Mutual Funds      | 690,626             | 690,626             | 690,626                       |                            |
| Manuscript Debt                | 4,852               | 4,852               |                               | 4,852                      |
| Other                          | <u>3,064</u>        | <u>3,064</u>        | <u>3,064</u>                  |                            |
| Total Investments              | <u>1,622,252</u>    | <u>1,622,252</u>    | <u>1,617,400</u>              | <u>4,852</u>               |
| Total Deposits                 | <u>95,500</u>       | <u>95,500</u>       | <u>95,500</u>                 |                            |
| Total Deposits and Investments | <u>\$ 1,717,752</u> | <u>\$ 1,717,752</u> | <u>\$ 1,712,900</u>           | <u>\$ 4,852</u>            |

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

**Concentration of Credit Risk:** The City places a limitation on the amount it may invest in any one issuer to help minimize the concentration of credit risk. As of December 31, 2020, the investments in U.S. Treasury Notes, STAR Ohio, commercial paper, money market mutual funds, manuscript debt and other are approximately 0.01%, 54.96%, 1.97%, 42.57%, 0.30%, and 0.19%, respectively, of the City's total investments.

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

(Amounts in Thousands)

**Government-Wide Financial Statements**

|                           |    |                  |
|---------------------------|----|------------------|
| Unrestricted:             |    |                  |
| Cash and cash equivalents | \$ | 1,411,302        |
| Investments               |    | 223              |
| Restricted:               |    |                  |
| Cash and cash equivalents |    | 291,272          |
| Total                     | \$ | <u>1,702,797</u> |

**Fund Financial Statements**

**Balance Sheet – Governmental Funds:**

|                           |    |                |
|---------------------------|----|----------------|
| Unrestricted:             |    |                |
| Cash and cash equivalents | \$ | 661,874        |
| Investments               |    | 223            |
|                           |    | <u>662,097</u> |

**Statement of Net Position – Proprietary Funds:**

**Enterprise Funds:**

|                           |  |         |
|---------------------------|--|---------|
| Unrestricted:             |  |         |
| Cash and cash equivalents |  | 664,691 |
| Restricted:               |  |         |
| Cash and cash equivalents |  | 291,272 |

**Internal Service Funds:**

|                           |  |                  |
|---------------------------|--|------------------|
| Unrestricted:             |  |                  |
| Cash and cash equivalents |  | 84,737           |
| Subtotal                  |  | <u>1,040,700</u> |

**Statement of Fiduciary Net Position – Custodial Funds:**

|                           |    |                  |
|---------------------------|----|------------------|
| Unrestricted:             |    |                  |
| Cash and cash equivalents |    | 14,955           |
| Total                     | \$ | <u>1,717,752</u> |



## NOTE 5 – DEBT AND OTHER LONG-TERM OBLIGATIONS

A summary of the changes in long-term debt and other long-term obligations of the City during the year ended December 31, 2020 are as follows:

|   | <u>Balance</u><br><u>January 1, 2020</u> | <u>Additions</u>  | <u>(Reductions)</u> | <u>Balance</u><br><u>December 31, 2020</u> | <u>Due Within</u><br><u>One Year</u> |
|---|--|-------------------|---------------------|--|--------------------------------------|
|   | (Amounts in Thousands)                   |                   |                     |  |                                      |
| <b>Governmental Long-Term Obligations and Notes</b>   |  |                   |                     |  |                                      |
| General Obligation Bonds due through 2048, 2.00% to 5.5%  | \$ 292,810                               | \$ 60,685         | \$ (42,510)         | \$ 310,985                                 | \$ 24,660                            |
| <i>Other Obligations:</i>   |  |                   |                     |  |                                      |
| Subordinated Income Tax Refunding   |  |                   |                     |  |                                      |
| Bonds due through 2024, 5.00%   | 24,730                                   |                   | (4,465)             | 20,265                                     | 4,690                                |
| Subordinate Lien Income Tax Bonds   |  |                   |                     |  |                                      |
| due through 2046, 1.82% to 6.34%  | 327,260                                  | 69,820            | (57,230)            | 339,850                                    | 11,520                               |
| <i>Non-Tax Revenue Bonds:</i>   |  |                   |                     |  |                                      |
| Stadium due through 2020, 5.00%   | 1,550                                    |                   | (1,550)             | -  |                                      |
| Taxable Economic and Community Dev. (Core City Bonds)   |  |                   |                     |  |                                      |
| due through 2026, 2.75% to 3.75%  | 22,340                                   |                   | (1,330)             | 21,010                                     | 3,725                                |
| Taxable Economic and Community Dev. (Core City Bonds)   |  |                   |                     |  |                                      |
| due through 2033, .65% to 1.91% - Direct Placement  | 20,110                                   | 2,050             | (950)               | 21,210                                     | 1,165                                |
| Lower Euclid Ave. TIF 2003A due through 2032,<br>2.00% to 4.00%                                   | 5,078                                    |                   | (226)               | 4,852                                      | 234                                  |
| Annual Appropriation Bonds - Flats East Bank due through<br>2035, 5.75% to 6.00%                  | 8,820                                    |                   | (345)               | 8,475                                      | 365                                  |
| Certificates of Participation 2010A--Stadium due<br>through 2020, 4.75%                           | 7,815                                    |                   | (7,815)             | -  |                                      |
| Certificates of Participation 2010B-Stadium due through<br>2028, 0.69% to 1.93% -Direct Placement | 69,900                                   |                   |                     | 69,900                                     | 8,035                                |
| West 150th Street Improvement Loan - Direct Borrowing   | 664                                      |                   | (64)                | 600  | 63                                   |
| Ohio Water Development Authority and Public Works   |  |                   |                     |  |                                      |
| Commission Loans due through 2028, 2.40% -Direct Borrowing  | 602                                      |                   | (15)                | 587  | 15                                   |
| Capital Lease Obligations, due through 2020, 1.39%  | 488                                      |                   | (488)               | -  |                                      |
| Cleveland Browns Stadium  | 18,000                                   |                   | (2,000)             | 16,000                                     | 2,000                                |
| Accrued wages and benefits  | 44,153                                   | 46,235            | (39,984)            | 50,404                                     | 31,857                               |
| Net pension liability:  |  |                   |                     |  |                                      |
| Ohio Public Employees Retirement System   | 323,963                                  |                   | (94,036)            | 229,927                                    |                                      |
| Ohio Police and Fire Pension Fund   | 605,230                                  |                   | (100,432)           | 504,798                                    |                                      |
| Net OPEB liability:   |  |                   |                     |  |                                      |
| Ohio Public Employees Retirement System   | 153,526                                  | 6,831             |                     | 160,357                                    |                                      |
| Ohio Police and Fire Pension Fund   | 67,521                                   | 6,497             |                     | 74,018                                     |                                      |
| Police and fire overtime  | 41,553                                   | 12,343            | (10,397)            | 43,499                                     | 4,875                                |
| Fire deferred vacation  | 2,160                                    | 128               | (259)               | 2,029                                      | 168                                  |
| Estimated claims payable  | 18,588                                   | 5,252             | (10,498)            | 13,342                                     | 4,342                                |
|   | <u>2,056,861</u>                         | <u>209,841</u>    | <u>(374,594)</u>    | <u>1,892,108</u>                           | <u>97,714</u>                        |
| Unamortized (discount)/premium - net  | 62,446                                   | 5,200             | (13,015)            | 54,631                                     |                                      |
| Total Governmental Activities, Net  | <u>\$ 2,119,307</u>                      | <u>\$ 215,041</u> | <u>\$ (387,609)</u> | <u>\$ 1,946,739</u>                        | <u>\$ 97,714</u>                     |

|  | Balance                |           |              | Balance           | Due Within |
|--|------------------------|-----------|--------------|-------------------|------------|
|  | January 1, 2020        | Additions | (Reductions) | December 31, 2020 | One Year   |
|  | (Amounts in Thousands) |           |              |                   |            |
| <b>Business-Type Activities (Enterprise Funds)</b>   |                        |           |              |                   |            |
| Airport System Revenue Bonds:  |                        |           |              |                   |            |
| Series 2006A due through 2021, 5.25%   | \$ 22,535              | \$        | \$ (10,055)  | \$ 12,480         | \$ 12,480  |
| Series 2007B due through 2027, 5.0%  | 5,205                  |           | (765)        | 4,440             | 805        |
| Series 2011A due through 2024, 4.00% to 5.00%  | 26,175                 |           | (8,575)      | 17,600            | 7,575      |
| Series 2014B due through 2020, Variable Rate,<br>Direct Placement  | 1,790                  |           | (1,790)      | -                 |            |
| Series 2016A due through 2031, 5.00%   | 102,215                |           | (3,295)      | 98,920            | 3,405      |
| Series 2016B due through 2024, 5.00%   | 36,235                 |           |              | 36,235            |            |
| Series 2018A due through 2048, 5.00%   | 87,940                 |           | (8,680)      | 79,260            | 8,965      |
| Series 2018B due through 2048, 3.50% to 5.00%  | 21,745                 |           |              | 21,745            |            |
| Series 2019A due through 2033, 2.18% to 2.98%  | 301,665                |           | (2,940)      | 298,725           | 4,830      |
| Series 2019B due through 2027, 5.00%   | 34,605                 |           | (5,485)      | 29,120            | 4,985      |
| Series 2019C due through 2024, 5.00%   | 5,405                  |           |              | 5,405             | 1,205      |
|  | 645,515                | -         | (41,585)     | 603,930           | 44,250     |
| Public Power System Revenue Bonds:   |                        |           |              |                   |            |
| Series 2008 due through 2038, 4.00% to 5.40%   | 27,903                 |           |              | 27,903            |            |
| Series 2008 Accreted Interest Payable  | 23,563                 | 2,768     |              | 26,331            |            |
| Series 2014 due through 2038, 5.50%  | 76,885                 |           | (76,885)     | -                 |            |
| Series 2016 due through 2024, 5.00%  | 32,605                 |           | (9,185)      | 23,420            | 5,410      |
| Series 2018 due through 2038, 5.00%  | 46,245                 |           | (1,065)      | 45,180            | 3,620      |
| Series 2020A due through 2038, 4.00% to 5.00%  |                        | 63,110    |              | 63,110            |            |
| Series 2020B due through 2038, 2.01% to 2.996%   |                        | 20,470    |              | 20,470            |            |
|  | 207,201                | 86,348    | (87,135)     | 206,414           | 9,030      |
| Water Revenue Bonds:   |                        |           |              |                   |            |
| Series G 1993 due through 2021, 5.50%  | 24,325                 |           | (24,325)     | -                 |            |
| Series X 2012 due through 2022, 3.63% to 4.00%   | 27,575                 |           | (26,290)     | 1,285             |            |
| Series Y 2015 due through 2028, 4.00% to 5.00%   | 116,205                |           | (77,305)     | 38,900            | 5,015      |
| Series AA 2015 due through 2033, Variable Rate,<br>Direct Placement  | 90,800                 |           | (90,800)     | -                 |            |
| Series BB 2017 due through 2032, 5.00%   | 15,715                 |           |              | 15,715            |            |
| Series CC 2017 due through 2028, 5.00%   | 48,950                 |           | (6,070)      | 42,880            |            |
| Series DD 2019 due through 2033, 2.00% to 5.00%  | 97,160                 |           | (8,385)      | 88,775            | 12,700     |
| Series EE 2020 due through 2042, 1.27% to 3.21%  |                        | 15,815    |              | 15,815            | 95         |
| Series FF 2020 due through 2033, 5.00%   |                        | 70,270    |              | 70,270            |            |
| Series GG 2020 due through 2037, 0.39% to 2.28%  |                        | 99,145    |              | 99,145            | 185        |
| Series A Sec. Lien 2012 due through 2022, 4.00% to 5.00%   | 18,335                 |           | (6,745)      | 11,590            | 4,205      |
| Series B Sub. Lien 2017 due through 2027, 5.00%  | 42,495                 |           |              | 42,495            |            |
|  | 481,560                | 185,230   | (239,920)    | 426,870           | 22,200     |
| Water Pollution Control Revenue Bonds:   |                        |           |              |                   |            |
| Series 2016 due through 2045, 4.00% to 5.00%   | 30,680                 |           | (610)        | 30,070            | 635        |
| Ohio Water Development Authority and Public Works<br>Commission loans due through 2050, 0.00% to 3.00%,<br>Direct Borrowings |                        |           |              |                   |            |
|  | 72,750                 | 8,127     | (8,623)      | 72,254            | 8,585      |
| Parking Facilities Refunding Revenue Bonds:  |                        |           |              |                   |            |
| Series 2006 due through 2022, 5.25%  | 11,200                 |           | (3,540)      | 7,660             | 3,730      |
| Public Power System Other (See Note 7)   | 1,681                  | 24        | (399)        | 1,306             | 250        |
| Accrued Wages and Benefits   | 11,921                 | 13,577    | (11,350)     | 14,148            | 8,732      |
| Net pension liability:   |                        |           |              |                   |            |
| Ohio Public Employees Retirement System  | 224,015                |           | (65,620)     | 158,395           |            |
| Net OPEB liability:  |                        |           |              |                   |            |
| Ohio Public Employees Retirement System  | 105,347                | 4,764     |              | 110,111           |            |
| Estimated claims payable   | 87                     | 711       | (590)        | 208               | 208        |
|  | 1,791,957              | 298,781   | (459,372)    | 1,631,366         | 97,620     |
| Unamortized (discount)/premium - net   | 77,158                 | 36,116    | (22,060)     | 91,214            |            |
| Total Business-Type Activities, Net  | \$1,869,115            | \$334,897 | (\$481,432)  | \$1,722,580       | \$97,620   |
| Total Debt and Other Long-Term Obligations   | \$3,988,422            | \$549,938 | (\$869,041)  | \$3,669,319       | \$195,334  |

(Concluded)

Internal Service Funds predominantly serve the governmental funds, except the Utilities Administration Fund, which serves only business-type activity funds. Long-term liabilities for all Internal Service Funds, except the Utilities Administration Fund, are included as part of the totals for governmental activities in the government-wide statement of net position. At December 31, 2020, \$1,921,000, \$14,364,000 and \$10,512,000 of the Internal Service Funds, except for Utilities Administration Fund, compensated absences, net pension and net OPEB liabilities, respectively, were included in the governmental activities. Long-term liabilities for the Utilities Administration Fund are included as part of the totals for business-type activities in the government-wide statements. At December 31, 2020, \$1,505,000, \$8,499,000 and \$7,056,000 of the Utilities Administration Fund compensated absences, net pension and net OPEB liabilities, respectively, were included in business-type activities

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

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

A detailed summary of principal due for General Obligation Bonds and business-type activities debt by purpose is as follows for 2020:

|  | Original<br>Issue<br>Amount | Balance<br>January 1,<br>2020 | Additions         | (Reductions)        | Balance<br>December 31,<br>2020 |
|--|-----------------------------|-------------------------------|-------------------|---------------------|---------------------------------|
|  | (Amounts in Thousands)      |                               |                   |                     |                                 |
| <b>Governmental Activities Obligations:</b>  |                             |                               |                   |                     |                                 |
| <b>General Obligation Bonds</b>              |                             |                               |                   |                     |                                 |
| Public Facilities                            | \$ 69,955                   | \$ 36,830                     | \$ 14,565         | \$ (8,930)          | \$ 42,465                       |
| Bridges and Roadways                         | 161,060                     | 115,180                       | 22,385            | (14,065)            | 123,500                         |
| Parks & Recreation                           | 57,495                      | 32,015                        | 21,985            | (2,910)             | 51,090                          |
| Neighborhood Development                     | 1,750                       |                               | 1,750             |                     | 1,750                           |
| Refunding Bonds                              | <u>214,655</u>              | <u>108,785</u>                |                   | <u>(16,605)</u>     | <u>92,180</u>                   |
| Total Governmental Activities                | <u>\$ 504,915</u>           | <u>\$ 292,810</u>             | <u>\$ 60,685</u>  | <u>\$ (42,510)</u>  | <u>\$ 310,985</u>               |
| <b>Business-Type Activities Obligations:</b> |                             |                               |                   |                     |                                 |
| <b>Revenue Bonds / Notes</b>                 |                             |                               |                   |                     |                                 |
| Airports                                     | \$ 789,105                  | \$ 643,725                    |                   | \$ (39,795)         | \$ 603,930                      |
| Airports Direct Placement                    | 9,070                       | 1,790                         |                   | (1,790)             | -                               |
| Public Power                                 | 277,638                     | 183,638                       | 83,580            | (87,135)            | 180,083                         |
| Waterworks                                   | 861,470                     | 390,760                       | 185,230           | (149,120)           | 426,870                         |
| Waterworks Direct Placement                  | 90,800                      | 90,800                        |                   | (90,800)            | -                               |
| Parking Facilities                           | 57,520                      | 11,200                        |                   | (3,540)             | 7,660                           |
| Water Pollution Control                      | 32,390                      | 30,680                        |                   | (610)               | 30,070                          |
| <b>Loans</b>                                 |                             |                               |                   |                     |                                 |
| Waterworks (Direct Borrowings)               | 152,767                     | 67,309                        |                   | (8,431)             | 58,878                          |
| Water Pollution Control (Direct Borrowings)  | <u>16,319</u>               | <u>5,441</u>                  | <u>8,127</u>      | <u>(192)</u>        | <u>13,376</u>                   |
| Total Business-Type Activities               | <u>\$ 2,287,079</u>         | <u>\$ 1,425,343</u>           | <u>\$ 276,937</u> | <u>\$ (381,413)</u> | <u>\$ 1,320,867</u>             |

The following is a summary of the City's future debt service requirements as of December 31, 2020:

| <b>Governmental Activities</b>     |                                     |                   |   |                 |  |                   |  |
|------------------------------------|-------------------------------------|-------------------|---|-----------------|--|-------------------|--|
| <b>Year Ending<br/>December 31</b> | <b>General<br/>Obligation Bonds</b> |                   | <b>Construction Loan<br/>(Direct Borrowing)</b> |                 | <b>Subordinate Lien<br/>Income Tax Bonds</b> |                   |  |
|                                    | <b>Principal</b>                    | <b>Interest</b>   | <b>Principal</b>                                | <b>Interest</b> | <b>Principal</b>                             | <b>Interest</b>   |  |
|                                    | <b>(Amounts in Thousands)</b>       |                   |   |                 |  |                   |  |
| 2021                               | \$ 24,660                           | \$ 12,863         | \$ 15   | \$ 14           | \$ 16,210                                    | \$ 15,422         |  |
| 2022                               | 23,655                              | 11,830            | 15  | 14              | 18,300                                       | 14,724            |  |
| 2023                               | 24,175                              | 10,805            | 16  | 13              | 19,975                                       | 13,851            |  |
| 2024                               | 21,900                              | 9,681             | 16  | 13              | 20,605                                       | 12,902            |  |
| 2025                               | 17,930                              | 8,665             | 17  | 13              | 20,070                                       | 12,056            |  |
| 2026-2030                          | 78,585                              | 31,585            | 508   | 35              | 125,135                                      | 45,852            |  |
| 2031-2035                          | 55,965                              | 17,925            |   |                 | 72,985                                       | 21,226            |  |
| 2036-2040                          | 37,890                              | 8,783             |   |                 | 45,755                                       | 9,321             |  |
| 2041-2045                          | 22,055                              | 2,694             |   |                 | 20,060                                       | 2,140             |  |
| 2046-2048                          | 4,170                               | 188               |   |                 | 1,020  | 41                |  |
|                                    | <u>\$ 310,985</u>                   | <u>\$ 115,019</u> | <u>\$ 587</u>                                   | <u>\$ 102</u>   | <u>\$ 360,115</u>                            | <u>\$ 147,535</u> |  |

| <b>Year Ending<br/>December 31</b> | <b>Non-Tax<br/>Revenue Bonds</b> |                 | <b>Non-Tax<br/>Revenue Bonds<br/>(Direct Placement)</b> |                 | <b>City Annual<br/>Appropriation Bonds</b> |                 |
|------------------------------------|----------------------------------|-----------------|---|-----------------|--|-----------------|
|                                    | <b>Principal</b>                 | <b>Interest</b> | <b>Principal</b>  | <b>Interest</b> | <b>Principal</b>                           | <b>Interest</b> |
|                                    | <b>(Amounts in Thousands)</b>    |                 |   |                 |  |                 |
| 2021                               | \$ 3,959                         | \$ 829          | \$ 1,165  | \$ 816          | \$ 365                                     | \$ 508          |
| 2022                               | 4,090                            | 713             | 1,240   | 773             | 385  | 487             |
| 2023                               | 4,203                            | 601             | 1,295   | 727             | 410  | 463             |
| 2024                               | 4,343                            | 463             | 1,350   | 679             | 435  | 439             |
| 2025                               | 2,956                            | 313             | 1,425   | 628             | 460  | 413             |
| 2026-2030                          | 4,434                            | 529             | 8,200   | 2,285           | 2,745                                      | 1,616           |
| 2031-2035                          | 1,877                            | 79              | 6,535   | 588             | 3,675                                      | 688             |
| 2036-2040                          |                                  |                 |   |                 |  |                 |
| 2041-2045                          |                                  |                 |   |                 |  |                 |
| 2046-2048                          |                                  |                 |   |                 |  |                 |
|                                    | <u>\$ 25,862</u>                 | <u>\$ 3,527</u> | <u>\$ 21,210</u>  | <u>\$ 6,496</u> | <u>\$ 8,475</u>                            | <u>\$ 4,614</u> |

| <b>Year Ending<br/>December 31</b> | <b>Note/Loans<br/>Payable<br/>(Direct Borrowing)</b> |                 | <b>Certificates<br/>of Participation<br/>(Direct Placement)</b> |                 | <b>Governmental<br/>Activities Total</b> |                   |
|------------------------------------|--|-----------------|---|-----------------|--|-------------------|
|                                    | <b>Principal</b>                                     | <b>Interest</b> | <b>Principal</b>  | <b>Interest</b> | <b>Principal</b>                         | <b>Interest</b>   |
|                                    | <b>(Amounts in Thousands)</b>                        |                 |   |                 |  |                   |
| 2021                               | \$ 63  | \$ 14           | \$ 8,035  | \$ 2,097        | \$ 54,472                                | \$ 32,563         |
| 2022                               | 63   |                 | 8,275   | 1,856           | 56,023                                   | 30,397            |
| 2023                               | 63   |                 | 8,520   | 1,608           | 58,657                                   | 28,068            |
| 2024                               | 64   |                 | 8,780   | 1,352           | 57,493                                   | 25,529            |
| 2025                               | 63   |                 | 9,040   | 1,089           | 51,961                                   | 23,177            |
| 2026-2030                          | 284  |                 | 27,250  | 1,606           | 247,141                                  | 83,508            |
| 2031-2035                          |  |                 |   |                 | 141,037                                  | 40,506            |
| 2036-2040                          |  |                 |   |                 | 83,645                                   | 18,104            |
| 2041-2045                          |  |                 |   |                 | 42,115                                   | 4,834             |
| 2046-2048                          |  |                 |   |                 | 5,190                                    | 229               |
|                                    | <u>\$ 600</u>  | <u>\$ 14</u>    | <u>\$ 69,900</u>  | <u>\$ 9,608</u> | <u>\$ 797,734</u>                        | <u>\$ 286,915</u> |

**Business-Type Activities**

| <u>Year Ending<br/>December 31</u> | <u>Revenue Bonds</u>          |                   | <u>Construction Loans<br/>(Direct Borrowing)</u> |                  |
|------------------------------------|-------------------------------|-------------------|--|------------------|
|                                    | <u>Principal</u>              | <u>Interest</u>   | <u>Principal</u>                                 | <u>Interest</u>  |
|                                    | <b>(Amounts in Thousands)</b> |                   |  |                  |
| 2021                               | \$ 79,845                     | \$ 48,032         | \$ 8,585   | \$ 1,894         |
| 2022                               | 93,555                        | 43,865            | 8,851  | 1,655            |
| 2023                               | 90,660                        | 39,332            | 9,127  | 1,409            |
| 2024                               | 95,340                        | 34,914            | 8,997  | 1,153            |
| 2025                               | 96,962                        | 34,600            | 8,856  | 909              |
| 2026-2030                          | 455,522                       | 121,404           | 17,465   | 2,409            |
| 2031-2035                          | 216,798                       | 62,146            | 3,614  | 1,323            |
| 2036-2040                          | 83,186                        | 31,046            | 2,791  | 977              |
| 2041-2045                          | 27,510                        | 5,486             | 3,155  | 612              |
| 2046-2050                          | 9,235                         | 708               | 3,191  | 200              |
|                                    | <u>\$ 1,248,613</u>           | <u>\$ 421,533</u> | <u>\$ 74,632</u>                                 | <u>\$ 12,541</u> |

| <u>Year Ending<br/>December 31</u> | <u>Business-Type<br/>Activities Total</u> |                   |
|------------------------------------|---|-------------------|
|                                    | <u>Principal</u>                          | <u>Interest</u>   |
|                                    | <b>(Amounts in Thousands)</b>             |                   |
| 2021                               | \$ 88,430                                 | \$ 49,926         |
| 2022                               | 102,406                                   | 45,520            |
| 2023                               | 99,787                                    | 40,741            |
| 2024                               | 104,337                                   | 36,067            |
| 2025                               | 105,818                                   | 35,509            |
| 2026-2030                          | 472,987                                   | 123,813           |
| 2031-2035                          | 220,412                                   | 63,469            |
| 2036-2040                          | 85,977                                    | 32,023            |
| 2041-2045                          | 30,665                                    | 6,098             |
| 2046-2050                          | 12,426                                    | 908               |
|                                    | <u>\$ 1,323,245</u>                       | <u>\$ 434,074</u> |

The schedule of minimum principal and interest payments for construction loans above includes the amortization for a loan provided to the Division of Water Pollution Control by the Ohio Water Development Authority (OWDA) in 2019. This amortization is based upon the full amount expected to be financed, regardless of whether the City has received all the loan proceeds. At December 31, 2020, the amount financed on the loan, which is reflected in the amortization schedule, exceeds the actual loan balance shown on the schedule of long-term debt outstanding and changes in long-term debt obligations by \$2,378,000. OWDA loans and Ohio Public Works Commission are direct borrowings.

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

**General Obligation Bonds**

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

On February 26, 2020, the City issued \$69,820,000 Subordinate Lien Income Tax Refunding Bonds, Series 2020A (Federally Taxable). A portion of these bonds were used to refund \$17,340,000 of outstanding Various Purpose and Refunding General Obligation Bonds, also an additional portion of \$44,545,000 was used to refund outstanding 2014-2015 Subordinate Lien Income Tax Bonds for debt service savings.

Effective July 30, 2020, the City issued \$60,685,000 Various Purpose General Obligation Bonds Series 2020A. The proceeds of these bonds will be used to provide funds for public facilities improvements, parks and recreation improvements, road and bridge improvements and for neighborhood development projects.

Under the direct debt limitation imposed by the Ohio Revised Code, the City had the capacity to issue \$282,279,163 of additional unvoted debt at December 31, 2020.

### **Other Governmental Obligations**

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

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

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

#### *Interest Rate Swap Transaction:*

***Terms:*** On February 7, 2003, the City sold an option to JPMorgan Chase Bank (JPM) that gives JPM the right to execute an interest rate swap at its discretion at any time until the option expires on May 15, 2024 on a declining notional amount equal to the outstanding principal amount of the City's Subordinated Income Tax Variable Rate Refunding Bonds, Series 1994. The swaption is now associated with portions of the Series 2015 Bonds. Under the swap agreement, the City will be the fixed rate receiver, receiving the fixed rate of 4.88% and JPM will be the floating rate receiver, receiving interest on what would have been the outstanding notional amount of the original 1994 Bonds of \$20,200,000 at December 31, 2020, at a rate equal to the weekly Securities Industry and Financial Markets Association (SIFMA) index. If the option is exercised, the stated termination date under the swap agreement with JPM will be May 15, 2024. The obligation of the City under the swap agreement to make periodic floating rate payments (but not any termination payment) is secured by a subordinate pledge of the income tax receipts, subordinate to the pledge of the income tax receipts made under the "General Bond Ordinance" securing the City's General Obligation Bonds. The payment of any termination payment is subordinate to the payment of debt service on the Subordinate Lien Unrestricted Income Tax Bonds, Series 2015, and the periodic floating rate payments under the swap agreement.

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

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

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

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

***Fair Value:*** The fair value of the swaption at December 31, 2020 as reported by JPM was approximately \$306 which would be payable by the City.

***Subordinated Lien Income Tax Bonds:*** Effective February 26, 2020, the City issued \$69,820,000 Subordinate Lien Income Tax Refunding Bonds, Series 2020A (Federally Taxable). The proceeds of these bonds were used to refund \$44,545,000 of various outstanding Subordinate Lien Income Tax Bonds (Series 2014A-1, Series 2014 B-3, Series 2015 A-2 and Series 2015 A-3) and \$17,340,000 of outstanding Series 2012 Various Purpose and Refunding General Obligation Bonds. Proceeds in the amount of \$69,202,375 along with \$907,187 from the debt service fund, were placed in an irrevocable escrow account to pay the principal and interest on the refunded bonds on the call date. As a result, the refunded bonds were considered to be defeased and the liability for those bonds has been removed from long-term debt. This refunding resulted in debt service savings of \$10.26 million and an economic gain (the difference between the present values of the old and new debt service) of \$8.50 million or 13.7%.

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

***Non-Tax Revenue Bonds – Stadium:*** On September 4, 2014, the City issued \$7,745,000 Non-Tax Revenue Refunding Bonds, Series 2014 for the Cleveland Stadium Project. These bonds refunded \$8,275,000 of the outstanding 2004 Non-Tax Revenue Refunding Bonds (Cleveland Stadium Project). Net proceeds of the Series 2014 Bonds in the amount of \$8,478,644 were placed in an irrevocable escrow account to pay the principal and interest on the refunded bonds on December 1, 2014. As a result, the refunded bonds were defeased and the liability for the Series 2004 Bonds was removed from long-term debt. The City completed the refunding in order to achieve debt service savings of \$854,000 and an economic gain (the difference between the present values of the old and new debt service) of \$842,000 or 10.2%. The Series 2014 Bonds were paid off on December 1, 2020. These bonds did not represent a general obligation debt or pledge of the full faith and credit or taxing power of the City and were payable solely from non-tax revenues of the City.

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

***Non-Tax Revenue Bonds – Taxable Economic and Community Development Revenue Bonds (Core City):***

On October 9, 2020, the City issued \$2,050,000 of Taxable Economic and Community Development Bonds, Series 2020 (Core City Fund) through a private placement with Zions Bancorporation, N.A. These bonds were issued to provide funds for eligible projects including the acquisition, construction, equipping or improvement of multi-unit housing and commercial development and for the preparation or remediation of sites for these purposes. The principal and interest on these bonds are to be paid from the non-tax revenues of the City and net project revenues.

Events of default are those set forth in the indenture and include, but are not limited to, failure to pay principal or interest on the bonds and failure to perform pursuant to certain covenants and provisions under the indenture. Upon an event of default and subject to certain provisions of the indenture, the Trustee may pursue any available remedy to enforce the payment of principal or interest on the bonds or the observance and performance of any other covenant, agreement or obligation under the Indenture or any other instrument providing security, directly or

indirectly, for the bonds. There is no right to accelerate the payment of principal or interest on the bonds under the indenture.

Effective April 9, 2015, the City issued \$15,280,000 Taxable Economic and Community Development Revenue Bonds, Series 2015 (Core City Fund). Similar to the 2020 Bonds, the proceeds of these bonds will be used to provide funds for eligible projects, including, but not limited to, the acquisition, construction, equipping or improvement of multi-unit housing and commercial development and the preparation or remediation of sites for these purposes. The principal and interest on these bonds are to be paid from non-tax revenues of the City and net project revenues.

On September 4, 2014, the City issued \$12,365,000 Taxable Economic and Community Development Refunding Revenue Bonds, Series 2014 (Core City Fund). The City issued these bonds in order to refund \$11,845,000 of the outstanding Taxable Economic and Community Development Bonds, Series 2004. Net proceeds of the Series 2014 Bonds in the amount of \$12,156,019 were deposited into an irrevocable escrow account to pay the principal and interest on the refunded bonds on December 1, 2014. As a result, the refunded bonds were defeased and the liability for the Series 2004 Core City Bonds was removed from long-term debt. This refunding resulted in \$1,248,000 of debt service savings and an economic gain of \$1,219,000 or 10.3%. The Series 2014 Bonds were issued as fixed rate securities and are special obligations of the City, payable from non-tax revenues and net project revenues.

Effective July 24, 2008, the City issued \$28,160,000 Taxable Economic and Community Development Refunding Revenue Bonds, Series 2008 (Core City Fund). The proceeds of these bonds were used to refund the outstanding \$26,900,000 Series 2003 Taxable Economic and Community Development Revenue Bonds, to fund a bond reserve fund and to pay the costs of issuing the bonds. The Series 2003 Bonds were refunded in order to address increased interest rates incurred on the bonds due to the collapse of the auction rate securities market. The Series 2008 Bonds, which were special obligations of the City, were issued as variable rate demand obligations secured by a letter of credit provided by Citizens Bank. Upon the expiration of the letter of credit in 2011, the City obtained a new letter of credit for the Series 2008 Bonds from PNC Bank. At the expiration of the PNC Bank letter of credit, the City elected to refund the outstanding \$25,360,000 Series 2008 Bonds with \$25,360,000 Taxable Economic and Community Development Bonds, Series 2013A, effective May 30, 2013. The bonds remained variable rate bonds and were privately placed with KeyBank National Association for a period of five years. Events of default under the agreement with the bank include, but are not limited to, 1) failure to pay principal of or interest on the Series 2013A Bonds or parity debt or general obligation debt payable from the City's general fund or failure to pay other obligations under the agreement; 2) failure to perform pursuant to certain covenants and provisions under the indenture; 3) certain representations and warranties under the agreement prove untrue in a material respect; 4) occurrence of bankruptcy and insolvency events; and 5) ratings downgrades of parity or general obligation debt of the City below certain levels. Upon an event of default, the Bonds shall bear interest at a default rate and the bank may cause a special mandatory redemption of the 2013A Bonds in accordance with the terms of the supplemental indenture and agreement. Under the agreement with the bank, no party has a right to accelerate the principal or interest on the 2013A Bonds. However, certain fees and expenses set forth in the agreement can be declared immediately due and payable under certain circumstances. In May 2018, the City entered into a new three year direct placement on the Series 2013A Bonds with PNC Bank, National Association upon the expiration of the old direct placement. The Bonds are payable from the City's non-tax revenues and net project revenues.

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

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

Effective April 22, 2010, the City issued \$63,225,000 COPS, Series 2010A and \$69,900,000 COPS, Series 2010B to refund all of the outstanding \$108,390,000 COPS, Series 2007. Proceeds of the COPS, Series 2010, were used to currently refund the COPS, Series 2007, on the day of closing, to fund a required debt service reserve fund deposit in the amount of \$8,324,045, to make a termination payment on the existing hedge agreement with UBS in



the amount of \$17,322,000 and to pay costs of issuing the COPS. The final payment on the Series 2010A COPS was made November 15, 2020. The COPS, Series 2010B, were purchased by Wells Fargo Bank, National Association, as floating rate obligations for a period of three years, the interest on which is reset weekly based on the SIFMA index plus a spread. As a result of this refunding, the City achieved an economic gain (the difference between the present values of the old and new debt service) of approximately \$3,461,000 or 3.19%.

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

Events of default under the agreement with the bank include, but are not limited to, 1) failure to pay principal or interest on the Series 2010B COPS or parity debt or general obligation debt payable from the City's general fund or failure to pay other obligations under the agreement; 2) failure to perform pursuant to certain covenants and provisions under the indenture; 3) certain representations and warranties under the agreement prove untrue in a material respect; 4) occurrence of bankruptcy and insolvency events; and 5) ratings downgrades of parity or general obligation debt of the City below certain levels. Upon an event of default, the 2010B COPS shall bear interest at a default rate and the bank may cause a special mandatory redemption of the 2010B COPS in accordance with the terms of the supplemental indenture and agreement. Under the agreement with the bank, no party has a right to accelerate the principal or interest on the 2010B COPS. However, certain fees and expenses set forth in the agreement can be declared immediately due and payable under certain circumstances.

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

On June 20, 2013, the City entered into a \$6,535,000 vehicle lease agreement with Huntington Public Capital Corporation. These funds were used to purchase a variety of vehicles including police cars, EMS ambulances and waste collection equipment. Payments on the equipment lease were made over a period of seven years from issuance from the Restricted Income Tax Fund. The final lease payment was made in June 2020.

The assets recorded by the City under Capital Leases were as follows as of December 31, 2020:

| <b>Governmental</b>               |                        |
|-----------------------------------|------------------------|
| <b><u>Activities</u></b>          |                        |
| <b>(Amounts in Thousands)</b>     |                        |
| Furniture, fixtures and equipment | \$ 42,178              |
| Less – accumulated depreciation   | <u>(36,626)</u>        |
| Net book value                    | <u><u>\$ 5,552</u></u> |

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

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

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

**Lines of Credit:** The City has no unused lines of credit.

**Pledged Collateral:** The City has no assets pledged as collateral for debt.

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

**Police and Fire Overtime and Deferred Vacation Pay:** Uniformed employees of the Police and Fire Divisions accumulate overtime compensation in accordance with the union contracts and the requirements of the Fair Labor Standards Act. In addition, uniformed employees may defer earned vacation time, with the appropriate approvals, until retirement. The liabilities for overtime and deferred vacation time, at current pay rates including their related fringe benefits and converted to straight time hours, at December 31, 2020, follow:

| <u>Division</u> | <u>Overtime</u> |                  | <u>Deferred Vacation</u> |                 |
|-----------------|-----------------|------------------|--------------------------|-----------------|
|                 | <u>Hours</u>    | <u>Dollars</u>   | <u>Hours</u>             | <u>Dollars</u>  |
|                 |                 |                  |                          |                 |
| Police          | 1,045           | \$ 39,056        |                          | \$              |
| Fire            | 117             | 4,443            | 51                       | 2,029           |
| Total           | <u>1,162</u>    | <u>\$ 43,499</u> | <u>51</u>                | <u>\$ 2,029</u> |

(Amounts in Thousands)

**Business-Type (Enterprise Fund) Obligations**

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

On October 1, 2019, the City issued \$341,675,000 Airport System Revenue Bonds Series 2019 A-C. The \$301,665,000 Series 2019A Taxable Bonds were issued to advance refund the \$235,150,000 Series 2012A Bonds and to currently refund the outstanding \$52,050,000 of Series 2013A Bonds. Bond proceeds in the amount of \$248,355,650 along with 43,694,402 released from the debt service reserve fund and \$2,965,914 released from the Series 2012A Bond Fund, were placed in an irrevocable escrow account for the payment of the principal and interest on the Series 2012A Bonds. The \$34,605,000 Series 2019B AMT Bonds currently refunded the variable rate \$20,100,000 Series 2009D Bonds and the \$18,170,000 Series 2014A Bonds. Finally, the \$5,405,000 Series 2019C Non-AMT Bonds currently refunded the outstanding variable rate \$5,975,000 Series 2008D Bonds. As a result of this refunding, the City achieved an economic gain (the difference between the present values of the old and new debt service) of \$22,494,000 of net present value debt service savings or 6.8% while also eliminating all of Port Control’s remaining variable rate bonds and terminating its letters of credit and direct placements on those bonds.

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

On February 19, 2020, Public Power System Revenue Bonds, Series 2020, were issued in the amount of \$83,580,000. The \$63,110,000 Series 2020A Tax-Exempt Bonds were issued to advance refund \$65,325,000 of outstanding Series 2014 Public Power System Refunding Revenue Bonds. The \$20,470,000 Federally Taxable Series 2020B Bonds were issued to advance refund \$11,560,000 of outstanding Series 2014 Public Power System Refunding Revenue Bonds and \$6,510,000 of the outstanding Series 2016 Public Power System Refunding Revenue Bonds. Bond proceeds in the amount of \$97,525,417, along with \$1,697,178 from the debt service fund, were placed in an irrevocable escrow account to pay the principal and interest on the refunded bonds when due. As a result of this refunding, the City realized an economic gain (the difference between the present values of the old and new debt service) of \$11,897,000 or 14.3%.

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

On June 6, 2020, the City issued \$15,815,000 Federally Taxable Water Revenue Bonds, Series EE, 2020 to advance refund \$14,565,000 of the outstanding Water Revenue Bonds, Series X, 2012. Net bond proceeds in the amount of \$15,677,657, along with \$303,438 from the Series X debt service fund, were placed in an irrevocable escrow account to pay the principal and interest on the refunded bonds when due. As a result of this refunding, the Division of Water realized an economic gain (the difference between the present values of the old and new debt service) of \$2.7 million or 18.7%.

Effective June 11, 2020, the City issued \$70,270,000 of tax-exempt Water Revenue Bonds, Series FF, to currently refund all of the outstanding variable rate \$90,800,000 Series AA, 2015, Bonds (direct placing). The Series AA Bonds were refunded in order to eliminate the risks associated with potential fluctuations in variable interest rates. The Series FF Bonds refunded the last remaining variable rate bonds issued by Water.

The City issued \$99,145,000 Water Revenue Bonds, Series GG, 2020 (Federally Taxable) on August 13, 2020. These bonds advance refunded \$11,725,000 of Water Revenue Bonds, Series X, 2012, that did not produce savings at the time of the refunding earlier in the year. The GG Bonds also advance refunded \$76,060,000 of Water Revenue Bonds, Series Y, 2015. Net bond proceeds in the amount of \$98,460,704, along with \$293,728 from the Series X and Series Y debt service funds, were placed in an irrevocable escrow account to pay the principal and interest on the refunded bonds when due. As a result of this refunding, the City achieved another \$8.34 million of net present value debt service savings for the Division of Water or 9.5%.

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

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

#### *Interest Rate Swap Transactions:*

In conjunction with the issuance of the Water Revenue Bonds, Series DD, described above, the City terminated in 2019 all the Division's swaps with JPMorgan Chase Bank, N.A. and Morgan Stanley Capital Services Inc., which were associated with the Series U, Series V and Series AA Bonds. Bond proceeds in the amount of \$7,328,000 and cash on hand of \$570,000 were used to make termination payments to the counterparties.

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

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

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

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

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

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

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

*Interest Rate Swap Transaction:*

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

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

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

SIFMA and LIBOR and increase the cost of the financing. In 2020, payments owed to the counterparty exceeded payments received from the counterparty by approximately \$20,000.

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

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

**Fair Value:** The fair value of the swap at December 31, 2020 as reported by PNC totaled \$4,000, which would be payable by the City.

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

### Defeasance of Debt

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

The aggregate amount of defeased debt outstanding at December 31, 2020 is as follows:

| <u>Bond Issue</u>                | (Amounts in Thousands) | <u>Bond Issue</u>                         |           |
|----------------------------------|------------------------|---|-----------|
| <u>Parking Facilities Bonds:</u> |                        | <u>Subordinate Lien Income Tax Bonds:</u> |           |
| Series 2006                      | \$ 3,625               | Series 2013A                              | \$ 12,745 |
| <u>Water Revenue Bonds:</u>      |                        | Series 2014A                              | 15,040    |
| Series X, 2012                   | \$ 43,125              | Series 2014B                              | 19,475    |
| Second Lien Series A, 2012       | 45,850                 | Series 2015A                              | 77,615    |
| Series Y, 2015                   | 76,060                 |   |           |
| <u>Airport Revenue Bonds:</u>    |                        | <u>General Obligation Bonds:</u>          |           |
| Series 2012A                     | \$ 235,150             | Series 2012                               | \$ 17,340 |

### Airport Special Facilities Revenue Bonds

Airport Special Facilities Revenue Bonds, Series 1998, totaling \$75,120,000, were issued in 1998 to finance the design and construction of certain airport facilities leased to Continental Airlines, including a new regional jet concourse. Because principal and interest on these bonds are unconditionally guaranteed by Continental Airlines (now United Continental Holdings, Inc.) and paid directly by Continental Airlines, these bonds do not constitute a debt, liability or general obligation of the City or a pledge of the City's revenues. As such, no liabilities relating to these bonds are included in the accompanying financial statements.

### Pledges of Future Revenues

The City has pledged future airport revenues to repay \$603,930,000 in various Airport System Revenue Bonds issued in various years since 2006. Proceeds from the bonds provided financing for airport operations. The bonds are payable from airport net revenues and are payable through 2048. Annual principal and interest payments on the bonds are expected to require less than 67% of net revenues. The total principal and interest remaining to be paid on the various Airport System Revenue Bonds is \$758,499,000. Principal and interest funded in the current year and total net revenues (including other available funds) were \$66,589,000 and \$96,766,000 respectively.

The City has pledged future power system revenues, net of specified operating expenses, to repay \$180,083,000 in various Public Power System Revenue Bonds issued in various years since 2008. Proceeds from the bonds provided financing for Public Power System improvements. The bonds are payable from Public Power System net revenues and are payable through 2038. Annual principal and interest payments on the bonds are expected to require less than 65% of net revenues. The total principal and interest remaining to be paid on the various Public Power System Revenue Bonds is \$312,804,000. Principal and interest paid for the current year and total net revenues were \$9,882,000 and \$24,428,000 respectively.

The City has pledged future water system revenues, net of specified operating expenses, to repay \$426,870,000 in various Senior Lien Water Revenue Bonds and Subordinate Lien Bonds issued in various years since 2012. Proceeds from the bonds provided financing for Water System improvements. The bonds are payable from Water System net revenues and are payable through 2042. Annual principal and interest payments on the bonds are expected to require less than 35% of net revenues. The total principal and interest remaining to be paid on the various Senior and Subordinate Lien Water Revenue Bonds is \$537,247,000. Amounts deposited for principal and interest in the current year on the Senior Lien Bonds and total net revenues were \$32,568,000 and \$140,452,000 respectively.

The City has pledged future water pollution control revenues to repay \$30,070,000 in Water Pollution Control Revenue Bonds issued in 2016. Proceeds from the bonds are being used to pay capital costs relating to the acquisition, construction and improvement of the system. The bonds are payable from water pollution control net revenues and are payable through 2045. Annual principal and interest payments on the bonds are expected to require less than 28% of net revenues. The total principal and interest remaining to be paid on the Water Pollution Control Revenue Bonds is \$53,327,000. Principal and interest funded in the current year and total net revenues (including other available funds) were \$2,132,000 and \$7,718,000 respectively.

The City has pledged future revenues from certain parking facilities, net of specified operating expenses and other operating revenues to repay \$7,660,000 of Parking Facilities Refunding Revenue Bonds issued in 2006. Proceeds from the bonds initially issued provided financing for the construction of parking facilities. The bonds are payable from parking facilities net revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require the full amount of net operating revenues. The total principal and interest remaining to be paid on the Parking Facilities Refunding Revenue Bonds is \$8,268,000. Principal and interest paid for the current year (including net swap payments) and total net revenues were \$4,148,000 and \$71,000 respectively.

In 2020, no additional pledged revenue was required to meet the debt service on the Parking Facilities Refunding Revenue Bonds. The trust indenture requires, among other things, that the Division will fix parking rates and will charge and collect fees for the use of the parking facilities and will restrict operating expenses. As of December 31, 2020, the Division of Parking Facilities was in compliance with the terms and requirements of the trust indenture.

### **Derivative Instruments**

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

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

The table below presents the fair value balances and notional amounts of the City's derivative instruments outstanding at December 31, 2020, classified by type and the changes in fair value of these derivatives during fiscal year 2020 as reported in the 2020 financial statements. The fair values of the interest rate swaps, which reflect the prevailing interest rate environment at December 31, 2020 and the specific terms and conditions of each swap, have been provided by the respective counterparty for each swap and confirmed by the City's financial advisor.

|   | <u>Changes in Fair Value</u> |               | <u>Fair Value at December 31, 2020</u> |               |                 |
|---|------------------------------|---------------|--|---------------|-----------------|
|   | <u>Classification</u>        | <u>Amount</u> | <u>Classification</u>                  | <u>Amount</u> | <u>Notional</u> |
| (Amounts in Thousands)                  |                              |               |  |               |                 |
| <b>Investment Derivatives:</b>          |                              |               |  |               |                 |
| <b>Governmental Activities:</b>         |                              |               |  |               |                 |
| Fixed to floating interest rate swap    |                              |               |  |               |                 |
| 2003 Subordinated Income Tax Swaption   | Investment Revenue           | \$ -          | Debt                                   | \$ -          | \$ 20,200       |
| <b>Business-Type Activities:</b>        |                              |               |  |               |                 |
| Floating to floating interest rate swap |                              |               |  |               |                 |
| 2006 Parking Basis Swap                 | Investment Revenue           | 10            | Debt                                   | (4)           | 7,660           |

The table below presents the objective and significant terms of the City's derivative instruments at December 31, 2020, along with the credit rating of each swap counterparty.

| <u>Bonds</u>                     | <u>Type</u>                                   | <u>Objective</u>  | <u>Notional Amount</u> | <u>Effective Date</u> | <u>Maturity Date</u> | <u>Terms</u>   | <u>Counterparty Credit Rating</u> |
|----------------------------------|---|---|------------------------|-----------------------|----------------------|--|-----------------------------------|
| Subordinated<br>Income Tax Bonds | Receive Fixed<br>Interest Rate Swaption       | Hedge of changes in fair<br>value of Series 1994<br>Subordinated Income Tax Bonds | \$ 20,200,000          | 2/7/2003              | 5/15/2024            | If option is exercised,<br>Receive 4.88%, pay<br>SIFMA | Aa2/A+/AA                         |
| 2006 Parking Bonds               | Basis Swap - Pay<br>Floating/Receive Floating | Exchange floating rate<br>payments on Series 2006<br>Parking System Bonds         | \$ 7,660,000           | 8/15/2006             | 9/15/2022            | Pay SIFMA, receive<br>67% of LIBOR                     | A2/A+                             |

## NOTE 6 – RISK MANAGEMENT

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

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

Changes in the estimated claims payable for all funds during the years ended December 31, 2020 and 2019 were as follows:

|   | <u>2020</u>            | <u>2019</u>      |
|---|------------------------|------------------|
|   | (Amounts in Thousands) |                  |
| Estimated claims payable, January 1                               | \$ 18,675              | \$ 11,178        |
| Current year claims (including IBNRs) and changes<br>in estimates | 5,963                  | 16,328           |
| Claim payments  | <u>(11,088)</u>        | <u>(8,831)</u>   |
| Estimated claims payable, December 31                             | <u>\$ 13,550</u>       | <u>\$ 18,675</u> |

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

**Insurance:** Certain proprietary funds carry insurance to cover particular liability risks and property protection. Otherwise, the City is generally self-insured. No material losses, including incurred but not reported losses, occurred in 2020. There was no significant decrease in any insurance coverage in 2020. In addition, there were no insurance settlements in excess of insurance coverage during the past four years.

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

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

Changes in the estimated claims payable for the Health and Prescription Self Insurance Funds during the year ended December 31, 2020 and 2019 were as follows:

|   | <u>2020</u>                   | <u>2019</u>     |
|---|-------------------------------|-----------------|
|   | <b>(Amounts in Thousands)</b> |                 |
| Estimated claims payable, January 1                               | \$ 9,466                      | \$ 9,701        |
| Current year claims (including IBNRs) and changes<br>in estimates | 100,788                       | 97,099          |
| Claim payments  | <u>(98,746)</u>               | <u>(97,334)</u> |
| Estimated claims payable, December 31                             | <u>\$ 11,508</u>              | <u>\$ 9,466</u> |

In January of 2003, the City exercised the option of retrospective rating as the premium rating mechanism for its workers' compensation program. The total estimated claims liability outstanding at December 31, 2020 was \$15,650,000. Of this amount, \$6,013,000 was recorded as a fund liability within each respective fund. The remaining \$9,637,000 is due in future years and is recorded as a liability in the Workers' Compensation Reserve Internal Service Fund. This liability is funded by charging the appropriate funds their proportionate share of this liability and recording the associated due to or due from as appropriate.

#### **NOTE 7 – CONTINGENCIES**

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

As of December 31, 2020, the City had \$16,171,000 in claims for which an unfavorable outcome is deemed to be reasonably possible.

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

**Contingent Liabilities:** The City is a member of American Municipal Power (AMP) and has participated in the AMP Generating Station (AMPGS) Project. This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The City's share was 80,000 kilowatts of a total 771,281 kilowatts, giving the City a 10.37% share. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. In November 2009, the participants voted to terminate the AMPGS Project due to projected escalating costs. These costs were therefore deemed impaired and participants were obligated to pay costs already incurred. In prior years, payment of these costs was not required due to AMP's pursuit of legal action to collect them from Bechtel Corporation (Bechtel). As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014



approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs is \$13,813,694. The City received a credit of \$6,447,719 related to their participation in the AMP Fremont Energy Center (AFEC) Project and another credit of \$3,617,994, related to the AMPGS costs deemed to have future benefit for the project participants, classified as Plant Held for Future Use (PHFU), leaving a net impaired cost estimate of \$3,747,981. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

In late 2016, AMP reached a settlement in the Bechtel litigation. On December 8, 2016, at the AMPGS Participants meeting, options for the allocation of the settlement funds were approved. The AMPGS Participants and the AMP Board of Trustees voted to allocate the settlement among the participants and the AMP General Fund based on each participant's original project share in kW including the AMP General Fund's project share. Since March 31, 2014, the City has made payments of \$2,505,814 to AMP toward its net impaired cost estimate. Also since March 31, 2014, the City's allocation of additional costs incurred by the project is \$168,966 and interest expense incurred on AMP's line-of-credit of \$288,646. As part of the Bechtel Settlement, the City received a credit of \$394,149 against its stranded cost liability, resulting in a net impaired cost estimate at December 31, 2020, of \$1,305,630.

The City does have a potential PHFU liability of \$4,073,013 resulting in a net total potential liability of \$5,378,643, assuming the assets making up the PHFU (principally the land comprising the Meigs County site) has no value and also assuming the City's credit balance would earn zero interest. Stranded costs as well as PHFU costs are subject to change, including future borrowing costs on the AMP line of credit. Activities include negative items such as property taxes as well as positive items like revenue from leases or sale of all or a portion of the Meigs County site property.

The City intends to recover these costs and repay AMP over the next 9 years through a power cost adjustment, thus this incurred cost has been capitalized and reported as a regulated asset, as allowed by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The City intends to recover 50% of these costs from the customers through the Energy Adjustment Charge passed along to customer's monthly bills.

Cleveland Public Power (CPP) has an additional claim that could result in a material adverse effect on the CPP fund. This amount is indeterminable at this time.

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

In addition to the federally assisted Investment Act Grant Programs, the City also received CARES Act funds in 2020. These federal funds are subject to financial and compliance audits by the grantor or their representative and are subject to availability.

## **NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES**

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

The City has the following types of transactions among funds:

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

For the year ended December 31, 2020, transfers consisted of the following:

| Transfers Out            | Transfers In      |                 |                  |                   |                 |               |
|--------------------------|-------------------|-----------------|------------------|-------------------|-----------------|---------------|
|                          | Total             | Public          | Other            | Total             | Enterprise      | Internal      |
|                          |                   | Health          | Governmental     | Governmental      |                 |               |
|                          | Fund              | Funds           | Funds            | Funds             | Funds           |               |
| (Amounts in Thousands)   |                   |                 |                  |                   |                 |               |
| Governmental Funds:      |                   |                 |                  |                   |                 |               |
| General                  | \$ 56,441         | \$ 7,689        | \$ 43,100        | \$ 50,789         | \$ 4,855        | \$ 797        |
| Other Governmental       | <u>51,156</u>     |                 | <u>51,156</u>    | <u>51,156</u>     |                 |               |
| Total Governmental Funds | <u>107,597</u>    | <u>7,689</u>    | <u>94,256</u>    | <u>101,945</u>    | <u>4,855</u>    | <u>797</u>    |
| Total                    | <u>\$ 107,597</u> | <u>\$ 7,689</u> | <u>\$ 94,256</u> | <u>\$ 101,945</u> | <u>\$ 4,855</u> | <u>\$ 797</u> |

**Interfund Balances:** Interfund balances at December 31, 2020 represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records and (3) payments between funds are made. All are expected to be paid within one year.

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

Interfund receivable and payable balances as of December 31, 2020 are as follows:

| Due To                              | Total            | Due From        |                 |                  |                  |                 |              |                 |             |              |                 |                 |
|-------------------------------------|------------------|-----------------|-----------------|------------------|------------------|-----------------|--------------|-----------------|-------------|--------------|-----------------|-----------------|
|                                     |                  | General         | Public          | Other            | Total            | Division        | Division     | Cleveland       | Department  | Other        | Total           | Internal        |
|                                     |                  | Fund            | Health          | Governmental     | Governmental     | of              | of Water     | Public          | of          | Enterprise   | Enterprise      | Service         |
|                                     |                  | Fund            | Fund            | Funds            | Funds            | Water           | Polution     | Power           | Port        | Funds        | Funds           | Funds           |
|                                     |                  |                 |                 |                  |                  | Fund            | Control      | Fund            | Control     | Funds        | Funds           | Funds           |
| (Amounts in Thousands)              |                  |                 |                 |                  |                  |                 |              |                 |             |              |                 |                 |
| Governmental Funds:                 |                  |                 |                 |                  |                  |                 |              |                 |             |              |                 |                 |
| General                             | \$ 3,420         | \$              | \$              | \$ 33            | \$ 33            | \$              | \$ 1         | \$ 1,031        | \$ 2        | \$ 13        | \$ 1,047        | \$ 2,340        |
| Public Health                       | 165              |                 | 90              | 90               | 90               |                 |              | 8               |             |              | 8               | 67              |
| Other Governmental                  | <u>17,197</u>    | 1,643           | 1,325           | 13,760           | 16,728           | 81              |              | 10              |             | 1            | 92              | 377             |
| Total Governmental                  | <u>\$ 20,782</u> |                 |                 |                  |                  |                 |              |                 |             |              |                 |                 |
| Enterprise Funds:                   |                  |                 |                 |                  |                  |                 |              |                 |             |              |                 |                 |
| Division of Water                   | \$ 1,791         | 6               |                 |                  | 6                |                 | 24           | 1,132           |             | 1            | 1,157           | 628             |
| Division of Water Pollution Control | 2,707            |                 |                 | 119              | 119              | 2,542           |              | 9               |             |              | 2,551           | 37              |
| Cleveland Public Power              | 554              | 10              |                 |                  | 10               | 33              |              |                 |             |              | 33              | 511             |
| Department of Port Control          | 1,255            | 962             |                 |                  | 962              |                 | 3            | 19              |             |              | 22              | 271             |
| Other Enterprise                    | <u>123</u>       | 15              |                 |                  | 15               |                 |              | 53              |             |              | 53              | 55              |
| Total Enterprise                    | <u>\$ 6,430</u>  |                 |                 |                  |                  |                 |              |                 |             |              |                 |                 |
| Internal Service Funds              | <u>105</u>       | <u>1</u>        |                 |                  | <u>1</u>         |                 | <u>1</u>     | <u>6</u>        |             | <u>4</u>     | <u>11</u>       | <u>93</u>       |
| Total Due To/Due From               | <u>\$ 27,317</u> | <u>\$ 2,637</u> | <u>\$ 1,415</u> | <u>\$ 13,912</u> | <u>\$ 17,964</u> | <u>\$ 2,656</u> | <u>\$ 29</u> | <u>\$ 2,268</u> | <u>\$ 2</u> | <u>\$ 19</u> | <u>\$ 4,974</u> | <u>\$ 4,379</u> |

**NOTE 9 – INCOME TAXES**

During 2020, the City income tax rate remained at 2.5% and the credit provided to City residents for income taxes paid to other municipalities remained at 100% with a maximum credit limited to 2.5%. A portion of the City income tax is restricted in its use to capital expenditures and debt service and is included in the Restricted Income Tax Special Revenue Fund. All other income tax proceeds are included in the General Fund.

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

**NOTE 10 – PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. The 2019 levy for collection in 2020 was based upon an assessed valuation of approximately \$5.1 billion. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Under current procedures, the City’s share is 4.4 mills, of which 4.35 mills is dedicated to debt service and .05 mills is dedicated to the payment of fire pension obligations. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. The last update was completed in 2018. Assessed values are established by the Cuyahoga County (County) Fiscal Officer. The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City.

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

- Collection Dates                    January 28 and July 15 of the current year
- Lien Date                                January 1 of the year preceding the collection year
- Levy Date                                October 1 of the year preceding the collection year

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

- Collection Dates                    January 28 and July 15 of the current year
- Lien Date                                January 1 of the year preceding the collection year
- Levy Date                                October 1 of the year preceding the collection year

**NOTE 11 – DEFERRED INFLOWS / DEFERRED OUTFLOWS OF RESOURCES**

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

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

On the modified accrual basis of accounting, the City has recorded certain receivables relating to property taxes and unavailable revenue. Unavailable revenues and property taxes levied to finance 2020 operations have been reported as deferred inflows of resources in the governmental fund balance sheet for the following:

|                                      | <u>Governmental Type Funds</u> |                            |                                 | <u>Totals</u>     |
|--------------------------------------|--------------------------------|----------------------------|---------------------------------|-------------------|
|                                      | <u>General</u>                 | <u>Public Health Funds</u> | <u>Other Governmental Funds</u> |                   |
|                                      | (Amounts in Thousands)         |                            |                                 |                   |
| Income taxes receivable              | \$ 21,120                      | \$                         | \$ 2,638                        | \$ 23,758         |
| Property taxes receivable            | 51,671                         |                            | 26,918                          | 78,589            |
| Special assessments receivable       | 10,593                         |                            | 21,599                          | 32,192            |
| Local government receivable          | 9,268                          |                            |                                 | 9,268             |
| Homestead rollback                   | 3,024                          |                            | 1,576                           | 4,600             |
| Emergency medical service receivable | 160                            |                            |                                 | 160               |
| Motor vehicle taxes receivable       |                                |                            | 1,528                           | 1,528             |
| Municipal gas tax receivable         |                                |                            | 1,046                           | 1,046             |
| State gasoline tax receivable        |                                |                            | 3,466                           | 3,466             |
| Due from other governments           | 2,499                          | 3                          | 419                             | 2,921             |
| Accounts receivable                  | <u>650</u>                     |                            |                                 | <u>650</u>        |
| Total deferred inflows of resources  | <u>\$ 98,985</u>               | <u>\$ 3</u>                | <u>\$ 59,190</u>                | <u>\$ 158,178</u> |

## NOTE 12 – DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

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

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

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

| <b>Group A</b>  | <b>Group B</b>  | <b>Group C</b>  |
|---|---|---|
| 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   |
| <b>State and Local</b>  | <b>State and Local</b>  | <b>State and Local</b>  |
| <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit<br>or Age 55 with 25 years of service credit    | <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit<br>or Age 55 with 25 years of service credit    | <b>Age and Service Requirements:</b><br>Age 57 with 25 years of service credit<br>or Age 62 with 5 years of service credit      |
| <b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | <b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | <b>Formula:</b><br>2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual COLA is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.0% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index (CPI), capped at 3.0%.

**Funding Policy:** The ORC provides statutory authority for member and employer contributions. For 2020, member contribution rates were 10.0% of salary and employer contribution rates were 14.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$42,095,000 for 2020. All required payments have been made.

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72.0% of the allowable average annual salary is paid after 33 years of service credit.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.0% or the percent increase, if any, in the CPI over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.0% of their base pension or disability benefit.

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

|  | <u>Police</u>  | <u>Firefighters</u> |
|--|----------------|---------------------|
| <b>2020 Statutory Maximum Contribution Rates</b> |                |                     |
| Employer   | 19.50 %        | 24.00 %             |
| Employee   | 12.25          | 12.25               |
| <b>2020 Actual Contribution Rates</b>            |                |                     |
| Employer:  |                |                     |
| Pension  | 19.00          | 23.50               |
| Post-employment Health Care Benefits             | 0.50           | 0.50                |
| Total Employer                                   | <u>19.50 %</u> | <u>24.00 %</u>      |
| Employee   | 12.25 %        | 12.25 %             |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$38,921,000 for 2020. All required payments have been made.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The net pension liability for OPERS was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019 and was determined by rolling forward the total pension liability as of January 1, 2019 to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

|  | <u>OPERS</u>           | <u>OP&amp;F</u> | <u>Total</u> |
|--|------------------------|-----------------|--------------|
|  | (Amounts in Thousands) |                 |              |
| Proportionate Share of the Net Pension Liability | \$ 388,322             | \$ 504,798      | \$ 893,120   |
| Proportion of the Net Pension Liability          | 1.985574%              | 7.493444%       |              |
| Change in Proportion                             | (0.023422)%            | 0.078806%       |              |
| Pension Expense                                  | \$ 69,476              | \$ 65,234       | \$ 134,710   |

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>OPERS</u>            | <u>OP&amp;F</u>         | <u>Total</u>             |
|--|-------------------------|-------------------------|--------------------------|
|  | (Amounts in Thousands)  |                         |                          |
| <b>Deferred Outflows of Resources</b>  |                         |                         |                          |
| Differences between expected and actual experience                               | \$                      | \$ 19,108               | \$ 19,108                |
| Change in assumptions  | 21,351                  | 12,391                  | 33,742                   |
| Change in City's proportionate share and difference in employer contributions    | 1,069                   | 13,706                  | 14,775                   |
| Contributions subsequent to the measurement date                                 | <u>42,095</u>           | <u>38,921</u>           | <u>81,016</u>            |
| <b>Total Deferred Outflows of Resources</b>                                      | <b><u>\$ 64,515</u></b> | <b><u>\$ 84,126</u></b> | <b><u>\$ 148,641</u></b> |
| <b>Deferred Inflows of Resources</b>   |                         |                         |                          |
| Differences between expected and actual experience                               | \$ 5,873                | \$ 26,034               | \$ 31,907                |
| Net difference between projected and actual earnings on pension plan investments | 78,742                  | 24,386                  | 103,128                  |
| Change in City's proportionate share and difference in employer contributions    | <u>3,029</u>            | <u>8,658</u>            | <u>11,687</u>            |
| <b>Total Deferred Inflows of Resources</b>                                       | <b><u>\$ 87,644</u></b> | <b><u>\$ 59,078</u></b> | <b><u>\$ 146,722</u></b> |

The \$81,016,000 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                          | <u>OPERS</u>              | <u>OP&amp;F</u>           | <u>Total</u>              |
|--------------------------|---------------------------|---------------------------|---------------------------|
|                          | (Amounts in Thousands)    |                           |                           |
| Year Ending December 31: |                           |                           |                           |
| 2021                     | \$ (9,671)                | \$ (4,520)                | \$ (14,191)               |
| 2022                     | (26,319)                  | 2,337                     | (23,982)                  |
| 2023                     | 2,984                     | 11,550                    | 14,534                    |
| 2024                     | (31,506)                  | (21,318)                  | (52,824)                  |
| 2025                     | (210)                     | (1,922)                   | (2,132)                   |
| Thereafter               | <u>(502)</u>              | <u></u>                   | <u>(502)</u>              |
| Total                    | <b><u>\$ (65,224)</u></b> | <b><u>\$ (13,873)</u></b> | <b><u>\$ (79,097)</u></b> |

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |                                      |
|--|--------------------------------------|
| Valuation Date                               | December 31, 2019                    |
| Wage Inflation                               | 3.25%                                |
| Future Salary Increases, including inflation | 3.25 to 10.75%                       |
| COLA or Ad Hoc COLA                          | 3.25%, simple                        |
|  | Pre 1/7/2013 retirees: 3%, simple    |
|  | Post 1/7/2013 retirees: 1.4%, simple |
|  | through 2020, then 2.15%, simple     |
| Investment Rate of Return                    | 7.2%                                 |
| Actuarial Cost Method                        | Individual Entry Age                 |
| Mortality Tables                             | RP-2014                              |

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit Portfolio, the Health Care Portfolio and the Defined Contribution Portfolio. The Defined Benefit Portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit Portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the Defined Benefit Portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit Portfolio was 17.2% for 2019.

The allocation of investment assets with the Defined Benefit Portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

| <b>Asset Class</b>     | <b>Target<br/>Allocation</b> | <b>Weighted Average<br/>Long-Term Expected<br/>Real Rate of Return<br/>(Arithmetic)</b> |
|------------------------|------------------------------|---|
| Fixed Income           | 25.00 %                      | 1.83 %  |
| Domestic Equities      | 19.00                        | 5.75  |
| Real Estate            | 10.00                        | 5.20  |
| Private Equity         | 12.00                        | 10.70   |
| International Equities | 21.00                        | 7.66  |
| Other Investments      | 13.00                        | 4.98  |
| Total                  | <u>100.00 %</u>              | 5.61 %  |

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



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

|   | <u>1% Decrease</u><br><u>6.2%</u> | <u>Current Discount Rate</u><br><u>7.2%</u> | <u>1% Increase</u><br><u>8.2%</u> |
|---|-----------------------------------|---|-----------------------------------|
|   | (Amounts in Thousands)            |   |                                   |
| City's proportionate share of the net pension liability | \$ 578,126                        | \$ 388,322                                  | \$ 230,881                        |

**Actuarial Assumptions – OP&F:** OP&F's total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below:

|                            |                  |
|----------------------------|------------------|
| Valuation Date             | January 1, 2019  |
| Actuarial Cost Method      | Entry Age Normal |
| Investment Rate of Return  | 8.00%            |
| Projected Salary Increases | 3.75%-10.50%     |
| Payroll Increases          | 3.25%            |
| Inflation Assumptions      | 2.75%            |
| Cost of Living Adjustments | 2.20% and 3.00%  |

The most recent experience study was completed December 31, 2016.

**Health Mortality:** Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120.0%.

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019 are summarized below:

| <u>Asset Class</u>            | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------------|--------------------------|---|
| Cash and Cash Equivalents     | %                        | 1.00 %  |
| Domestic Equity               | 16                       | 5.40  |
| Non-US Equity                 | 16                       | 5.80  |
| Private Markets               | 8                        | 8.00  |
| Core Fixed Income *           | 23                       | 2.70  |
| High Yield Fixed Income       | 7                        | 4.70  |
| Private Credit                | 5                        | 5.50  |
| U.S. Inflation Linked Bonds * | 17                       | 2.50  |
| Master Limited Partnerships   | 8                        | 6.60  |
| Real Assets                   | 8                        | 7.40  |
| Private Real Estate           | <u>12</u>                | 6.40  |
| Total                         | <u>120 %</u>             |   |

\* levered 2x

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

**Discount Rate:** The total pension liability was calculated using the discount rate of 8.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State Statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return 8.0%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

|   | <u>1% Decrease</u>            | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|---|-------------------------------|------------------------------|--------------------|
|   | <u>7.0%</u>                   | <u>8.0%</u>                  | <u>9.0%</u>        |
|   | <b>(Amounts in Thousands)</b> |                              |                    |
| City's proportionate share of the net pension liability | \$ 699,633                    | \$ 504,798                   | \$ 341,839         |

## NOTE 13 – DEFINED BENEFIT OPEB PLANS

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

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

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

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

**Plan Description – OPERS:** OPERS administers three separate pension plans: the Traditional Pension Plan, a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan, a defined contribution plan; and the Combined Plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for postemployment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of OPEB as described in GASB Statement No. 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the ORC. Active member contributions do not fund health care.

Each year, the Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0%.

For the year ended December 31, 2020, OPERS did not allocate any employer contributions to the OPEB plan.

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. The report is also available on the OP&F's website at [www.op-f.org](http://www.op-f.org).

**Funding Policy:** The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5% and 24.0% of covered payroll for police and fire employer units, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$961,000 for 2020. All required payments have been made.

**OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:** The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date as of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019 and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

|                                       | <u>OPERS</u>                  | <u>OP&amp;F</u>   |              |
|---------------------------------------|-------------------------------|-------------------|--------------|
| Proportion of the Net OPEB Liability: |                               |                   |              |
| Current Measurement Date              | 1.958141 %                    | 7.493444 %        |              |
| Prior Measurement Date                | <u>1.985567</u>               | <u>7.414638</u>   |              |
| Change in Proportionate Share         | <u>(0.027426) %</u>           | <u>0.078806 %</u> |              |
|                                       |                               |                   | <b>Total</b> |
| Proportionate Share of the Net        | <b>(Amounts in Thousands)</b> |                   |              |
| OPEB Liability                        | \$ 270,468                    | \$ 74,018         | \$ 344,486   |
| OPEB Expense                          | \$ 17,778                     | \$ 10,538         | \$ 28,316    |

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>OPERS</u>                  | <u>OP&amp;F</u>  | <u>Total</u>     |
|---|-------------------------------|------------------|------------------|
| <b>Deferred Outflows of Resources</b>   | <b>(Amounts in Thousands)</b> |                  |                  |
| Differences between expected and actual economic experience   | \$ 7                          | \$               | \$ 7             |
| Changes in assumptions  | 42,815                        | 43,274           | 86,089           |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 203                           | 4,116            | 4,319            |
| Contributions subsequent to the measurement date  |                               | <u>961</u>       | <u>961</u>       |
| <b>Total Deferred Outflows of Resources</b>   | <u>\$ 43,025</u>              | <u>\$ 48,351</u> | <u>\$ 91,376</u> |
| <b>Deferred Inflows of Resources</b>  |                               |                  |                  |
| Differences between expected and actual economic experience   | \$ 24,736                     | \$ 7,960         | \$ 32,696        |
| Changes of assumptions  |                               | 15,774           | 15,774           |
| Net difference between projected and actual earnings on OPEB plan investments                             | 13,772                        | 3,406            | 17,178           |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>3,381</u>                  | <u>3,185</u>     | <u>6,566</u>     |
| <b>Total Deferred Inflows of Resources</b>  | <u>\$ 41,889</u>              | <u>\$ 30,325</u> | <u>\$ 72,214</u> |

The \$961,000 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending December 31: | <u>OPERS</u>           | <u>OP&amp;F</u>  | <u>Total</u>     |
|--------------------------|------------------------|------------------|------------------|
|                          | (Amounts in Thousands) |                  |                  |
| 2021                     | \$ 4,724               | \$ 2,984         | \$ 7,708         |
| 2022                     | 2,284                  | 2,984            | 5,268            |
| 2023                     | 11                     | 3,683            | 3,694            |
| 2024                     | (5,883)                | 2,581            | (3,302)          |
| 2025                     |                        | 3,096            | 3,096            |
| Thereafter               |                        | 1,737            | 1,737            |
| Total                    | <u>\$ 1,136</u>        | <u>\$ 17,065</u> | <u>\$ 18,201</u> |

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date as of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans*:

|   |                         |
|---|-------------------------|
| Wage Inflation  | 3.25%                   |
| Projected Salary Increases,<br>including wage inflation | 3.25% to 10.75%         |
| Single Discount Rate:                                   |                         |
| Current Measurement Date                                | 3.16%                   |
| Prior Measurement Date                                  | 3.96%                   |
| Investment Rate of Return                               | 6.00%                   |
| Municipal Bond Rate:                                    |                         |
| Current Measurement Date                                | 2.75%                   |
| Prior Measurement Date                                  | 3.71%                   |
| Health Care Cost Trend Rate:                            |                         |
| Current Measurement Date                                | 10.50%, initial         |
|   | 3.50%, ultimate in 2030 |
| Prior Measurement Date                                  | 10.00%, initial         |
|   | 3.25%, ultimate in 2029 |
| Actuarial Cost Method                                   | Individual Entry Age    |

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health-care related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Health Care portfolio was 19.7% for 2019.

The allocation of investment assets with the Health Care Portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

| <u>Asset Class</u>           | <u>Target Allocation</u> | <u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|------------------------------|--------------------------|---|
| Fixed Income                 | 36.00 %                  | 1.53 %  |
| Domestic Equities            | 21.00                    | 5.75  |
| Real Estate Investment Trust | 6.00                     | 5.69  |
| International Equities       | 23.00                    | 7.66  |
| Other Investments            | 14.00                    | 4.90  |
| Total                        | <u>100.00 %</u>          | 4.55 %  |

**Discount Rate:** A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2034. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

|  | <u>1% Decrease<br/>(2.16%)</u> | <u>Current<br/>Discount Rate<br/>(3.16%)</u> | <u>1% Increase<br/>(4.16%)</u> |
|--|--------------------------------|--|--------------------------------|
|  | <b>(Amounts in Thousands)</b>  |  |                                |
| City's proportionate share of the net OPEB liability | \$ 353,943                     | \$ 270,468                                   | \$ 203,621                     |

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate:** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

|   | <b>Current Health Care<br/>Cost Trend Rate</b> |                               |                                |
|---|--|-------------------------------|--------------------------------|
|   | <b>1% Decrease<br/>(2.50%)</b>                 | <b>Assumption<br/>(3.50%)</b> | <b>1% Increase<br/>(4.50%)</b> |
|   | <b>(Amounts in Thousands)</b>                  |                               |                                |
| City's proportionate share<br>of the net OPEB liability | \$ 262,481                                     | \$ 270,468                    | \$ 278,342                     |

**Actuarial Assumptions – OP&F:** OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

|                            |  |
|----------------------------|--|
| Valuation Date             | January 1, 2019, with actuarial liabilities<br>rolled forward to December 31, 2019           |
| Actuarial Cost Method      | Entry Age Normal   |
| Investment Rate of Return  | 8.00%  |
| Projected Salary Increases | 3.75% to 10.50%  |
| Payroll Growth             | Inflation rate of 3.25%  |
| Single Discount Rate:      |  |
| Current Measurement Date   | 3.56%  |
| Prior Measurement Date     | 4.66%  |
| Cost of Living Adjustments | 3.00%; 2.20% Simple<br>for increased based on the lesser of the<br>increase in CPI and 3.00% |



Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120.0%.

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

| <u>Asset Class</u>           | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|--------------------------|---|
| Cash and Cash Equivalents    | %                        | 1.00 %  |
| Domestic Equity              | 16                       | 5.40  |
| Non-US Equity                | 16                       | 5.80  |
| Private Markets              | 8                        | 8.00  |
| Core Fixed Income *          | 23                       | 2.70  |
| High Yield Fixed Income      | 7                        | 4.70  |
| Private Credit               | 5                        | 5.50  |
| U.S. Inflation Lined Bonds * | 17                       | 2.50  |
| Master Limited Partnerships  | 8                        | 6.60  |
| Real Assets                  | 8                        | 7.40  |
| Private Real Estate          | 12                       | 6.40  |
| Total                        | <u>120 %</u>             |   |

\* levered 2x

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

**Discount Rate:** The total OPEB liability was calculated using the discount rate of 3.56%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State Statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.0%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75% at December 31, 2019 and 4.13% at December 31, 2018, was blended with the long-term rate of 8.0%, which resulted in a blended discount rate of 3.56%.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:** Net OPEB liability is sensitive to changes in the discount rate and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.56%), or one-percentage-point higher (4.56%) than the current rate.

|   | <b>1% Decrease<br/>(2.56%)</b> | <b>Current<br/>Discount Rate<br/>(3.56%)</b> | <b>1% Increase<br/>(4.56%)</b> |
|---|--------------------------------|--|--------------------------------|
|   | <b>(Amounts in Thousands)</b>  |  |                                |
| City's proportionate share<br>of the net OPEB liability | \$ 91,778                      | \$ 74,018                                    | \$ 59,261                      |

## NOTE 14 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

|  | <b>Balance<br/>January 1,<br/>2020</b> | <b>Additions</b>              | <b>Reductions</b>   | <b>Balance<br/>December 31,<br/>2020</b> |
|--|--|-------------------------------|---------------------|--|
|  |  | <b>(Amounts in Thousands)</b> |                     |  |
| <b>Governmental Activities:</b>              |  |                               |                     |  |
| Capital assets, not being depreciated:       |  |                               |                     |  |
| Land   | \$ 68,513                              | \$ 2,682                      | \$ (3)              | \$ 71,192                                |
| Construction in progress                     | <u>262,618</u>                         | <u>61,845</u>                 | <u>(28,733)</u>     | <u>295,730</u>                           |
| Total capital assets, not being depreciated  | <u>331,131</u>                         | <u>64,527</u>                 | <u>(28,736)</u>     | <u>366,922</u>                           |
| Capital assets, being depreciated:           |  |                               |                     |  |
| Land improvements                            | 228,127                                | 126                           |                     | 228,253                                  |
| Buildings, structures and improvements       | 713,976                                | 1,906                         |                     | 715,882                                  |
| Furniture, fixtures, equipment and vehicles  | 281,524                                | 15,880                        | (6,850)             | 290,554                                  |
| Infrastructure                               | <u>829,211</u>                         | <u>37,013</u>                 | <u>(4,691)</u>      | <u>861,533</u>                           |
| Total capital assets, being depreciated      | <u>2,052,838</u>                       | <u>54,925</u>                 | <u>(11,541)</u>     | <u>2,096,222</u>                         |
| Less accumulated depreciation for:           |  |                               |                     |  |
| Land improvements                            | (152,959)                              | (8,622)                       |                     | (161,581)                                |
| Buildings, structures and improvements       | (362,008)                              | (16,757)                      |                     | (378,765)                                |
| Furniture, fixtures, equipment and vehicles  | (201,143)                              | (15,426)                      | 4,798               | (211,771)                                |
| Infrastructure                               | <u>(415,587)</u>                       | <u>(30,291)</u>               | <u>3,913</u>        | <u>(441,965)</u>                         |
| Total accumulated depreciation               | <u>(1,131,697)</u>                     | <u>(71,096)</u>               | <u>8,711</u>        | <u>(1,194,082)</u>                       |
| Total capital assets being depreciated, net  | <u>921,141</u>                         | <u>(16,171)</u>               | <u>(2,830)</u>      | <u>902,140</u>                           |
| Governmental activities capital assets, net  | <u>\$ 1,252,272</u>                    | <u>\$ 48,356</u>              | <u>\$ (31,566)</u>  | <u>\$ 1,269,062</u>                      |
| <br>   |  |                               |                     |  |
|  | <b>Balance<br/>January 1,<br/>2020</b> | <b>Additions</b>              | <b>Reductions</b>   | <b>Balance<br/>December 31,<br/>2020</b> |
|  |  | <b>(Amounts in Thousands)</b> |                     |  |
| <b>Business-Type Activities:</b>             |  |                               |                     |  |
| Capital assets, not being depreciated:       |  |                               |                     |  |
| Land   | \$ 191,625                             | \$ 288                        | \$ -                | \$ 191,913                               |
| Construction in progress                     | <u>358,671</u>                         | <u>147,263</u>                | <u>(133,230)</u>    | <u>372,704</u>                           |
| Total capital assets, not being depreciated  | <u>550,296</u>                         | <u>147,551</u>                | <u>(133,230)</u>    | <u>564,617</u>                           |
| Capital assets, being depreciated:           |  |                               |                     |  |
| Land improvements                            | 129,217                                | 1,044                         | (272)               | 129,989                                  |
| Utility plant                                | 2,787,295                              | 88,628                        | (10,798)            | 2,865,125                                |
| Buildings, structures and improvements       | 784,934                                | 11,117                        |                     | 796,051                                  |
| Furniture, fixtures, equipment and vehicles  | 816,169                                | 50,617                        | (5,136)             | 861,650                                  |
| Infrastructure                               | <u>1,018,128</u>                       | <u>          </u>             | <u>          </u>   | <u>1,018,128</u>                         |
| Total capital assets, being depreciated      | <u>5,535,743</u>                       | <u>151,406</u>                | <u>(16,206)</u>     | <u>5,670,943</u>                         |
| Less accumulated depreciation for:           |  |                               |                     |  |
| Land improvements                            | (62,369)                               | (3,520)                       | 272                 | (65,617)                                 |
| Utility plant                                | (1,127,910)                            | (66,835)                      | 10,797              | (1,183,948)                              |
| Buildings, structures and improvements       | (481,266)                              | (16,318)                      |                     | (497,584)                                |
| Furniture, fixtures, equipment and vehicles  | (633,183)                              | (36,654)                      | 4,951               | (664,886)                                |
| Infrastructure                               | <u>(748,315)</u>                       | <u>(40,983)</u>               | <u>          </u>   | <u>(789,298)</u>                         |
| Total accumulated depreciation               | <u>(3,053,043)</u>                     | <u>(164,310)</u>              | <u>16,020</u>       | <u>(3,201,333)</u>                       |
| Total capital assets being depreciated, net  | <u>2,482,700</u>                       | <u>(12,904)</u>               | <u>(186)</u>        | <u>2,469,610</u>                         |
| Business-Type activities capital assets, net | <u>\$ 3,032,996</u>                    | <u>\$ 134,647</u>             | <u>\$ (133,416)</u> | <u>\$ 3,034,227</u>                      |

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

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

|  | <u>(Amounts in Thousands)</u> |         |
|--|-------------------------------|---------|
| <b>Governmental Activities:</b>  |                               |         |
| General Government   | \$                            | 26,771  |
| Public Works   |                               | 30,355  |
| Public Safety  |                               | 8,792   |
| Building and Housing   |                               | 120     |
| Community Development  |                               | 1,520   |
| Public Health  |                               | 347     |
| Economic Development   |                               | 303     |
| Depreciation expense on capital assets held by the City's<br>internal service funds that is charged to the various functions<br>based on their usage of the assets |                               | 435     |
| Total depreciation expense charged to governmental activities  | \$                            | 68,643  |
| <br><b>Business-Type Activities:</b>   |                               |         |
| Water  | \$                            | 73,098  |
| Sewer  |                               | 4,721   |
| Electricity  |                               | 22,375  |
| Airport Facilities   |                               | 60,666  |
| Nonmajor activities  |                               | 3,333   |
| Depreciation expense on capital assets held by the City's<br>internal service funds that is charged to the various functions<br>based on their usage of the assets |                               | 115     |
| Total depreciation expense charged to business-type activities   | \$                            | 164,308 |

**Capital Commitments:** Significant commitments of the City as of December 31, 2020 are composed of the following:

| <u>Project Description</u>       | <u>Spent-to-Date</u>          | <u>Remaining<br/>Commitment</u> |
|----------------------------------|-------------------------------|---------------------------------|
|                                  | <u>(Amounts in Thousands)</u> |                                 |
| <b>Governmental Activities:</b>  |                               |                                 |
| Police Headquarters Building     | \$ 1,830                      | \$ 58,170                       |
| East 105 SR 10 Quebec to Chester | 8,286                         | 17,566                          |
| Demo 2020                        | 1,226                         | 12,774                          |
| Ward 1 Recreation Center         | 5,824                         | 11,135                          |
| Pedestrian Bridge                |                               | 9,363                           |
| E/C Street Resurfacing           | 3,825                         | 8,775                           |
| Ken Johnson Recreation Center    | 734                           | 8,283                           |
| Vehicles 2020                    | 2,933                         | 5,536                           |
| Northcoast Pedestrian Bridge     | 7,605                         | 5,471                           |
| CD Financing                     |                               | 5,000                           |
| Demo 2021                        |                               | 5,000                           |
| West 65 Denison to Herman        | 327                           | 4,887                           |
| LED Lighting                     | 23,585                        | 4,815                           |
| Demo 2018                        | 9,223                         | 4,777                           |
| West 130 Brookpark to Lorain     | 947                           | 4,653                           |
| Kovacic Roof and Locker Room     | 3,447                         | 4,491                           |

| <u>Project Description</u>             | <u>Spent-to-Date</u>          | <u>Remaining<br/>Commitment</u> |
|--|-------------------------------|---------------------------------|
|  | <u>(Amounts in Thousands)</u> |                                 |
| <b>Business-Type Activities:</b>       |                               |                                 |
| NAI Phase IV/FAA Phase V               | \$ 86                         | \$ 17,306                       |
| Nottingham Sedimentation Basins        | 8,424                         | 10,232                          |
| Kirtland Crib                          | 436                           | 9,748                           |
| Harvard Denison Interconnect           |                               | 8,500                           |
| Suburban Water Main Renewal            | 8,833                         | 7,763                           |
| Water Main Renewal 2020                | 2,749                         | 7,251                           |
| Sanitary Sewer System Relocation       | 527                           | 6,473                           |
| Secondary Station Improvements Cycle H | 388                           | 6,032                           |
| Crown Improvements                     |                               | 6,000                           |
| Suburban Water Main                    |                               | 5,845                           |
| General Engineering Services XII       | 612                           | 5,388                           |
| Baldwin Filter Underdrain              | 60                            | 5,000                           |
| Water Main Renewal 2021                |                               | 5,000                           |
| Vehicles 2020                          |                               | 4,987                           |
| Truck Main Renewal 2016                | 4,648                         | 4,352                           |

**Capital Grant Programs:** The City participates in the State Issue 2 program and the Local Transportation Improvement Program. Through these programs, the State of Ohio (State) provides financial assistance to the City for its various road and bridge improvements and storm water detention facilities. The Ohio Public Works Commission (OPWC) is the State agency which oversees the allocation of State bond proceeds and tax revenue to selected projects which have met funding requirements. Upon approval of the OPWC, the City and the State create project agreements establishing each entity's financial contribution toward each project. During 2020, the State funded \$7,855,243 of road and bridge improvement projects.

**Capitalized Interest:** Interest expense incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest income earned on invested debt proceeds. For 2020, interest expense incurred for the Enterprise Funds was \$58,250,000 of which \$2,866,000 was capitalized net of \$31,000 of interest income capitalized.

#### **NOTE 15 – SERVICE CONCESSION ARRANGEMENTS**

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

The City reports the golf courses and related equipment as a capital asset with a carrying amount of \$2,689,000 at year end.

#### **NOTE 16 – SEGMENT INFORMATION**

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

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

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

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

**Condensed Statement of Net Position Information**

|                                  | <b>Municipal<br/>Parking Lots</b> |                      |
|----------------------------------|-----------------------------------|----------------------|
|                                  | <b>(Amounts in Thousands)</b>     |                      |
| Assets:                          |                                   |                      |
| Current assets                   | \$                                | 5,413                |
| Restricted assets                |                                   | 8,945                |
| Capital assets, net              |                                   | <u>35,998</u>        |
| Total assets                     |                                   | 50,356               |
| Deferred outflows of resources   |                                   | 448                  |
| Liabilities:                     |                                   |                      |
| Current liabilities              |                                   | 4,275                |
| Long-term liabilities            |                                   | <u>6,001</u>         |
| Total liabilities                |                                   | 10,276               |
| Deferred inflows of resources    |                                   | 393                  |
| Net position:                    |                                   |                      |
| Net investment in capital assets |                                   | 31,537               |
| Restricted for debt service      |                                   | 5,797                |
| Unrestricted                     |                                   | <u>2,801</u>         |
| Total net position               | \$                                | <u><u>40,135</u></u> |

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

|                                    | <b>Municipal<br/>Parking Lots</b> |                      |
|------------------------------------|-----------------------------------|----------------------|
|                                    | <b>(Amounts in Thousands)</b>     |                      |
| Charges for services               | \$                                | 3,875                |
| Depreciation (expense)             |                                   | (1,721)              |
| Other operating (expenses)         |                                   | <u>(3,695)</u>       |
| Operating income (loss)            |                                   | (1,541)              |
| Non-operating revenues (expenses): |                                   |                      |
| Investment income (loss)           |                                   | 63                   |
| Interest expense                   |                                   | (614)                |
| Capital contributions              |                                   | 177                  |
| Operating transfers in             |                                   | <u>2,000</u>         |
| Change in net position             |                                   | 85                   |
| Net position at beginning of year  |                                   | <u>40,050</u>        |
| Net position at end of year        | \$                                | <u><u>40,135</u></u> |

**Condensed Statement of Cash Flows Information**

|  | <b>Municipal<br/>Parking Lots</b> |                      |
|--|-----------------------------------|----------------------|
|  | <b>(Amounts in Thousands)</b>     |                      |
| Net cash provided by (used for):                     |                                   |                      |
| Operating activities                                 | \$                                | (192)                |
| Noncapital financing activities                      |                                   | 2,000                |
| Capital and related financing activities             |                                   | (4,148)              |
| Investing activities                                 |                                   | 71                   |
| Net increase (decrease) in cash and cash equivalents |                                   | <u>(2,269)</u>       |
| Beginning cash and cash equivalents                  |                                   | <u>16,572</u>        |
| Ending cash and cash equivalents                     | \$                                | <u><u>14,303</u></u> |

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

| <b><u>Purpose</u></b>                 | <b><u>Division<br/>of<br/>Water</u></b> | <b><u>Cleveland<br/>Public<br/>Power</u></b> | <b><u>Department<br/>of Port<br/>Control</u></b> | <b><u>Municipal<br/>Parking<br/>Lots</u></b> | <b><u>Cemeteries</u></b> | <b><u>Water<br/>Pollution<br/>Control</u></b> |
|---------------------------------------|---|--|--|--|--------------------------|---|
|                                       |   |  | <b>(Amounts in Thousands)</b>                    |  |                          |   |
| Construction activities               | \$ 9,100                                | \$ 2,399                                     | \$ 31,960  | \$ 3,148                                     | \$                       | \$ 1,517                                      |
| Debt retirement                       | 31,078                                  | 2,663  | 123,710  | 5,797  |                          | 2,672   |
| Accrued passenger<br>facility charges |   |  | 18,720   |  |                          |   |
| Other                                 | <u>1</u>                                |  | <u>54,752</u>                                    |  | <u>4,826</u>             |   |
| Total                                 | <u>\$ 40,179</u>                        | <u>\$ 5,062</u>                              | <u>\$ 229,142</u>                                | <u>\$ 8,945</u>                              | <u>\$ 4,826</u>          | <u>\$ 4,189</u>                               |



**NOTE 17 – FUND BALANCES / NET POSITION**

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

Below are the fund balance classifications for the governmental funds by category with specific purpose information at December 31, 2020:

|   | <u>General<br/>Fund</u> | <u>Public<br/>Health</u> | <u>Other<br/>Governmental</u> | <u>Total<br/>Governmental</u> |
|---|-------------------------|--------------------------|-------------------------------|-------------------------------|
|   | (Amounts in Thousands)  |                          |                               |                               |
| Fund Balances                             |                         |                          |                               |                               |
| Nonspendable                              |                         |                          |                               |                               |
| Prepaid expenses and other assets         | \$ 8,082                | \$ 32                    | \$ 128                        | \$ 8,242                      |
| Nonspendable Total                        | 8,082                   | 32                       | 128                           | 8,242                         |
| Restricted                                |                         |                          |                               |                               |
| Debt Service                              |                         |                          | 102,918                       | 102,918                       |
| Recreation capital expenditures           |                         |                          | 47,938                        | 47,938                        |
| Public Facilities capital expenditures    |                         |                          | 84,333                        | 84,333                        |
| Road & Bridges capital expenditures       |                         |                          | 83,261                        | 83,261                        |
| Cemetery capital expenditures             |                         |                          | 106                           | 106                           |
| Stadium capital expenditures              |                         |                          | 5,381                         | 5,381                         |
| Other capital expenditures                |                         |                          | 6,971                         | 6,971                         |
| Repair & building of streets              |                         |                          | 14,412                        | 14,412                        |
| Health & wellness                         |                         | 1,897                    |                               | 1,897                         |
| Protection & enforcement                  |                         |                          | 4,063                         | 4,063                         |
| Housing, community & economic development |                         |                          | 55,715                        | 55,715                        |
| Parks, properties & recreational services |                         |                          | 488                           | 488                           |
| Municipal Court                           |                         |                          | 6,997                         | 6,997                         |
| Casino                                    |                         |                          | 5,309                         | 5,309                         |
| Neighborhood & sidewalk maintenance       |                         |                          | 2,234                         | 2,234                         |
| Utilities programs                        |                         |                          | 69                            | 69                            |
| General governance                        |                         |                          | 348                           | 348                           |
| Restricted Total                          | -                       | 1,897                    | 420,543                       | 422,440                       |
| Committed                                 |                         |                          |                               |                               |
| Health & wellness                         |                         | 584                      |                               | 584                           |
| Protection & enforcement                  |                         |                          | 1,215                         | 1,215                         |
| Parks, properties & recreational services |                         |                          | 754                           | 754                           |
| Housing, community & economic development |                         |                          | 57,975                        | 57,975                        |
| Municipal Court                           |                         |                          | 1,324                         | 1,324                         |
| Neighborhood & sidewalk maintenance       |                         |                          | 4,181                         | 4,181                         |
| Lakefront management                      |                         |                          | 2,659                         | 2,659                         |
| Utilities programs                        |                         |                          | 129                           | 129                           |
| General governance                        |                         |                          | 693                           | 693                           |
| Committed Total                           | -                       | 584                      | 68,930                        | 69,514                        |
| Assigned                                  |                         |                          |                               |                               |
| General governance                        | 11,514                  |                          |                               | 11,514                        |
| Protection & enforcement                  | 6,260                   |                          |                               | 6,260                         |
| Parks, properties & recreational services | 2,679                   |                          |                               | 2,679                         |
| Housing, community & economic development | 2,160                   |                          |                               | 2,160                         |
| Other purpose                             | 61,987                  |                          |                               | 61,987                        |
| Assigned Total                            | 84,600                  | -                        | -                             | 84,600                        |
| Unassigned                                | 121,872                 |                          |                               | 121,872                       |
| Total Fund Balances                       | <u>\$ 214,554</u>       | <u>\$ 2,513</u>          | <u>\$ 489,601</u>             | <u>\$ 706,668</u>             |

**Net Position:** Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings issued to acquire, construct or improve those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Net position is restricted for debt service, loans and other purposes. Other purposes include street construction and maintenance, grant programs and debt or capital funding from restricted income tax.

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

**NOTE 18 – GATEWAY ECONOMIC DEVELOPMENT CORPORATION**

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

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

In 2020, net revenues generated by the remaining Gateway garage were less than the debt service payments attributed to that garage by \$2,785,000. Cumulative debt service payments funded by the City that are due from Gateway totaled \$57,071,000 at December 31, 2020. Due to the uncertainty of collecting such amounts, an allowance has been recorded to offset the amounts in full; therefore, these amounts do not appear in the accompanying financial statements.

To enhance the security of the bonds issued by the County for the construction of facilities at Gateway, the City has agreed to pledge annually a percentage of admissions taxes on all events held at the arena to pay debt service if other revenue sources are not sufficient. Any exempted admissions tax not required for debt service will be reimbursed to the City. The City’s current admissions tax rate is 8%. For the year ended December 31, 2020, the City pledged \$1,421,071.

**NOTE 19 – COMPLIANCE AND ACCOUNTABILITY**

At December 31, 2020, the following funds had a net position deficiency. These deficiencies are the result of changes in accounting for net pension and net OPEB liabilities for which there are no repayment schedules.

|                                     | <u>Amount</u>                 |
|-------------------------------------|-------------------------------|
|                                     | <u>(Amounts in Thousands)</u> |
| Printing and Reproduction           | \$ 263                        |
| Utilities Administration            | 16,815                        |
| Sinking Fund Administration         | 575                           |
| Municipal Income Tax Administration | 11,357                        |
| Telephone Exchange                  | 868                           |

## **NOTE 20 – TAX ABATEMENTS**

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

### ***Community Reinvestment Area (CRA)***

Pursuant to Ohio Revised Code 3735, the City established a Community Reinvestment Area which includes all land within the boundaries of the City. The City authorizes abatements through passage of public ordinances, based on residential investment criteria and through an application process, including proof that the improvements have been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill.

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

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

### ***Ohio Enterprise Zone Program***

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

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

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

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

***Tax Increment Financing (TIF)***

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

A TIF works by locking in the taxable worth of real property at the value it holds at the time the authorizing legislation was approved by City Council. Payments derived from a percentage of the increased assessed value of any improvement to real property beyond that amount are directed towards a separate fund to finance construction of public infrastructure defined within the TIF legislation. While the property holders continue to pay their full property taxes, the incremental payments above the base value are called paid-in-lieu of taxes (PILOT).

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

As a result of these projects, thousands of jobs have been created, adding millions of dollars to the City in total payroll and income tax revenue generated annually.

Below is the information relevant to the disclosure of these programs for the year ended December 31, 2020.

| <u>Tax Abatement Program</u>      | <u>Total Amount of<br/>Taxes Abated<br/>For the year 2020</u><br>(Amounts in Thousands) |
|-----------------------------------|---|
| Community Reinvestment Area (CRA) | \$ 4,371  |
| Enterprise Zone Program           | 228   |
| Tax Increment Financing (TIF)     | 2,377   |

**NOTE 21 - RESTATEMENT**

For year ending December 31, 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of state and local governments. Certain activities previously reported in agency funds no longer meet the definition of fiduciary activity.

The implementation of GASB Statement No. 84 had the following effect on the Statement of Changes in Fiduciary Net Position.

|                                      | <u>Custodial Funds</u><br>(Amounts in Thousands) |
|--------------------------------------|--|
| Net Position, as previously reported | \$ -   |
| Adjustments:                         |  |
| Custodial Funds                      | 5,793  |
| Net Position, as restated            | <u>\$ 5,793</u>                                  |

## **NOTE 22 – ASSET RETIREMENT OBLIGATION**

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment system and the permit would specify the procedures required to dispose of all or part of the sewage treatment system. At this time, the City does not have an approved permit from Ohio EPA to dispose of all or part of their sewage treatment system. Due to the lack of specific legal requirements for retiring the sewage treatment system, the City has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

## **NOTE 23 – SUBSEQUENT EVENTS**

On March 1, 2021, the City entered into a Second Amended and Restated Continuing Covenants Agreement with Wells Fargo Municipal Capital Strategies, LLC with regard to the \$69,900,000 2010B Stadium Certificates of Participation. Effective March 18, 2021, the interest rate being paid by the City converted from a variable rate to a fixed rate of interest for the period from March 18, 2021 to November 14, 2023.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law. The City anticipates it will receive approximately \$512.0 million in funding. The funds are to be distributed in two disbursements. The first occurred in June 2021. The second disbursement is anticipated one year later. The City is awaiting formal guidelines from the U.S. Treasury before determining how the funds will be used.

On March 22, 2021, City Council approved legislation authorizing the issuance not to exceed \$58,500,000 of General Obligation Bonds. These bonds will be issued to fund park and recreation improvements, public facility improvements and road and bridge improvements.

Also on March 22, 2021, City Council approved legislation authorizing the issuance not to exceed \$65,000,000 of Subordinate Lien Income Tax Bonds. These bonds will be issued to provide funds for public facility improvements, specifically for the construction of a new police headquarters and for renovations needed for a new training facility.

City Council also approved on March 22, 2021, legislation in an amount not to exceed \$16,000,000 for the issuance of Economic and Community Development Bonds (Core City Fund). These bonds will be paid with non-tax revenues of the City and will fund loans for the acquisition, construction, equipping or improvement of industrial and commercial development for the purpose of creating or preserving jobs and employment opportunities in the City.

Effective May 3, 2021, the City entered into an agreement with U.S. Bank National Association under which the bank became the purchaser of the City's outstanding \$19,160,000 Taxable Economic and Community Development Refunding Revenue Bonds, Series 2013A (Core City Fund). Under this agreement, the City will be paying a fixed rate of interest for the period from May 3, 2021 to May 3, 2024.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

CITY OF CLEVELAND, OHIO

Required Supplementary Information

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

|  | 2020                   | 2019       | 2018       | 2017       | 2016       | 2015       | 2014       |
|--|------------------------|------------|------------|------------|------------|------------|------------|
|  | (Amounts in Thousands) |            |            |            |            |            |            |
| City's Proportion of the Net Pension Liability   | 1.985574%              | 2.008996%  | 1.988234%  | 1.918603%  | 1.991565%  | 2.005665%  | 2.005665%  |
| City's Proportionate Share of the Net Pension Liability  | \$ 388,322             | \$ 547,978 | \$ 309,209 | \$ 434,615 | \$ 343,995 | \$ 241,132 | \$ 236,084 |
| City's Covered Payroll   | \$ 295,329             | \$ 287,186 | \$ 265,054 | \$ 254,500 | \$ 253,925 | \$ 250,992 | \$ 227,331 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 131.49%                | 190.81%    | 116.66%    | 170.77%    | 135.47%    | 96.07%     | 103.85%    |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 82.17%                 | 74.70%     | 84.66%     | 77.25%     | 81.08%     | 86.45%     | 86.36%     |

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

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

**Notes to Schedule:**

*Change in assumptions.* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.0% down to 7.5% (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.5% down to 7.2%. There are no changes for 2020.

**CITY OF CLEVELAND, OHIO**

**Required Supplementary Information (Continued)**

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

|   | 2020            | 2019            | 2018            | 2017            | 2016            | 2015            | 2014            | 2013            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually Required Contributions                                  | \$ 42,095       | \$ 41,346       | \$ 40,206       | \$ 34,457       | \$ 30,540       | \$ 30,471       | \$ 30,119       | \$ 29,553       |
| Contributions in Relation to the Contractually Required Contributions | <u>(42,095)</u> | <u>(41,346)</u> | <u>(40,206)</u> | <u>(34,457)</u> | <u>(30,540)</u> | <u>(30,471)</u> | <u>(30,119)</u> | <u>(29,553)</u> |
| Contribution Deficiency (Excess)                                      | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| City's Covered Payroll  | \$ 300,679      | \$ 295,329      | \$ 287,186      | \$ 265,054      | \$ 254,500      | \$ 253,925      | \$ 250,992      | \$ 227,331      |
| Contributions as a Percentage of Covered Payroll                      | 14.00%          | 14.00%          | 14.00%          | 13.00%          | 12.00%          | 12.00%          | 12.00%          | 13.00%          |

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



CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

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

|  | 2020       | 2019       | 2018       | 2017                   | 2016       | 2015       | 2014       |
|--|------------|------------|------------|------------------------|------------|------------|------------|
|  |            |            |            | (Amounts in Thousands) |            |            |            |
| City's Proportion of the Net Pension Liability   | 7.493444%  | 7.414638%  | 7.316628%  | 7.413054%              | 7.121475%  | 7.672388%  | 7.672388%  |
| City's Proportionate Share of the Net Pension Liability  | \$ 504,798 | \$ 605,230 | \$ 449,054 | \$ 469,535             | \$ 458,129 | \$ 397,462 | \$ 373,669 |
| City's Covered Payroll   | \$ 182,586 | \$ 168,650 | \$ 156,994 | \$ 157,731             | \$ 160,828 | \$ 154,514 | \$ 187,096 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 276.47%    | 358.87%    | 286.03%    | 297.68%                | 284.86%    | 257.23%    | 199.72%    |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                     | 69.89%     | 63.07%     | 70.91%     | 68.36%                 | 66.77%     | 71.71%     | 73.00%     |

- (1) Information presented for each year was determined as of the City's measurement date, which is the prior year end.
- (2) Information prior to 2014 is not available. The City will continue to present information for years available until a full ten-year trend is compiled.

**Notes to Schedule:**

*Change in assumptions.* In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ending December 31, 2016. Significant changes included a reduction of the discount rate from 8.25% to 8.00%, a reduction in the wage inflation rate from 3.75% to 3.25% and transition from the RP-2000 mortality tables to the RP-2014 mortality tables. There are no changes for 2020.

CITY OF CLEVELAND, OHIO

Required Supplementary Information (Continued)

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

|  | 2020            | 2019            | 2018            | 2017            | 2016            | 2015            | 2014            | 2013            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually Required Contributions                                     | \$ 38,921       | \$ 37,704       | \$ 34,978       | \$ 32,482       | \$ 32,808       | \$ 33,420       | \$ 32,108       | \$ 31,956       |
| Contributions in Relation to the Contractually<br>Required Contributions | <u>(38,921)</u> | <u>(37,704)</u> | <u>(34,978)</u> | <u>(32,482)</u> | <u>(32,808)</u> | <u>(33,420)</u> | <u>(32,108)</u> | <u>(31,956)</u> |
| Contribution Deficiency (Excess)   | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| City's Covered Payroll   | \$ 192,200      | \$ 182,586      | \$ 168,650      | \$ 156,994      | \$ 157,731      | \$ 160,828      | \$ 154,514      | \$ 187,096      |
| Contributions as a Percentage of<br>Covered Payroll                      | 20.25%          | 20.65%          | 20.74%          | 20.69%          | 20.80%          | 20.78%          | 20.78%          | 17.08%          |

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

**CITY OF CLEVELAND, OHIO**

**Required Supplementary Information (Continued)**

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

|   | 2020                   | 2019       | 2018       | 2017       |
|---|------------------------|------------|------------|------------|
|   | (Amounts in Thousands) |            |            |            |
| City's Proportion of the Net OPEB Liability   | 1.958141%              | 1.985567%  | 1.955919%  | 1.884621%  |
| City's Proportionate Share of the Net OPEB Liability  | \$ 270,468             | \$ 258,873 | \$ 212,398 | \$ 190,355 |
| City's Covered Payroll  | \$ 295,329             | \$ 287,186 | \$ 287,186 | \$ 265,054 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 91.58%                 | 90.14%     | 73.96%     | 71.82%     |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                     | 47.80%                 | 46.33%     | 54.14%     | 54.04%     |

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

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

**Note to Schedule:**

In 2018, the single discount rate changed from 4.23% to 3.85%. In 2019, the single discount rate changed from 3.85% to 3.96%, the investment rate at return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2020 to 10.5% initial, 3.50% ultimate in 2030.

**CITY OF CLEVELAND, OHIO**

**Required Supplementary Information (Continued)**

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

|   | 2020        | 2019        | 2018        | 2017           | 2016           |
|---|-------------|-------------|-------------|----------------|----------------|
| Contractually Required Contributions                                  | \$ -        | \$ -        | \$ -        | \$ 2,651       | \$ 5,090       |
| Contributions in Relation to the Contractually Required Contributions |             |             |             | <u>(2,651)</u> | <u>(5,090)</u> |
| Contribution Deficiency (Excess)                                      | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>    | <u>\$ -</u>    |
| City's Covered Payroll  | \$ 300,679  | \$ 295,329  | \$ 287,186  | \$ 265,054     | \$ 254,500     |
| Contributions as a Percentage of Covered Payroll                      | 0.00%       | 0.00%       | 0.00%       | 1.00%          | 2.00%          |

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

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

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

**CITY OF CLEVELAND, OHIO**

**Required Supplementary Information (Continued)**

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

|   | 2020                   | 2019       | 2018       | 2017       |
|---|------------------------|------------|------------|------------|
|   | (Amounts in Thousands) |            |            |            |
| City's Proportion of the Net OPEB Liability   | 7.493444%              | 7.414638%  | 7.316628%  | 7.413054%  |
| City's Proportionate Share of the Net OPEB Liability  | \$ 74,018              | \$ 67,521  | \$ 414,550 | \$ 351,881 |
| City's Covered Payroll  | \$ 182,586             | \$ 168,650 | \$ 168,650 | \$ 156,994 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 40.54%                 | 40.04%     | 245.80%    | 224.14%    |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                     | 47.08%                 | 46.57%     | 14.13%     | 15.96%     |

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

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

**Note to Schedule:**

For 2020, the single discount rate changed from 4.66% to 3.56%

**CITY OF CLEVELAND, OHIO**

**Required Supplementary Information (Continued)**

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

|   | 2020         | 2019         | 2018         | 2017         | 2016         |
|---|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contributions                                  | \$ 961       | \$ 929       | \$ 866       | \$ 801       | \$ 789       |
|   | <u>(961)</u> | <u>(929)</u> | <u>(866)</u> | <u>(801)</u> | <u>(789)</u> |
| Contributions in Relation to the Contractually Required Contributions |              |              |              |              |              |
| Contribution Deficiency (Excess)                                      | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| City's Covered Payroll  | \$ 192,200   | \$ 182,586   | \$ 168,650   | \$ 156,994   | \$ 157,731   |
| Contributions as a Percentage of Covered Payroll                      | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        |

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

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# **SUPPLEMENTARY INFORMATION**



**CITY OF CLEVELAND, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
GENERAL FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>  | <b>Variance-<br/>Positive<br/>(Negative)</b> |
|--|----------------------------|-------------------------|----------------|--|
| <b>REVENUES:</b>                               |                            |                         |                |  |
| Income taxes                                   | \$ 444,330                 | \$ 411,000              | \$ 410,100     | \$ (900)                                     |
| Property taxes                                 | 38,749                     | 38,749                  | 38,373         | (376)  |
| State local government funds                   | 26,289                     | 26,289                  | 25,504         | (785)  |
| Other taxes                                    | 40,830                     | 26,491                  | 17,939         | (8,552)                                      |
| Other shared revenues                          | 13,728                     | 13,728                  | 10,689         | (3,039)                                      |
| Licenses and permits                           | 19,658                     | 19,658                  | 15,956         | (3,702)                                      |
| Charges for services                           | 36,164                     | 36,164                  | 33,575         | (2,589)                                      |
| Fines, forfeits and settlements                | 10,917                     | 10,917                  | 6,934          | (3,983)                                      |
| Investment earnings                            | 4,300                      | 4,300                   | 1,715          | (2,585)                                      |
| Grants   | 417                        | 60,417                  | 60,005         | (412)  |
| Miscellaneous                                  | 28,017                     | 28,017                  | 29,368         | 1,351  |
| <b>TOTAL REVENUES</b>                          | <u>663,399</u>             | <u>675,730</u>          | <u>650,158</u> | <u>(25,572)</u>                              |
| <b>EXPENDITURES:</b>                           |                            |                         |                |  |
| <b>Current:</b>                                |                            |                         |                |  |
| <b>General Government:</b>                     |                            |                         |                |  |
| <b>Council and clerk of council:</b>           |                            |                         |                |  |
| Personnel                                      | 5,615                      | 5,615                   | 5,517          | 98   |
| Other  | 2,340                      | 2,340                   | 1,476          | 864  |
| <b>Total council and clerk of council</b>      | <u>7,955</u>               | <u>7,955</u>            | <u>6,993</u>   | <u>962</u>                                   |
| <b>Municipal court-judicial division:</b>      |                            |                         |                |  |
| Personnel                                      | 21,955                     | 20,455                  | 18,179         | 2,276  |
| Other  | 4,066                      | 4,716                   | 3,906          | 810  |
| <b>Total municipal court-judicial division</b> | <u>26,021</u>              | <u>25,171</u>           | <u>22,085</u>  | <u>3,086</u>                                 |
| <b>Municipal court-clerks division:</b>        |                            |                         |                |  |
| Personnel                                      | 11,067                     | 11,067                  | 9,957          | 1,110  |
| Other  | 2,455                      | 2,455                   | 1,808          | 647  |
| <b>Total municipal court-clerks division</b>   | <u>13,522</u>              | <u>13,522</u>           | <u>11,765</u>  | <u>1,757</u>                                 |
| <b>Municipal court-housing division:</b>       |                            |                         |                |  |
| Personnel                                      | 4,700                      | 4,700                   | 3,934          | 766  |
| Other  | 406                        | 406                     | 142            | 264  |
| <b>Total municipal court-housing division</b>  | <u>5,106</u>               | <u>5,106</u>            | <u>4,076</u>   | <u>1,030</u>                                 |
| <b>Office of the mayor:</b>                    |                            |                         |                |  |
| Personnel                                      | 2,858                      | 2,848                   | 2,028          | 820  |
| Other  | 103                        | 113                     | 75             | 38   |
| <b>Total office of the mayor</b>               | <u>2,961</u>               | <u>2,961</u>            | <u>2,103</u>   | <u>858</u>                                   |
| <b>Office of capital projects:</b>             |                            |                         |                |  |
| Personnel                                      | 6,294                      | 6,294                   | 5,863          | 431  |
| Other  | 676                        | 676                     | 469            | 207  |
| <b>Total office of capital projects</b>        | <u>6,970</u>               | <u>6,970</u>            | <u>6,332</u>   | <u>638</u>                                   |

**CITY OF CLEVELAND, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
GENERAL FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance-<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---------------|--|
| Office of quality control and performance management:      |                            |                         |               |  |
| Personnel  | \$ 1,074                   | \$ 1,074                | \$ 1,071      | \$ 3   |
| Other  | <u>145</u>                 | <u>145</u>              | <u>35</u>     | <u>110</u>                                   |
| Total office of quality control and performance management | <u>1,219</u>               | <u>1,219</u>            | <u>1,106</u>  | <u>113</u>                                   |
| Landmarks commission:                                      |                            |                         |               |  |
| Personnel  | 207                        | 207                     | 193           | 14   |
| Other  | <u>12</u>                  | <u>12</u>               | <u>5</u>      | <u>7</u>                                     |
| Total landmarks commission                                 | <u>219</u>                 | <u>219</u>              | <u>198</u>    | <u>21</u>                                    |
| Board of building standards and appeals:                   |                            |                         |               |  |
| Personnel  | 131                        | 131                     | 122           | 9  |
| Other  | <u>28</u>                  | <u>28</u>               | <u>5</u>      | <u>23</u>                                    |
| Total board of building standards and appeals              | <u>159</u>                 | <u>159</u>              | <u>127</u>    | <u>32</u>                                    |
| Board of zoning appeals:                                   |                            |                         |               |  |
| Personnel  | 210                        | 212                     | 212           | -  |
| Other  | <u>26</u>                  | <u>24</u>               | <u>14</u>     | <u>10</u>                                    |
| Total board of zoning appeals                              | <u>236</u>                 | <u>236</u>              | <u>226</u>    | <u>10</u>                                    |
| Civil service commission:                                  |                            |                         |               |  |
| Personnel  | 777                        | 777                     | 586           | 191  |
| Other  | <u>694</u>                 | <u>694</u>              | <u>311</u>    | <u>383</u>                                   |
| Total civil service commission                             | <u>1,471</u>               | <u>1,471</u>            | <u>897</u>    | <u>574</u>                                   |
| Community relations board:                                 |                            |                         |               |  |
| Personnel  | 1,855                      | 1,855                   | 1,667         | 188  |
| Other  | <u>386</u>                 | <u>386</u>              | <u>278</u>    | <u>108</u>                                   |
| Total community relations board                            | <u>2,241</u>               | <u>2,241</u>            | <u>1,945</u>  | <u>296</u>                                   |
| City planning commission:                                  |                            |                         |               |  |
| Personnel  | 2,038                      | 2,038                   | 1,733         | 305  |
| Other  | <u>335</u>                 | <u>335</u>              | <u>223</u>    | <u>112</u>                                   |
| Total city planning commission                             | <u>2,373</u>               | <u>2,373</u>            | <u>1,956</u>  | <u>417</u>                                   |
| Boxing and wrestling commission:                           |                            |                         |               |  |
| Personnel  | <u>29</u>                  | <u>29</u>               | <u>17</u>     | <u>12</u>                                    |
| Total boxing and wrestling commission                      | <u>29</u>                  | <u>29</u>               | <u>17</u>     | <u>12</u>                                    |
| Office of sustainability:                                  |                            |                         |               |  |
| Personnel  | 807                        | 807                     | 753           | 54   |
| Other  | <u>510</u>                 | <u>510</u>              | <u>220</u>    | <u>290</u>                                   |
| Total office of sustainability                             | <u>1,317</u>               | <u>1,317</u>            | <u>973</u>    | <u>344</u>                                   |

(Continued)

**CITY OF CLEVELAND, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
GENERAL FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance-<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---------------|--|
| Office of equal opportunity:                         |                            |                         |               |  |
| Personnel  | \$ 786                     | \$ 786                  | \$ 650        | \$ 136                                       |
| Other  | <u>151</u>                 | <u>151</u>              | <u>133</u>    | <u>18</u>                                    |
| Total office of equal opportunity                    | <u>937</u>                 | <u>937</u>              | <u>783</u>    | <u>154</u>                                   |
| Office of Prevention, Intervention, and Opportunity: |                            |                         |               |  |
| Personnel  | 1,277                      | 1,277                   | 311           | 966  |
| Other  | <u>3,266</u>               | <u>3,266</u>            | <u>3,051</u>  | <u>215</u>                                   |
| Total office of equal opportunity                    | <u>4,543</u>               | <u>4,543</u>            | <u>3,362</u>  | <u>1,181</u>                                 |
| Office of budget and management:                     |                            |                         |               |  |
| Personnel  | 848                        | 848                     | 668           | 180  |
| Other  | <u>33</u>                  | <u>33</u>               | <u>4</u>      | <u>29</u>                                    |
| Total office of budget and management                | <u>881</u>                 | <u>881</u>              | <u>672</u>    | <u>209</u>                                   |
| Department of aging:                                 |                            |                         |               |  |
| Personnel  | 1,400                      | 1,400                   | 1,134         | 266  |
| Other  | <u>373</u>                 | <u>373</u>              | <u>225</u>    | <u>148</u>                                   |
| Total department of aging                            | <u>1,773</u>               | <u>1,773</u>            | <u>1,359</u>  | <u>414</u>                                   |
| Office of personnel:                                 |                            |                         |               |  |
| Personnel  | 1,907                      | 1,907                   | 1,544         | 363  |
| Other  | <u>1,773</u>               | <u>2,173</u>            | <u>2,153</u>  | <u>20</u>                                    |
| Total office of personnel                            | <u>3,680</u>               | <u>4,080</u>            | <u>3,697</u>  | <u>383</u>                                   |
| Department of law:                                   |                            |                         |               |  |
| Personnel  | 7,981                      | 7,581                   | 6,796         | 785  |
| Other  | <u>6,192</u>               | <u>14,662</u>           | <u>14,080</u> | <u>582</u>                                   |
| Total department of law                              | <u>14,173</u>              | <u>22,243</u>           | <u>20,876</u> | <u>1,367</u>                                 |
| Finance administration:                              |                            |                         |               |  |
| Personnel  | 1,169                      | 1,089                   | 980           | 109  |
| Other  | <u>389</u>                 | <u>469</u>              | <u>432</u>    | <u>37</u>                                    |
| Total finance administration                         | <u>1,558</u>               | <u>1,558</u>            | <u>1,412</u>  | <u>146</u>                                   |
| Division of accounts:                                |                            |                         |               |  |
| Personnel  | 1,363                      | 1,373                   | 1,362         | 11   |
| Other  | <u>854</u>                 | <u>854</u>              | <u>573</u>    | <u>281</u>                                   |
| Total division of accounts                           | <u>2,217</u>               | <u>2,227</u>            | <u>1,935</u>  | <u>292</u>                                   |
| Division of assessments and licenses:                |                            |                         |               |  |
| Personnel  | 3,987                      | 3,587                   | 3,299         | 288  |
| Other  | <u>1,635</u>               | <u>1,185</u>            | <u>1,035</u>  | <u>150</u>                                   |
| Total division of assessments and licenses           | <u>5,622</u>               | <u>4,772</u>            | <u>4,334</u>  | <u>438</u>                                   |
| Division of treasury:                                |                            |                         |               |  |
| Personnel  | 792                        | 792                     | 644           | 148  |
| Other  | <u>134</u>                 | <u>134</u>              | <u>109</u>    | <u>25</u>                                    |
| Total division of treasury                           | <u>926</u>                 | <u>926</u>              | <u>753</u>    | <u>173</u>                                   |

**CITY OF CLEVELAND, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
GENERAL FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance-<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|-------------------------|----------------|--|
| Division of purchases and supplies:               |                            |                         |                |  |
| Personnel   | \$ 769                     | \$ 769                  | \$ 568         | \$ 201                                       |
| Other   | 34                         | 34                      | 15             | 19   |
| Total division of purchases and supplies          | <u>803</u>                 | <u>803</u>              | <u>583</u>     | <u>220</u>                                   |
| Bureau of internal audit:                         |                            |                         |                |  |
| Personnel   | 793                        | 668                     | 561            | 107  |
| Other   | 697                        | 297                     | 263            | 34   |
| Total bureau of internal audit                    | <u>1,490</u>               | <u>965</u>              | <u>824</u>     | <u>141</u>                                   |
| Division of financial reporting and control:      |                            |                         |                |  |
| Personnel   | 1,549                      | 1,549                   | 1,310          | 239  |
| Other   | 132                        | 132                     | 17             | 115  |
| Total division of financial reporting and control | <u>1,681</u>               | <u>1,681</u>            | <u>1,327</u>   | <u>354</u>                                   |
| Division of information system services:          |                            |                         |                |  |
| Personnel   | 3,259                      | 3,109                   | 2,856          | 253  |
| Other   | 3,771                      | 4,078                   | 4,004          | 74   |
| Total division of information system services     | <u>7,030</u>               | <u>7,187</u>            | <u>6,860</u>   | <u>327</u>                                   |
| <br>  |                            |                         |                |  |
| TOTAL GENERAL GOVERNMENT                          | <u>119,113</u>             | <u>125,525</u>          | <u>109,576</u> | <u>15,949</u>                                |
| <br>  |                            |                         |                |  |
| Public Health:                                    |                            |                         |                |  |
| Public health administration:                     |                            |                         |                |  |
| Personnel   | 1,215                      | 1,215                   | 1,106          | 109  |
| Other   | 804                        | 804                     | 764            | 40   |
| Total public health administration                | <u>2,019</u>               | <u>2,019</u>            | <u>1,870</u>   | <u>149</u>                                   |
| Division of health:                               |                            |                         |                |  |
| Personnel   | 2,734                      | 2,614                   | 2,245          | 369  |
| Other   | 2,463                      | 2,583                   | 2,401          | 182  |
| Total division of health                          | <u>5,197</u>               | <u>5,197</u>            | <u>4,646</u>   | <u>551</u>                                   |
| Division of environment:                          |                            |                         |                |  |
| Personnel   | 1,762                      | 1,762                   | 1,638          | 124  |
| Other   | 487                        | 437                     | 247            | 190  |
| Total division of environment                     | <u>2,249</u>               | <u>2,199</u>            | <u>1,885</u>   | <u>314</u>                                   |
| Division of air quality:                          |                            |                         |                |  |
| Personnel   | 582                        | 582                     | 493            | 89   |
| Other   | 459                        | 459                     | 383            | 76   |
| Total division of air quality                     | <u>1,041</u>               | <u>1,041</u>            | <u>876</u>     | <u>165</u>                                   |
| <br>  |                            |                         |                |  |
| TOTAL PUBLIC HEALTH                               | <u>10,506</u>              | <u>10,456</u>           | <u>9,277</u>   | <u>1,179</u>                                 |

**CITY OF CLEVELAND, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
GENERAL FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance-<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|----------------|--|
| Public Safety:                               |                            |                         |                |  |
| Public safety administration:                |                            |                         |                |  |
| Personnel                                    | \$ 4,146                   | \$ 4,119                | \$ 3,945       | \$ 174                                       |
| Other  | <u>2,602</u>               | <u>2,629</u>            | <u>2,248</u>   | <u>381</u>                                   |
| Total public safety administration           | <u>6,748</u>               | <u>6,748</u>            | <u>6,193</u>   | <u>555</u>                                   |
| Division of police:                          |                            |                         |                |  |
| Personnel                                    | 204,834                    | 204,459                 | 198,000        | 6,459  |
| Other  | <u>13,536</u>              | <u>13,586</u>           | <u>12,837</u>  | <u>749</u>                                   |
| Total division of police                     | <u>218,370</u>             | <u>218,045</u>          | <u>210,837</u> | <u>7,208</u>                                 |
| Division of fire:                            |                            |                         |                |  |
| Personnel                                    | 91,985                     | 93,485                  | 92,122         | 1,363  |
| Other  | <u>4,604</u>               | <u>4,604</u>            | <u>3,879</u>   | <u>725</u>                                   |
| Total division of fire                       | <u>96,589</u>              | <u>98,089</u>           | <u>96,001</u>  | <u>2,088</u>                                 |
| Division of emergency medical services:      |                            |                         |                |  |
| Personnel                                    | 33,436                     | 32,061                  | 29,427         | 2,634  |
| Other  | <u>4,295</u>               | <u>4,295</u>            | <u>3,775</u>   | <u>520</u>                                   |
| Total division of emergency medical services | <u>37,731</u>              | <u>36,356</u>           | <u>33,202</u>  | <u>3,154</u>                                 |
| Division of animal control services:         |                            |                         |                |  |
| Personnel                                    | 2,405                      | 2,405                   | 2,086          | 319  |
| Other  | <u>756</u>                 | <u>756</u>              | <u>471</u>     | <u>285</u>                                   |
| Total division of animal control services    | <u>3,161</u>               | <u>3,161</u>            | <u>2,557</u>   | <u>604</u>                                   |
| Division of correction:                      |                            |                         |                |  |
| Personnel                                    | 317                        | 317                     | 110            | 207  |
| Other  | <u>8,058</u>               | <u>3,941</u>            | <u>2,456</u>   | <u>1,485</u>                                 |
| Total division of correction                 | <u>8,375</u>               | <u>4,258</u>            | <u>2,566</u>   | <u>1,692</u>                                 |
| Office of Professional Standards:            |                            |                         |                |  |
| Personnel                                    | 1,346                      | 1,286                   | 1,224          | 62   |
| Other  | <u>75</u>                  | <u>135</u>              | <u>121</u>     | <u>14</u>                                    |
| Total office of professional standards       | <u>1,421</u>               | <u>1,421</u>            | <u>1,345</u>   | <u>76</u>                                    |
| Police Review Board:                         |                            |                         |                |  |
| Personnel                                    | 164                        | 165                     | 154            | 11   |
| Other  | <u>11</u>                  | <u>10</u>               | <u>1</u>       | <u>9</u>                                     |
| Total police review board                    | <u>175</u>                 | <u>175</u>              | <u>155</u>     | <u>20</u>                                    |
| Community Police Commission:                 |                            |                         |                |  |
| Personnel                                    | 395                        | 430                     | 428            | 2  |
| Other  | <u>344</u>                 | <u>309</u>              | <u>103</u>     | <u>206</u>                                   |
| Total community police commission            | <u>739</u>                 | <u>739</u>              | <u>531</u>     | <u>208</u>                                   |

**CITY OF CLEVELAND, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
GENERAL FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance-<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|-------------------------|----------------|--|
| Police Inspector General:                         |                            |                         |                |  |
| Personnel   | \$ 263                     | \$ 263                  | \$ 158         | \$ 105                                       |
| Other   | <u>23</u>                  | <u>23</u>               | <u>3</u>       | <u>20</u>                                    |
| Total police inspector general                    | <u>286</u>                 | <u>286</u>              | <u>161</u>     | <u>125</u>                                   |
| Department of Justice:                            |                            |                         |                |  |
| Personnel   | 1,976                      | 1,776                   | 1,405          | 371  |
| Other   | <u>2,180</u>               | <u>1,580</u>            | <u>1,164</u>   | <u>416</u>                                   |
| Total department of justice                       | <u>4,156</u>               | <u>3,356</u>            | <u>2,569</u>   | <u>787</u>                                   |
| <br>  |                            |                         |                |  |
| TOTAL PUBLIC SAFETY                               | <u>377,751</u>             | <u>372,634</u>          | <u>356,117</u> | <u>16,517</u>                                |
| Public Works:                                     |                            |                         |                |  |
| Division of public works administration:          |                            |                         |                |  |
| Personnel   | 3,179                      | 3,179                   | 2,903          | 276  |
| Other   | <u>222</u>                 | <u>222</u>              | <u>189</u>     | <u>33</u>                                    |
| Total division of public works administration     | <u>3,401</u>               | <u>3,401</u>            | <u>3,092</u>   | <u>309</u>                                   |
| Division of recreation:                           |                            |                         |                |  |
| Personnel   | 10,548                     | 9,948                   | 8,938          | 1,010  |
| Other   | <u>4,804</u>               | <u>4,604</u>            | <u>3,880</u>   | <u>724</u>                                   |
| Total division of recreation                      | <u>15,352</u>              | <u>14,552</u>           | <u>12,818</u>  | <u>1,734</u>                                 |
| Division of parking facilities:                   |                            |                         |                |  |
| Personnel   | 1,187                      | 1,187                   | 896            | 291  |
| Other   | <u>76</u>                  | <u>76</u>               | <u>67</u>      | <u>9</u>                                     |
| Total division of parking facilities              | <u>1,263</u>               | <u>1,263</u>            | <u>963</u>     | <u>300</u>                                   |
| Division of property management:                  |                            |                         |                |  |
| Personnel   | 6,080                      | 6,080                   | 5,905          | 175  |
| Other   | <u>2,363</u>               | <u>2,363</u>            | <u>1,988</u>   | <u>375</u>                                   |
| Total division of property management             | <u>8,443</u>               | <u>8,443</u>            | <u>7,893</u>   | <u>550</u>                                   |
| Division of park maintenance and properties:      |                            |                         |                |  |
| Personnel   | 10,334                     | 10,334                  | 10,192         | 142  |
| Other   | <u>6,801</u>               | <u>6,801</u>            | <u>6,276</u>   | <u>525</u>                                   |
| Total division of park maintenance and properties | <u>17,135</u>              | <u>17,135</u>           | <u>16,468</u>  | <u>667</u>                                   |
| Division of waste collection and disposal:        |                            |                         |                |  |
| Personnel   | 16,642                     | 16,642                  | 15,618         | 1,024  |
| Other   | <u>15,163</u>              | <u>15,163</u>           | <u>14,654</u>  | <u>509</u>                                   |
| Total division of waste collection and disposal   | <u>31,805</u>              | <u>31,805</u>           | <u>30,272</u>  | <u>1,533</u>                                 |

(Continued)

## CITY OF CLEVELAND, OHIO

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)- GENERAL FUND-LEGAL APPROPRIATION LEVEL FOR THE YEAR ENDED DECEMBER 31, 2020 (Amounts in Thousands)

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance-<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|-------------------------|---------------|--|
| Division of traffic engineering:          |                            |                         |               |  |
| Personnel                                 | \$ 3,022                   | \$ 3,022                | \$ 2,874      | \$ 148                                       |
| Other                                     | <u>912</u>                 | <u>912</u>              | <u>837</u>    | <u>75</u>                                    |
| Total division of traffic engineering     | <u>3,934</u>               | <u>3,934</u>            | <u>3,711</u>  | <u>223</u>                                   |
| <br>                                      |                            |                         |               |  |
| TOTAL PUBLIC WORKS                        | <u>81,333</u>              | <u>80,533</u>           | <u>75,217</u> | <u>5,316</u>                                 |
| <br>                                      |                            |                         |               |  |
| Community Development:                    |                            |                         |               |  |
| Director's office:                        |                            |                         |               |  |
| Personnel                                 | 676                        | 476                     | 349           | 127  |
| Other                                     | <u>1,532</u>               | <u>1,537</u>            | <u>1,523</u>  | <u>14</u>                                    |
| Total director's office                   | <u>2,208</u>               | <u>2,013</u>            | <u>1,872</u>  | <u>141</u>                                   |
| <br>                                      |                            |                         |               |  |
| TOTAL COMMUNITY DEVELOPMENT               | <u>2,208</u>               | <u>2,013</u>            | <u>1,872</u>  | <u>141</u>                                   |
| <br>                                      |                            |                         |               |  |
| Building and Housing:                     |                            |                         |               |  |
| Director's office:                        |                            |                         |               |  |
| Personnel                                 | 2,531                      | 2,531                   | 2,068         | 463  |
| Other                                     | <u>740</u>                 | <u>740</u>              | <u>619</u>    | <u>121</u>                                   |
| Total director's office                   | <u>3,271</u>               | <u>3,271</u>            | <u>2,687</u>  | <u>584</u>                                   |
| <br>                                      |                            |                         |               |  |
| Division of code enforcement:             |                            |                         |               |  |
| Personnel                                 | 8,581                      | 8,331                   | 8,165         | 166  |
| Other                                     | <u>310</u>                 | <u>310</u>              | <u>215</u>    | <u>95</u>                                    |
| Total division of code enforcement        | <u>8,891</u>               | <u>8,641</u>            | <u>8,380</u>  | <u>261</u>                                   |
| <br>                                      |                            |                         |               |  |
| Division of construction permitting:      |                            |                         |               |  |
| Personnel                                 | 1,772                      | 1,772                   | 1,462         | 310  |
| Other                                     | <u>25</u>                  | <u>25</u>               | <u>14</u>     | <u>11</u>                                    |
| Total division of construction permitting | <u>1,797</u>               | <u>1,797</u>            | <u>1,476</u>  | <u>321</u>                                   |
| <br>                                      |                            |                         |               |  |
| TOTAL BUILDING AND HOUSING                | <u>13,959</u>              | <u>13,709</u>           | <u>12,543</u> | <u>1,166</u>                                 |
| <br>                                      |                            |                         |               |  |
| Economic Development:                     |                            |                         |               |  |
| Economic development administration:      |                            |                         |               |  |
| Personnel                                 | 2,064                      | 2,059                   | 1,644         | 415  |
| Other                                     | <u>19</u>                  | <u>24</u>               | <u>12</u>     | <u>12</u>                                    |
| Total economic development administration | <u>2,083</u>               | <u>2,083</u>            | <u>1,656</u>  | <u>427</u>                                   |
| <br>                                      |                            |                         |               |  |
| TOTAL ECONOMIC DEVELOPMENT                | <u>2,083</u>               | <u>2,083</u>            | <u>1,656</u>  | <u>427</u>                                   |

**CITY OF CLEVELAND, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
GENERAL FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Amounts in Thousands)**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance-<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|----------------------|--|
| Non-Departmental Expenditures:   |                            |                         |                      |  |
| Other  | \$ 21,795                  | \$ 21,795               | \$ 21,107            | \$ 688                                       |
| TOTAL NON-DEPARTMENTAL<br>EXPENDITURES                                 | <u>21,795</u>              | <u>21,795</u>           | <u>21,107</u>        | <u>688</u>                                   |
| Capital outlay   | <u>6,825</u>               | <u>13,962</u>           | <u>13,962</u>        | <u>-</u>                                     |
| TOTAL EXPENDITURES   | <u>635,573</u>             | <u>642,710</u>          | <u>601,327</u>       | <u>41,383</u>                                |
| <br>EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES       | <br>27,826                 | <br>33,020              | <br>48,831           | <br>15,811                                   |
| <br>OTHER FINANCING SOURCES (USES):                                    |                            |                         |                      |  |
| Transfers in   | 8,140                      |                         |                      | -  |
| Transfers out  | (39,496)                   | (52,359)                | (49,925)             | 2,434  |
| Sale of City assets  | <u>4,200</u>               | <u>9</u>                | <u>9</u>             | <u>-</u>                                     |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                                | <u>(27,156)</u>            | <u>(52,350)</u>         | <u>(49,916)</u>      | <u>2,434</u>                                 |
| <br>DECERTIFICATION OF PRIOR YEAR<br>ENCUMBRANCES AND PRE-ENCUMBRANCES | <br><u>          </u>      | <br><u>          </u>   | <br><u>798</u>       | <br><u>798</u>                               |
| <br>NET CHANGE IN FUND BALANCE   | <br>670                    | <br>(19,330)            | <br>(287)            | <br>19,043                                   |
| <br>FUND BALANCE AT BEGINNING OF YEAR                                  | <br><u>43,802</u>          | <br><u>43,802</u>       | <br><u>43,802</u>    | <br><u>-</u>                                 |
| <br>FUND BALANCE AT END OF YEAR  | <br><u>\$ 44,472</u>       | <br><u>\$ 24,472</u>    | <br><u>\$ 43,515</u> | <br><u>\$ 19,043</u>                         |

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# CITY OF CLEVELAND, OHIO

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

**SPECIAL REVENUE FUNDS (Continued)**

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

**SPECIAL REVENUE FUNDS (for budgetary purposes only)**

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

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

**DEBT SERVICE FUNDS**

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

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

**DEBT SERVICE FUNDS (Continued)**

|                                     |  |
|-------------------------------------|--|
| Subordinate Lien Income Tax Fund    | To account for the accumulation of resources for the payment of Subordinate Lien Income Tax Bonds payable from pledged income taxes. |
| Cleveland Stadium Debt Service Fund | To account for the accumulation of resources earmarked for the repayment of debt related to Cleveland Browns Stadium.                |

**CAPITAL PROJECT FUNDS**

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

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

# CITY OF CLEVELAND, OHIO

## COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2020 (Amounts in Thousands)

|   | Special Revenue Funds - Budgeted |                                  |   |                                     |
|---|----------------------------------|----------------------------------|---|-------------------------------------|
|   | <u>Division<br/>of Streets</u>   | <u>Restricted<br/>Income Tax</u> | <u>Cleveland<br/>Stadium<br/>Operations</u> | <u>Total<br/>Budgeted<br/>Funds</u> |
| <b>ASSETS</b>   |                                  |                                  |   |                                     |
| Cash and cash equivalents   | \$ 14,615                        | \$ 20,581                        | \$ 34,592                                   | \$ 69,788                           |
| Investments   |                                  |                                  |   | -                                   |
| Receivables:  |                                  |                                  |   |                                     |
| Taxes   |                                  | 7,602                            |   | 7,602                               |
| Grants  |                                  |                                  |   | -                                   |
| Loans   |                                  |                                  |   | -                                   |
| Accrued interest  |                                  |                                  | 1   | 1                                   |
| Assessments   |                                  |                                  |   | -                                   |
| Receivables, net  | <u>-</u>                         | <u>7,602</u>                     | <u>1</u>                                    | <u>7,603</u>                        |
| Due from other funds  | 119                              | 8,448                            |   | 8,567                               |
| Due from other governments  | 8,744                            |                                  |   | 8,744                               |
| Prepaid expenditures and other assets   | <u>121</u>                       |                                  |   | <u>121</u>                          |
| <b>TOTAL ASSETS</b>   | <u><u>\$ 23,599</u></u>          | <u><u>\$ 36,631</u></u>          | <u><u>\$ 34,593</u></u>                     | <u><u>\$ 94,823</u></u>             |
| <b>LIABILITIES</b>  |                                  |                                  |   |                                     |
| Accounts payable  | \$ 1,138                         | \$ 2,448                         | \$  | \$ 3,586                            |
| Accrued wages and benefits  | 1,505                            |                                  |   | 1,505                               |
| Due to other governments  |                                  | 32                               | 830   | 862                                 |
| Unearned revenue  |                                  |                                  |   | -                                   |
| Due to other funds  | <u>383</u>                       |                                  |   | <u>383</u>                          |
| Total liabilities   | <u><u>3,026</u></u>              | <u><u>2,480</u></u>              | <u><u>830</u></u>                           | <u><u>6,336</u></u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                  |                                  |   |                                     |
| Deferred Inflow   | <u>6,040</u>                     | <u>2,638</u>                     |   | <u>8,678</u>                        |
| Total deferred inflows of resources   | <u><u>6,040</u></u>              | <u><u>2,638</u></u>              | <u><u>-</u></u>                             | <u><u>8,678</u></u>                 |
| <b>FUND BALANCES</b>  |                                  |                                  |   |                                     |
| Nonspendable  | 121                              |                                  |   | 121                                 |
| Restricted  | 14,412                           | 31,513                           | 33,763                                      | 79,688                              |
| Committed   |                                  |                                  |   | -                                   |
| Total fund balances   | <u><u>14,533</u></u>             | <u><u>31,513</u></u>             | <u><u>33,763</u></u>                        | <u><u>79,809</u></u>                |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u><u>\$ 23,599</u></u>          | <u><u>\$ 36,631</u></u>          | <u><u>\$ 34,593</u></u>                     | <u><u>\$ 94,823</u></u>             |

**Special Revenue Funds - Non-Budgeted**

| <u>Community<br/>Development<br/>Block Grants</u> | <u>Community<br/>Development<br/>Funds</u> | <u>Building<br/>and<br/>Housing<br/>Funds</u> | <u>Urban<br/>Development<br/>Action Funds</u> | <u>Economic<br/>Development<br/>Funds</u> | <u>WIOA<br/>Grants</u> | <u>General<br/>Government<br/>Funds</u> |
|---|--|---|---|---|------------------------|---|
| \$  | \$ 2,149                                   | \$  | \$ 22,356                                     | \$ 15,142                                 | \$                     | \$ 25,310                               |
| 2,595   | 4,207                                      | 680   |   | 160                                       | 191                    | 152                                     |
| 5,747   | 6,741                                      |   | 16,047  | 58,687                                    |                        |   |
| <u>2,281</u>                                      | <u>1,291</u>                               | <u>4,597</u>                                  |   |   |                        | <u>37</u>                               |
| <u>10,623</u>                                     | <u>12,239</u>                              | <u>5,277</u>                                  | <u>16,047</u>                                 | <u>58,847</u>                             | <u>191</u>             | <u>189</u>                              |
| 407   | 282  | 673   |   |   |                        | 306                                     |
|   |  |   |   | 13,457                                    |                        | 826                                     |
|   | 2  |   |   |   |                        | 5                                       |
| <u>\$ 11,030</u>                                  | <u>\$ 14,672</u>                           | <u>\$ 5,950</u>                               | <u>\$ 38,403</u>                              | <u>\$ 87,446</u>                          | <u>\$ 191</u>          | <u>\$ 26,636</u>                        |
| \$ 24   | \$ 1                                       | \$ 189  | \$ 3  | \$ 40                                     | \$ 7                   | \$ 798                                  |
| 280   | 22   |   |   |   | 23                     | 35                                      |
| 54  | 300  |   |   | 50,926                                    | 49                     | 232                                     |
|   | 588  | 318   |   | 1,027                                     |                        | 1,032                                   |
| <u>8,411</u>                                      | <u>1,073</u>                               | <u>870</u>                                    | <u>3,471</u>                                  |   | <u>112</u>             | <u>137</u>                              |
| <u>8,769</u>                                      | <u>1,984</u>                               | <u>1,377</u>                                  | <u>3,474</u>                                  | <u>51,993</u>                             | <u>191</u>             | <u>2,234</u>                            |
| <u>2,261</u>                                      | <u>1,281</u>                               | <u>4,566</u>                                  |   | <u>13,457</u>                             |                        | <u>453</u>                              |
| <u>2,261</u>                                      | <u>1,281</u>                               | <u>4,566</u>                                  | <u>-</u>                                      | <u>13,457</u>                             | <u>-</u>               | <u>453</u>                              |
|   | 2  |   |   |   |                        | 5                                       |
|   | 9,689                                      | 2   |   | 20,383                                    |                        | 14,958                                  |
|   | <u>1,716</u>                               | <u>5</u>                                      | <u>34,929</u>                                 | <u>1,613</u>                              |                        | <u>8,986</u>                            |
| <u>-</u>  | <u>11,407</u>                              | <u>7</u>                                      | <u>34,929</u>                                 | <u>21,996</u>                             | <u>-</u>               | <u>23,949</u>                           |
| <u>\$ 11,030</u>                                  | <u>\$ 14,672</u>                           | <u>\$ 5,950</u>                               | <u>\$ 38,403</u>                              | <u>\$ 87,446</u>                          | <u>\$ 191</u>          | <u>\$ 26,636</u>                        |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2020  
(Amounts in Thousands)**

|   | <u>Special Revenue Funds - Non-Budgeted</u> |                                    |  |
|---|---|------------------------------------|--|
|   | <u>Public<br/>Works<br/>Funds</u>           | <u>Public<br/>Safety<br/>Funds</u> | <u>Gateway<br/>Shared<br/>Income Tax<br/>Funds</u> |
| <b>ASSETS</b>   |   |                                    |  |
| Cash and cash equivalents   | \$ 1,099                                    | \$ 3,983                           | \$ 2,494   |
| Investments   |   |                                    |  |
| Receivables:  |   |                                    |  |
| Taxes   |   |                                    |  |
| Grants  |   | 2,053                              |  |
| Loans   |   |                                    |  |
| Accrued interest  |   |                                    |  |
| Assessments   |   |                                    |  |
| Receivables, net  | <u>-</u>                                    | <u>2,053</u>                       | <u>-</u>   |
| Due from other funds  | 207   |                                    |  |
| Due from other governments  |   |                                    | 465  |
| Prepaid expenditures and other assets   |   | <u>2</u>                           |  |
| <b>TOTAL ASSETS</b>   | <u>\$ 1,306</u>                             | <u>\$ 6,038</u>                    | <u>\$ 2,959</u>                                    |
| <b>LIABILITIES</b>  |   |                                    |  |
| Accounts payable  | \$ 43                                       | \$ 292                             | \$   |
| Accrued wages and benefits  |   | 23                                 |  |
| Due to other governments  |   | 17                                 | 1,561  |
| Unearned revenue  | 21  | 137                                |  |
| Due to other funds  |   | <u>291</u>                         | <u>1,398</u>                                       |
| Total liabilities   | <u>64</u>                                   | <u>760</u>                         | <u>2,959</u>                                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |   |                                    |  |
| Deferred Inflow   |   |                                    |  |
| Total deferred inflows of resources   | <u>-</u>                                    | <u>-</u>                           | <u>-</u>   |
| <b>FUND BALANCE</b>   |   |                                    |  |
| Nonspendable  |   |                                    |  |
| Restricted  | 488   | 4,063                              |  |
| Committed   | <u>754</u>                                  | <u>1,215</u>                       |  |
| Total fund balances   | <u>1,242</u>                                | <u>5,278</u>                       | <u>-</u>   |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u>\$ 1,306</u>                             | <u>\$ 6,038</u>                    | <u>\$ 2,959</u>                                    |

**Special Revenue Funds - Non-Budgeted**

| <b>Neighborhood<br/>Development<br/>Investment<br/>Fund</b> | <b>Core City<br/>Program<br/>Funds</b> | <b>Supplemental<br/>Empowerment<br/>Zone</b> | <b>Total<br/>Non-Budgeted<br/>Funds</b> | <b>Total<br/>Special<br/>Revenue<br/>Funds</b> |
|---|--|--|---|--|
| \$ 2,618  | \$ 21,205                              | \$ 7,581                                     | \$ 103,937                              | \$ 173,725                                     |
|   |  |  | -                                       | -  |
|   |  |  | -                                       | 7,602  |
|   |  |  | 10,038                                  | 10,038   |
| 2,773   | 14,282                                 | 10,049                                       | 114,326                                 | 114,326  |
|   |  |  | -                                       | 1  |
|   |  |  | 8,206                                   | 8,206  |
| <u>2,773</u>  | <u>14,282</u>                          | <u>10,049</u>                                | <u>132,570</u>                          | <u>140,173</u>                                 |
|   |  | 3,470  | 5,345                                   | 13,912   |
|   |  |  | 14,748                                  | 23,492   |
|   |  |  | 9                                       | 130  |
| <u>\$ 5,391</u>   | <u>\$ 35,487</u>                       | <u>\$ 21,100</u>                             | <u>\$ 256,609</u>                       | <u>\$ 351,432</u>                              |
| \$  | \$                                     | \$   | \$ 1,397                                | \$ 4,983                                       |
|   |  |  | 383                                     | 1,888  |
|   |  | 21,100                                       | 74,239                                  | 75,101   |
|   |  |  | 3,123                                   | 3,123  |
|   |  |  | 15,763                                  | 16,146   |
| <u>-</u>  | <u>-</u>                               | <u>21,100</u>                                | <u>94,905</u>                           | <u>101,241</u>                                 |
|   |  |  | 22,018                                  | 30,696   |
| <u>-</u>  | <u>-</u>                               | <u>-</u>                                     | <u>22,018</u>                           | <u>30,696</u>                                  |
|   |  |  | 7                                       | 128  |
|   | 21,166                                 |  | 70,749                                  | 150,437  |
| 5,391   | 14,321                                 |  | 68,930                                  | 68,930   |
| <u>5,391</u>  | <u>35,487</u>                          | <u>-</u>                                     | <u>139,686</u>                          | <u>219,495</u>                                 |
| <u>\$ 5,391</u>   | <u>\$ 35,487</u>                       | <u>\$ 21,100</u>                             | <u>\$ 256,609</u>                       | <u>\$ 351,432</u>                              |

(Continued)



**CITY OF CLEVELAND, OHIO**

**COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2020**

**(Amounts in Thousands)**

|   | <b>Debt Service Funds - Budgeted</b>                             |   |  |  |                                |
|---|--|---|--|--|--------------------------------|
|   | <b>Unvoted Tax<br/>Supported<br/>Obligations<br/><u>Fund</u></b> | <b>Stadium<br/>Bond<br/><u>Fund</u></b> | <b>Subordinated<br/>Income Tax<br/><u>Fund</u></b> | <b>Lower<br/>Euclid<br/>Avenue<br/>TIF</b> | <b>Core<br/>City<br/>Bonds</b> |
| <b>ASSETS</b>   |  |   |  |  |                                |
| Cash and cash equivalents   | \$ 13,436  | \$                                      | \$ 3,328   | \$ 2,073                                   | \$ 1,806                       |
| Investments   | 223  |   |  |  |                                |
| Receivables:  |  |   |  |  |                                |
| Taxes   | 26,918   |   |  |  |                                |
| Grants  |  |   |  |  |                                |
| Loans   |  |   |  |  |                                |
| Accrued interest  | 1  |   |  |  |                                |
| Assessments   |  |   |  |  |                                |
| Receivables, net  | <u>26,919</u>  | <u>-</u>                                | <u>-</u>   | <u>-</u>                                   | <u>-</u>                       |
| Due from other funds  |  |   |  |  |                                |
| Due from other governments  | 1,575  |   |  |  |                                |
| Prepaid expenditures and other assets   |  |   |  |  |                                |
| <b>TOTAL ASSETS</b>   | <u><u>\$ 42,153</u></u>  | <u><u>\$ -</u></u>                      | <u><u>\$ 3,328</u></u>                             | <u><u>\$ 2,073</u></u>                     | <u><u>\$ 1,806</u></u>         |
| <b>LIABILITIES</b>  |  |   |  |  |                                |
| Accounts payable  | \$   | \$                                      | \$   | \$   | \$                             |
| Accrued wages and benefits  |  |   |  |  |                                |
| Due to other governments  |  |   |  |  |                                |
| Unearned revenue  |  |   |  |  |                                |
| Due to other funds  |  |   |  |  |                                |
| Total liabilities   | <u>-</u>   | <u>-</u>                                | <u>-</u>   | <u>-</u>                                   | <u>-</u>                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |  |   |  |  |                                |
| Deferred Inflow   | <u>28,494</u>  |   |  |  |                                |
| Total deferred inflows of resources   | <u>28,494</u>  | <u>-</u>                                | <u>-</u>   | <u>-</u>                                   | <u>-</u>                       |
| <b>FUND BALANCE</b>   |  |   |  |  |                                |
| Nonspendable  |  |   |  |  |                                |
| Restricted  | 13,659   |   | 3,328  | 2,073                                      | 1,806                          |
| Committed   |  |   |  |  |                                |
| Total fund balances   | <u>13,659</u>  | <u>-</u>                                | <u>3,328</u>                                       | <u>2,073</u>                               | <u>1,806</u>                   |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u><u>\$ 42,153</u></u>  | <u><u>\$ -</u></u>                      | <u><u>\$ 3,328</u></u>                             | <u><u>\$ 2,073</u></u>                     | <u><u>\$ 1,806</u></u>         |

| <b>Debt Service Funds</b>                           |                                     |  |   |
|---|-------------------------------------|--|---|
| <b>Non-Budgeted</b>                                 |                                     |  |   |
| <b>Subordinate<br/>Lien<br/>Income Tax<br/>Fund</b> | <b>Total<br/>Budgeted<br/>Funds</b> | <b>Cleveland<br/>Stadium<br/>Debt Service<br/>Fund</b> | <b>Total<br/>Debt<br/>Service<br/>Funds</b> |
| \$ 8,234  | \$ 28,877                           | \$ 8,542   | \$ 37,419                                   |
|   | 223                                 |  | 223   |
|   | 26,918                              |  | 26,918                                      |
|   | -                                   |  | -   |
|   | -                                   |  | -   |
|   | 1                                   |  | 1   |
|   | -                                   |  | -   |
| -   | 26,919                              | -  | 26,919                                      |
|   | -                                   |  | -   |
|   | 1,575                               |  | 1,575                                       |
|   | -                                   |  | -   |
| <u>\$ 8,234</u>                                     | <u>\$ 57,594</u>                    | <u>\$ 8,542</u>  | <u>\$ 66,136</u>                            |
| \$  | \$ -                                | \$   | \$ -  |
|   | -                                   |  | -   |
|   | -                                   |  | -   |
|   | -                                   |  | -   |
|   | -                                   |  | -   |
| -   | -                                   | -  | -   |
|   | 28,494                              |  | 28,494                                      |
| -   | 28,494                              | -  | 28,494                                      |
|   | -                                   |  | -   |
| 8,234   | 29,100                              | 8,542  | 37,642                                      |
|   | -                                   |  | -   |
| <u>8,234</u>  | <u>29,100</u>                       | <u>8,542</u>   | <u>37,642</u>                               |
| <u>\$ 8,234</u>                                     | <u>\$ 57,594</u>                    | <u>\$ 8,542</u>  | <u>\$ 66,136</u>                            |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2020**

**(Amounts in Thousands)**

|   | Capital Projects Funds<br>Non-Budgeted                          |                              |                                |   |
|---|---|------------------------------|--------------------------------|---|
|   | <u>Capital/<br/>Urban<br/>Renewal<br/>Bond<br/>Construction</u> | <u>Grant<br/>Improvement</u> | <u>Capital<br/>Improvement</u> | <u>Cleveland<br/>Stadium<br/>Construction</u> |
| <b>ASSETS</b>   |   |                              |                                |   |
| Cash and cash equivalents   | \$ 225,508  | \$                           | \$ 14,268                      | \$ 5,381                                      |
| Investments   |   |                              |                                |   |
| Receivables:  |   |                              |                                |   |
| Taxes   |   |                              |                                |   |
| Grants  |   | 1,241                        |                                |   |
| Loans   |   |                              |                                |   |
| Accrued interest  | 7   |                              |                                |   |
| Assessments   |   |                              |                                |   |
| Receivables, net  | <u>7</u>  | <u>1,241</u>                 | <u>-</u>                       | <u>-</u>                                      |
| Due from other funds  |   |                              |                                |   |
| Due from other governments  |   |                              |                                |   |
| Prepaid expenditures and other assets   |   |                              |                                |   |
| <b>TOTAL ASSETS</b>   | <u>\$ 225,515</u>   | <u>\$ 1,241</u>              | <u>\$ 14,268</u>               | <u>\$ 5,381</u>                               |
| <b>LIABILITIES</b>  |   |                              |                                |   |
| Accounts payable  | \$ 7,248  | \$ 72                        | \$ 5,370                       | \$  |
| Accrued wages and benefits  |   |                              |                                |   |
| Due to other governments  |   |                              |                                |   |
| Unearned revenue  |   | 200                          |                                |   |
| Due to other funds  | 82  | 969                          |                                |   |
| Total liabilities   | <u>7,330</u>  | <u>1,241</u>                 | <u>5,370</u>                   | <u>-</u>                                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |   |                              |                                |   |
| Deferred Inflow   |   |                              |                                |   |
| Total deferred inflows of resources   | <u>-</u>  | <u>-</u>                     | <u>-</u>                       | <u>-</u>                                      |
| <b>FUND BALANCE</b>   |   |                              |                                |   |
| Nonspendable  |   |                              |                                |   |
| Restricted  | 218,185   |                              | 8,898                          | 5,381   |
| Committed   |   |                              |                                |   |
| Total fund balances   | <u>218,185</u>  | <u>-</u>                     | <u>8,898</u>                   | <u>5,381</u>                                  |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u>\$ 225,515</u>   | <u>\$ 1,241</u>              | <u>\$ 14,268</u>               | <u>\$ 5,381</u>                               |

| <b>Total<br/>Capital<br/>Projects<br/>Funds</b> | <b>Total<br/>Nonmajor<br/>Governmental<br/>Funds</b> |
|---|--|
| \$ 245,157                                      | \$ 456,301   |
| -   | 223  |
| -   | 34,520   |
| 1,241   | 11,279   |
| -   | 114,326  |
| 7   | 9  |
| -   | 8,206  |
| <u>1,248</u>                                    | <u>168,340</u>                                       |
| -   | 13,912   |
| -   | 25,067   |
| <u>-</u>  | <u>130</u>   |
| <u>\$ 246,405</u>                               | <u>\$ 663,973</u>                                    |
| <br>  |  |
| \$ 12,690                                       | \$ 17,673  |
| -   | 1,888  |
| -   | 75,101   |
| 200   | 3,323  |
| <u>1,051</u>                                    | <u>17,197</u>  |
| <u>13,941</u>                                   | <u>115,182</u>                                       |
| <br>  |  |
| <u>-</u>  | <u>59,190</u>  |
| <u>-</u>  | <u>59,190</u>  |
| <br>  |  |
| -   | 128  |
| 232,464   | 420,543  |
| -   | 68,930   |
| <u>232,464</u>                                  | <u>489,601</u>                                       |
| <br>  |  |
| <u>\$ 246,405</u>                               | <u>\$ 663,973</u>                                    |

(Concluded)

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | Special Revenue Funds - Budgeted |                          |                                    |                            |
|--|----------------------------------|--------------------------|------------------------------------|----------------------------|
|  | Division<br>of Streets           | Restricted<br>Income Tax | Cleveland<br>Stadium<br>Operations | Total<br>Budgeted<br>Funds |
| REVENUES:  |                                  |                          |                                    |                            |
| Income taxes   | \$                               | \$ 51,855                | \$                                 | \$ 51,855                  |
| Property taxes   |                                  |                          |                                    | -                          |
| Other shared revenues  | 17,175                           |                          | 4,838                              | 22,013                     |
| Licenses and permits   | 864                              |                          |                                    | 864                        |
| Charges for services   | 27                               |                          | 250                                | 277                        |
| Fines, forfeits and settlements                              |                                  |                          |                                    | -                          |
| Investment earnings  | 73                               | 167                      | 95                                 | 335                        |
| Grants   |                                  |                          |                                    | -                          |
| Contributions  |                                  |                          |                                    | -                          |
| Miscellaneous  | 356                              |                          |                                    | 356                        |
| Total revenues   | <u>18,495</u>                    | <u>52,022</u>            | <u>5,183</u>                       | <u>75,700</u>              |
| EXPENDITURES:  |                                  |                          |                                    |                            |
| Current:   |                                  |                          |                                    |                            |
| General Government   |                                  |                          |                                    | -                          |
| Public Works   | 27,858                           |                          | 1,232                              | 29,090                     |
| Public Safety  |                                  |                          |                                    | -                          |
| Community Development  |                                  |                          |                                    | -                          |
| Building and Housing   |                                  |                          |                                    | -                          |
| Economic Development   |                                  |                          |                                    | -                          |
| Capital outlay   | 7,931                            | 13,510                   |                                    | 21,441                     |
| Debt service:  |                                  |                          |                                    |                            |
| Principal retirement   |                                  | 897                      |                                    | 897                        |
| Interest   |                                  | 575                      |                                    | 575                        |
| General Government   |                                  |                          |                                    | -                          |
| Other  |                                  | 1,088                    |                                    | 1,088                      |
| Total expenditures   | <u>35,789</u>                    | <u>16,070</u>            | <u>1,232</u>                       | <u>53,091</u>              |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | <u>(17,294)</u>                  | <u>35,952</u>            | <u>3,951</u>                       | <u>22,609</u>              |
| OTHER FINANCING SOURCES (USES):                              |                                  |                          |                                    |                            |
| Transfers in   | 13,900                           |                          | 10,337                             | 24,237                     |
| Transfers out  |                                  | (35,380)                 | (9,537)                            | (44,917)                   |
| Issuance of bonds  |                                  |                          |                                    | -                          |
| Premium on bonds   |                                  |                          |                                    | -                          |
| Payment to refund bonds                                      |                                  |                          |                                    | -                          |
| Total other financing sources (uses)                         | <u>13,900</u>                    | <u>(35,380)</u>          | <u>800</u>                         | <u>(20,680)</u>            |
| NET CHANGE IN FUND BALANCES                                  | (3,394)                          | 572                      | 4,751                              | 1,929                      |
| FUND BALANCES AT BEGINNING OF YEAR                           | <u>17,927</u>                    | <u>30,941</u>            | <u>29,012</u>                      | <u>77,880</u>              |
| FUND BALANCES AT END OF YEAR                                 | <u>\$ 14,533</u>                 | <u>\$ 31,513</u>         | <u>\$ 33,763</u>                   | <u>\$ 79,809</u>           |

| Special Revenue Funds - Non-Budgeted      |                                    |                                   |                                       |                                   |                    |                                 |
|---|------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|--------------------|---------------------------------|
| <u>Community Development Block Grants</u> | <u>Community Development Funds</u> | <u>Building and Housing Funds</u> | <u>Urban Development Action Funds</u> | <u>Economic Development Funds</u> | <u>WIOA Grants</u> | <u>General Government Funds</u> |
| \$  | \$                                 | \$                                | \$                                    | \$                                | \$                 | \$                              |
|   |                                    |                                   |                                       | 12,103                            |                    | 1,258                           |
| 103                                       | 127                                | 561                               |                                       |                                   |                    | 882                             |
|   |                                    |                                   |                                       |                                   |                    | 1,290                           |
|   | 1                                  |                                   |                                       | 4                                 |                    | 68                              |
| 21,292                                    | 9,127                              | 1,072                             | 436                                   | 144                               | 1,112              | 61,284                          |
| <u>247</u>                                | <u>2</u>                           |                                   | <u>59</u>                             | <u>617</u>                        | <u>4</u>           | <u>1,010</u>                    |
| <u>21,642</u>                             | <u>9,257</u>                       | <u>1,633</u>                      | <u>495</u>                            | <u>12,868</u>                     | <u>1,116</u>       | <u>65,792</u>                   |
|   |                                    |                                   |                                       |                                   | 1,116              | 19,712                          |
|   |                                    |                                   |                                       |                                   |                    | 39                              |
|   |                                    |                                   |                                       |                                   |                    | 44,145                          |
| 20,848                                    | 8,781                              | 1,640                             | 3,985                                 | 11,646                            |                    |                                 |
| 794                                       | 119                                |                                   |                                       |                                   |                    | 1,695                           |
|   |                                    |                                   |                                       | 15                                |                    |                                 |
|   |                                    |                                   |                                       | 14                                |                    |                                 |
| <u>21,642</u>                             | <u>8,900</u>                       | <u>1,640</u>                      | <u>3,985</u>                          | <u>11,675</u>                     | <u>1,116</u>       | <u>65,591</u>                   |
| <u>-</u>                                  | <u>357</u>                         | <u>(7)</u>                        | <u>(3,490)</u>                        | <u>1,193</u>                      | <u>-</u>           | <u>201</u>                      |
|   |                                    |                                   | 8,000                                 |                                   |                    | 68                              |
|   |                                    |                                   |                                       | (632)                             |                    |                                 |
| <u>-</u>                                  | <u>-</u>                           | <u>-</u>                          | <u>8,000</u>                          | <u>(632)</u>                      | <u>-</u>           | <u>68</u>                       |
| <u>-</u>                                  | <u>357</u>                         | <u>(7)</u>                        | <u>4,510</u>                          | <u>561</u>                        | <u>-</u>           | <u>269</u>                      |
|   | 11,050                             | 14                                | 30,419                                | 21,435                            |                    | 23,680                          |
| <u>\$ -</u>                               | <u>\$ 11,407</u>                   | <u>\$ 7</u>                       | <u>\$ 34,929</u>                      | <u>\$ 21,996</u>                  | <u>\$ -</u>        | <u>\$ 23,949</u>                |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | Special Revenue Funds - Non-Budgeted |                           |  |
|--|--------------------------------------|---------------------------|--|
|  | Public<br>Works<br>Funds             | Public<br>Safety<br>Funds | Gateway<br>Shared<br>Income Tax<br>Funds |
| REVENUES:  |                                      |                           |  |
| Income taxes   | \$                                   | \$                        | \$                                       |
| Property taxes   |                                      |                           |  |
| Other shared revenues  |                                      |                           |  |
| Licenses and permits   | 9                                    |                           |  |
| Charges for services   | 8                                    |                           |  |
| Fines, forfeits and settlements                              |                                      | 309                       |  |
| Investment earnings  | 3                                    | 24                        |  |
| Grants   | 301                                  | 3,467                     |  |
| Contributions  | 21                                   | 5                         |  |
| Miscellaneous  |                                      | 368                       |  |
| Total revenues   | 342                                  | 4,173                     | -  |
| EXPENDITURES:  |                                      |                           |  |
| Current:   |                                      |                           |  |
| General Government   |                                      |                           |  |
| Public Works   | 347                                  |                           |  |
| Public Safety  |                                      | 3,703                     |  |
| Community Development  |                                      |                           |  |
| Building and Housing   |                                      |                           |  |
| Economic Development   |                                      |                           |  |
| Capital outlay   |                                      | 331                       |  |
| Debt service:  |                                      |                           |  |
| Principal retirement   |                                      |                           |  |
| Interest   |                                      |                           |  |
| General Government   |                                      |                           |  |
| Other  |                                      |                           |  |
| Total expenditures   | 347                                  | 4,034                     | -  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | (5)                                  | 139                       | -  |
| OTHER FINANCING SOURCES (USES):                              |                                      |                           |  |
| Transfers in   |                                      |                           |  |
| Transfers out  |                                      |                           |  |
| Issuance of bonds  |                                      |                           |  |
| Premium on bonds   |                                      |                           |  |
| Payment to refund bonds                                      |                                      |                           |  |
| Total other financing sources (uses)                         | -                                    | -                         | -  |
| NET CHANGE IN FUND BALANCES                                  | (5)                                  | 139                       | -  |
| FUND BALANCES AT BEGINNING OF YEAR                           | 1,247                                | 5,139                     | -  |
| FUND BALANCES AT END OF YEAR                                 | \$ 1,242                             | \$ 5,278                  | \$ -                                     |

| <b>Special Revenue Funds - Non-Budgeted</b>                 |  |  |  |  |
|---|--|--|--|--|
| <b>Neighborhood<br/>Development<br/>Investment<br/>Fund</b> | <b>Core City<br/>Program<br/>Funds</b> | <b>Supplemental<br/>Empowerment<br/>Zone</b> | <b>Total<br/>Non-<br/>Budgeted<br/>Funds</b> | <b>Total<br/>Special<br/>Revenue<br/>Funds</b> |
| \$  | \$                                     | \$   | \$ -   | \$ 51,855                                      |
|   |  |  | -  | -  |
|   | 332                                    | 415  | 14,108                                       | 36,121   |
|   |  |  | 9  | 873  |
|   |  |  | 1,681  | 1,958  |
|   |  |  | 1,599  | 1,599  |
|   | 80                                     | 33   | 213  | 548  |
|   |  |  | 98,235                                       | 98,235   |
|   |  |  | 26   | 26   |
| <u>352</u>  | <u>169</u>                             |  | <u>2,828</u>                                 | <u>3,184</u>                                   |
| <u>352</u>  | <u>581</u>                             | <u>448</u>                                   | <u>118,699</u>                               | <u>194,399</u>                                 |
|   |  |  | 20,828                                       | 20,828   |
|   |  |  | 386  | 29,476   |
|   |  |  | 47,848                                       | 47,848   |
|   |  |  | 29,629                                       | 29,629   |
|   |  |  | 1,640  | 1,640  |
| 1,221   | 483                                    | 448  | 17,783                                       | 17,783   |
|   |  |  | 2,939  | 24,380   |
|   |  |  | -  | -  |
|   |  |  | 15   | 912  |
|   |  |  | 14   | 589  |
|   |  |  | -  | -  |
|   |  |  | -  | 1,088  |
| <u>1,221</u>  | <u>483</u>                             | <u>448</u>                                   | <u>121,082</u>                               | <u>174,173</u>                                 |
| <u>(869)</u>  | <u>98</u>                              | <u>-</u>                                     | <u>(2,383)</u>                               | <u>20,226</u>                                  |
|   |  |  | 8,068  | 32,305   |
|   |  |  | (632)  | (45,549)                                       |
|   | 2,050                                  |  | 2,050  | 2,050  |
|   |  |  | -  | -  |
|   |  |  | -  | -  |
| <u>-</u>  | <u>2,050</u>                           | <u>-</u>                                     | <u>9,486</u>                                 | <u>(11,194)</u>                                |
| (869)   | 2,148                                  | -  | 7,103  | 9,032  |
| <u>6,260</u>  | <u>33,339</u>                          | <u>-</u>                                     | <u>132,583</u>                               | <u>210,463</u>                                 |
| <u>\$ 5,391</u>   | <u>\$ 35,487</u>                       | <u>\$ -</u>                                  | <u>\$ 139,686</u>                            | <u>\$ 219,495</u>                              |

(Continued)



**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**(Amounts in Thousands)**

|  | Debt Service Funds - Budgeted                   |                         |                                    |                                  |                    |
|--|---|-------------------------|------------------------------------|----------------------------------|--------------------|
|  | Unvoted Tax<br>Supported<br>Obligations<br>Fund | Stadium<br>Bond<br>Fund | Subordinated<br>Income Tax<br>Fund | Lower<br>Euclid<br>Avenue<br>TIF | Core City<br>Bonds |
| REVENUES:  |   |                         |                                    |                                  |                    |
| Income taxes   | \$  | \$                      | \$                                 | \$                               | \$                 |
| Property taxes   | 19,991  |                         |                                    |                                  |                    |
| Other shared revenues  | 1,657   |                         |                                    |                                  |                    |
| Licenses and permits   |   |                         |                                    |                                  |                    |
| Charges for services   |   |                         |                                    |                                  |                    |
| Fines, forfeits and settlements                              |   |                         |                                    |                                  |                    |
| Investment earnings  | 197   | 1                       | 13                                 | 3                                | 15                 |
| Grants   |   |                         |                                    |                                  |                    |
| Contributions  |   |                         |                                    |                                  |                    |
| Miscellaneous  |   |                         |                                    |                                  |                    |
| Total revenues   | <u>21,845</u>                                   | <u>1</u>                | <u>13</u>                          | <u>3</u>                         | <u>15</u>          |
| EXPENDITURES:  |   |                         |                                    |                                  |                    |
| Current:   |   |                         |                                    |                                  |                    |
| General Government   |   |                         |                                    |                                  |                    |
| Public Works   |   |                         |                                    |                                  |                    |
| Public Safety  |   |                         |                                    |                                  |                    |
| Community Development  |   |                         |                                    |                                  |                    |
| Building and Housing   |   |                         |                                    |                                  |                    |
| Economic Development   |   |                         |                                    |                                  |                    |
| Capital outlay   |   |                         |                                    |                                  |                    |
| Debt service:  |   |                         |                                    |                                  |                    |
| Principal retirement   | 25,170  | 1,550                   | 4,465                              | 226                              | 2,280              |
| Interest   | 12,896  | 78                      | 1,125                              | 138                              | 991                |
| General Government   |   |                         |                                    |                                  |                    |
| Other  |   |                         |                                    |                                  |                    |
| Total expenditures   | <u>38,066</u>                                   | <u>1,628</u>            | <u>5,590</u>                       | <u>364</u>                       | <u>3,271</u>       |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | <u>(16,221)</u>                                 | <u>(1,627)</u>          | <u>(5,577)</u>                     | <u>(361)</u>                     | <u>(3,256)</u>     |
| OTHER FINANCING SOURCES (USES):                              |   |                         |                                    |                                  |                    |
| Transfers in   | 16,700  | 1,616                   | 5,639                              | 632                              | 1,541              |
| Transfers out  |   |                         |                                    |                                  |                    |
| Issuance of bonds  |   |                         |                                    |                                  |                    |
| Premium on bonds   |   |                         |                                    |                                  |                    |
| Payment to refund bonds                                      |   |                         |                                    |                                  |                    |
| Total other financing sources (uses)                         | <u>16,700</u>                                   | <u>1,616</u>            | <u>5,639</u>                       | <u>632</u>                       | <u>1,541</u>       |
| NET CHANGE IN FUND BALANCES                                  | 479   | (11)                    | 62                                 | 271                              | (1,715)            |
| FUND BALANCES AT BEGINNING OF YEAR                           | <u>13,180</u>                                   | <u>11</u>               | <u>3,266</u>                       | <u>1,802</u>                     | <u>3,521</u>       |
| FUND BALANCES AT END OF YEAR                                 | <u>\$ 13,659</u>                                | <u>\$ -</u>             | <u>\$ 3,328</u>                    | <u>\$ 2,073</u>                  | <u>\$ 1,806</u>    |

|   |   | <u>Debt Service Funds</u><br><u>Non-Budgeted</u>                         |   |
|---|---|--|---|
| <u>Subordinate</u><br><u>Lien</u><br><u>Income Tax</u><br><u>Fund</u> | <u>Total</u><br><u>Budgeted</u><br><u>Funds</u> | <u>Cleveland</u><br><u>Stadium</u><br><u>Debt Service</u><br><u>Fund</u> | <u>Total</u><br><u>Debt Service</u><br><u>Funds</u> |
| \$  | \$ -  | \$   | \$ -  |
|   | 19,991  |  | 19,991  |
|   | 1,657   |  | 1,657   |
|   | -   |  | -   |
|   | -   |  | -   |
|   | -   |  | -   |
| 54  | 283   | 34   | 317   |
|   | -   |  | -   |
|   | -   |  | -   |
| 217   | 217   |  | 217   |
| <u>271</u>  | <u>22,148</u>                                   | <u>34</u>  | <u>22,182</u>                                       |
|   | -   |  | -   |
|   | -   |  | -   |
|   | -   |  | -   |
|   | -   |  | -   |
|   | -   |  | -   |
|   | -   |  | -   |
|   | -   |  | -   |
| 12,685  | 46,376  | 7,815  | 54,191  |
| 14,281  | 29,509  | 1,255  | 30,764  |
|   | -   |  | -   |
|   | -   |  | -   |
| <u>26,966</u>   | <u>75,885</u>                                   | <u>9,070</u>   | <u>84,955</u>                                       |
| <u>(26,695)</u>   | <u>(53,737)</u>                                 | <u>(9,036)</u>   | <u>(62,773)</u>                                     |
| 23,380  | 49,508  | 8,536  | 58,044  |
| (907)   | (907)   |  | (907)   |
|   | -   |  | -   |
|   | -   |  | -   |
|   | -   |  | -   |
| <u>22,473</u>   | <u>48,601</u>                                   | <u>8,536</u>   | <u>57,137</u>                                       |
| (4,222)   | (5,136)   | (500)  | (5,636)   |
| <u>12,456</u>   | <u>34,236</u>                                   | <u>9,042</u>   | <u>43,278</u>                                       |
| <u>\$ 8,234</u>   | <u>\$ 29,100</u>                                | <u>\$ 8,542</u>  | <u>\$ 37,642</u>                                    |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|  | Capital Projects Funds                                      |                             |                               |
|--|---|-----------------------------|-------------------------------|
|  | Non-Budgeted  |                             |                               |
|  | Capital/<br>Urban<br>Renewal<br>Bond<br><u>Construction</u> | Grant<br><u>Improvement</u> | Capital<br><u>Improvement</u> |
| REVENUES:  |   |                             |                               |
| Income taxes   | \$  | \$                          | \$                            |
| Property taxes   |   |                             |                               |
| Other shared revenues  |   |                             | 294                           |
| Licenses and permits   |   |                             |                               |
| Charges for services   |   |                             |                               |
| Fines, forfeits and settlements                              |   |                             |                               |
| Investment earnings  | 824   |                             | 22                            |
| Grants   |   | 6,984                       |                               |
| Contributions  |   |                             | 351                           |
| Miscellaneous  |   |                             |                               |
| Total revenues   | <u>824</u>  | <u>6,984</u>                | <u>667</u>                    |
| EXPENDITURES:  |   |                             |                               |
| Current:   |   |                             |                               |
| General Government   |   |                             |                               |
| Public Works   |   |                             |                               |
| Public Safety  |   |                             |                               |
| Community Development  |   |                             |                               |
| Building and Housing   |   |                             |                               |
| Economic Development   |   |                             |                               |
| Capital outlay   | 64,022  | 6,984                       | 2,852                         |
| Debt service:  |   |                             |                               |
| Principal retirement   |   |                             |                               |
| Interest   |   |                             |                               |
| General Government   | 1,088   |                             |                               |
| Other  |   |                             |                               |
| Total expenditures   | <u>65,110</u>   | <u>6,984</u>                | <u>2,852</u>                  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | <u>(64,286)</u>   | <u>-</u>                    | <u>(2,185)</u>                |
| OTHER FINANCING SOURCES (USES):                              |   |                             |                               |
| Transfers in   | 907   |                             |                               |
| Transfers out  | (4,700)   |                             |                               |
| Issuance of bonds  | 130,505   |                             |                               |
| Premium on bonds   | 5,200   |                             |                               |
| Payment to refund bonds                                      | (70,109)  |                             |                               |
| Total other financing sources (uses)                         | <u>61,803</u>   | <u>-</u>                    | <u>-</u>                      |
| NET CHANGE IN FUND BALANCES                                  | (2,483)   | -                           | (2,185)                       |
| FUND BALANCES AT BEGINNING OF YEAR                           | <u>220,668</u>  |                             | <u>11,083</u>                 |
| FUND BALANCES AT END OF YEAR                                 | <u>\$ 218,185</u>   | <u>\$ -</u>                 | <u>\$ 8,898</u>               |

| <u>Cleveland<br/>Stadium<br/>Construction</u> | <u>Total<br/>Capital<br/>Projects<br/>Funds</u> | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|---|---|--|
| \$  | \$  | \$   |
|   | -   | 51,855   |
|   | -   | 19,991   |
|   | 294   | 38,072   |
|   | -   | 873  |
|   | -   | 1,958  |
|   | -   | 1,599  |
| 27  | 873   | 1,738  |
|   | 6,984   | 105,219  |
|   | 351   | 377  |
|   | -   | 3,401  |
| <u>27</u>                                     | <u>8,502</u>                                    | <u>225,083</u>                                       |
|   | -   | 20,828   |
|   | -   | 29,476   |
|   | -   | 47,848   |
|   | -   | 29,629   |
|   | -   | 1,640  |
|   | -   | 17,783   |
| 4,179   | 78,037  | 102,417  |
|   | -   | 55,103   |
|   | -   | 31,353   |
|   | 1,088   | 1,088  |
|   | -   | 1,088  |
| <u>4,179</u>                                  | <u>79,125</u>                                   | <u>338,253</u>                                       |
| <u>(4,152)</u>                                | <u>(70,623)</u>                                 | <u>(113,170)</u>                                     |
| 3,000   | 3,907   | 94,256   |
|   | (4,700)   | (51,156)   |
|   | 130,505   | 132,555  |
|   | 5,200   | 5,200  |
|   | (70,109)  | (70,109)   |
| <u>3,000</u>                                  | <u>64,803</u>                                   | <u>110,746</u>                                       |
| (1,152)                                       | (5,820)   | (2,424)  |
| <u>6,533</u>                                  | <u>238,284</u>                                  | <u>492,025</u>                                       |
| <u>\$ 5,381</u>                               | <u>\$ 232,464</u>                               | <u>\$ 489,601</u>                                    |

(Concluded)

**CITY OF CLEVELAND, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
BUDGETED SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Amounts in Thousands)**

|   | <u>Division of Streets</u> |                           |                 |  |
|---|----------------------------|---------------------------|-----------------|--|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> | <u>Actual</u>   | <u>Variance-<br/>Positive<br/>(Negative)</u> |
| REVENUES:   |                            |                           |                 |  |
| Income taxes  | \$                         | \$                        | \$              | \$ -   |
| Other shared revenues   | 18,664                     | 18,664                    | 17,289          | (1,375)                                      |
| Licenses and permits  | 895                        | 895                       | 930             | 35   |
| Charges for services  | 35                         | 35                        | 148             | 113  |
| Investment earnings   | 100                        | 100                       | 73              | (27)   |
| Miscellaneous   |                            |                           | 1               | 1  |
| Total revenues  | <u>19,694</u>              | <u>19,694</u>             | <u>18,441</u>   | <u>(1,253)</u>                               |
| EXPENDITURES:   |                            |                           |                 |  |
| Current:  |                            |                           |                 |  |
| Public Works:   |                            |                           |                 |  |
| Personnel   | 18,698                     | 18,818                    | 18,315          | 503  |
| Other   | 10,298                     | 10,178                    | 9,551           | 627  |
| Capital outlay  | 11,373                     | 11,373                    | 11,373          | -  |
| Principal retirement  |                            |                           |                 | -  |
| Interest  |                            |                           |                 | -  |
| Total expenditures  | <u>40,369</u>              | <u>40,369</u>             | <u>39,239</u>   | <u>1,130</u>                                 |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES  | <u>(20,675)</u>            | <u>(20,675)</u>           | <u>(20,798)</u> | <u>(123)</u>                                 |
| OTHER FINANCING SOURCES (USES):   |                            |                           |                 |  |
| Transfers in  | 7,674                      | 12,674                    | 13,900          | 1,226  |
| Transfers out   |                            |                           |                 | -  |
| Total other financing sources (uses)  | <u>7,674</u>               | <u>12,674</u>             | <u>13,900</u>   | <u>1,226</u>                                 |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER FINANCING SOURCES<br>OVER (UNDER) EXPENDITURES AND<br>OTHER FINANCING USES | (13,001)                   | (8,001)                   | (6,898)         | 1,103  |
| DECERTIFICATION OF PRIOR YEAR<br>ENCUMBRANCES AND<br>PRE-ENCUMBRANCES   |                            |                           |                 | -  |
| FUND BALANCES AT BEGINNING<br>OF YEAR   | <u>13,054</u>              | <u>13,054</u>             | <u>13,054</u>   | <u>-</u>                                     |
| FUND BALANCES AT END OF YEAR  | \$ <u>53</u>               | \$ <u>5,053</u>           | \$ <u>6,156</u> | \$ <u>1,103</u>                              |

| Restricted Income Tax |                 |                 |                              | Rainy Day Reserve Fund |                |               |                              |
|-----------------------|-----------------|-----------------|------------------------------|------------------------|----------------|---------------|------------------------------|
| Original Budget       | Revised Budget  | Actual          | Variance-Positive (Negative) | Original Budget        | Revised Budget | Actual        | Variance-Positive (Negative) |
| \$ 55,541             | \$ 55,541       | \$ 51,262       | \$ (4,279)                   | \$                     | \$             | \$            | \$ -                         |
|                       |                 |                 | -                            |                        |                |               | -                            |
|                       |                 |                 | -                            |                        |                |               | -                            |
| 450                   | 450             | 166             | (284)                        | 700                    | 250            | 213           | (37)                         |
|                       |                 |                 | -                            |                        |                |               | -                            |
| <u>55,991</u>         | <u>55,991</u>   | <u>51,428</u>   | <u>(4,563)</u>               | <u>700</u>             | <u>250</u>     | <u>213</u>    | <u>(37)</u>                  |
|                       |                 |                 | -                            |                        |                |               | -                            |
|                       |                 |                 | -                            |                        |                |               | -                            |
| 39,925                | 19,962          | 16,485          | 3,477                        |                        |                |               | -                            |
| 3,806                 | 1,958           | 1,953           | 5                            |                        |                |               | -                            |
| 1,149                 | 575             | 575             | -                            |                        |                |               | -                            |
| <u>44,880</u>         | <u>22,495</u>   | <u>19,013</u>   | <u>3,482</u>                 | <u>-</u>               | <u>-</u>       | <u>-</u>      | <u>-</u>                     |
|                       |                 |                 | -                            |                        |                |               | -                            |
| <u>11,111</u>         | <u>33,496</u>   | <u>32,415</u>   | <u>(1,081)</u>               | <u>700</u>             | <u>250</u>     | <u>213</u>    | <u>(37)</u>                  |
|                       |                 |                 | -                            |                        |                |               | -                            |
| <u>(13,364)</u>       | <u>(35,749)</u> | <u>(35,380)</u> | <u>369</u>                   |                        |                |               | -                            |
| <u>(13,364)</u>       | <u>(35,749)</u> | <u>(35,380)</u> | <u>369</u>                   | <u>-</u>               | <u>-</u>       | <u>-</u>      | <u>-</u>                     |
|                       |                 |                 | -                            |                        |                |               | -                            |
| (2,253)               | (2,253)         | (2,965)         | (712)                        | 700                    | 250            | 213           | (37)                         |
|                       |                 | 750             | 750                          |                        |                |               | -                            |
| <u>2,253</u>          | <u>2,253</u>    | <u>2,253</u>    | <u>-</u>                     | <u>37,073</u>          | <u>37,073</u>  | <u>37,073</u> | <u>-</u>                     |
| \$ -                  | \$ -            | \$ 38           | \$ 38                        | \$ 37,773              | \$ 37,323      | \$ 37,286     | \$ (37)                      |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
BUDGETED SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Amounts in Thousands)**

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

| Cleveland Stadium Operations |                  |                  |                              | Totals           |                  |                  |                              |
|------------------------------|------------------|------------------|------------------------------|------------------|------------------|------------------|------------------------------|
| Original Budget              | Revised Budget   | Actual           | Variance-Positive (Negative) | Original Budget  | Revised Budget   | Actual           | Variance-Positive (Negative) |
| \$                           | \$               | \$               | \$                           | \$               | \$               | \$               | \$                           |
| 4,334                        | 4,334            | 4,838            | 504                          | 55,541           | 55,541           | 51,262           | (4,279)                      |
|                              |                  |                  | -                            | 22,998           | 22,998           | 22,127           | (871)                        |
|                              |                  |                  | -                            | 895              | 895              | 930              | 35                           |
| 250                          | 250              | 250              | -                            | 285              | 285              | 398              | 113                          |
|                              |                  | 128              | 128                          | 1,250            | 800              | 580              | (220)                        |
|                              |                  |                  | -                            | -                | -                | 1                | 1                            |
| <u>4,584</u>                 | <u>4,584</u>     | <u>5,216</u>     | <u>632</u>                   | <u>80,969</u>    | <u>80,519</u>    | <u>75,298</u>    | <u>(5,221)</u>               |
|                              |                  |                  | -                            | 18,698           | 18,818           | 18,315           | 503                          |
| 1,149                        | 1,199            | 1,186            | 13                           | 12,572           | 12,502           | 11,862           | 640                          |
|                              |                  |                  | -                            | 51,298           | 31,335           | 27,858           | 3,477                        |
|                              |                  |                  | -                            | 3,806            | 1,958            | 1,953            | 5                            |
|                              |                  |                  | -                            | 1,149            | 575              | 575              | -                            |
| <u>1,149</u>                 | <u>1,199</u>     | <u>1,186</u>     | <u>13</u>                    | <u>87,523</u>    | <u>65,188</u>    | <u>60,563</u>    | <u>4,625</u>                 |
| <u>3,435</u>                 | <u>3,385</u>     | <u>4,030</u>     | <u>645</u>                   | <u>(6,554)</u>   | <u>15,331</u>    | <u>14,735</u>    | <u>(596)</u>                 |
| 10,516                       | 10,516           | 10,337           | (179)                        | 19,315           | 24,315           | 25,362           | 1,047                        |
| (12,366)                     | (24,316)         | (9,537)          | 14,779                       | (25,730)         | (60,065)         | (44,917)         | 15,148                       |
| <u>(1,850)</u>               | <u>(13,800)</u>  | <u>800</u>       | <u>14,600</u>                | <u>(6,415)</u>   | <u>(35,750)</u>  | <u>(19,555)</u>  | <u>16,195</u>                |
| 1,585                        | (10,415)         | 4,830            | 15,245                       | (12,969)         | (20,419)         | (4,820)          | 15,599                       |
|                              |                  |                  | -                            | -                | -                | 750              | 750                          |
| <u>29,760</u>                | <u>29,760</u>    | <u>29,760</u>    | <u>-</u>                     | <u>82,140</u>    | <u>82,140</u>    | <u>82,140</u>    | <u>-</u>                     |
| \$ <u>31,345</u>             | \$ <u>19,345</u> | \$ <u>34,590</u> | \$ <u>15,245</u>             | \$ <u>69,171</u> | \$ <u>61,721</u> | \$ <u>78,070</u> | \$ <u>16,349</u>             |

(Concluded)



**CITY OF CLEVELAND, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUDGETED DEBT SERVICE FUNDS-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Amounts in Thousands)**

|   | <b>Unvoted Tax Supported Obligations Fund</b> |                           |                  |  |
|---|---|---------------------------|------------------|--|
|   | <u>Original<br/>Budget</u>                    | <u>Revised<br/>Budget</u> | <u>Actual</u>    | <u>Variance-<br/>Positive<br/>(Negative)</u> |
| REVENUES:   |   |                           |                  |  |
| Property taxes  | \$ 20,137                                     | \$ 20,137                 | \$ 19,991        | \$ (146)                                     |
| Other shared revenues   | 1,657   | 1,657                     | 1,657            | -  |
| Investment earnings   | 400   | 400                       | 204              | (196)  |
| Miscellaneous   |   |                           |                  | -  |
| Total revenues  | <u>22,194</u>                                 | <u>22,194</u>             | <u>21,852</u>    | <u>(342)</u>                                 |
| EXPENDITURES:   |   |                           |                  |  |
| Principal retirement  | 25,590  | 25,590                    | 25,170           | 420  |
| Interest  | 14,178  | 14,178                    | 12,896           | 1,282  |
| Total expenditures  | <u>39,768</u>                                 | <u>39,768</u>             | <u>38,066</u>    | <u>1,702</u>                                 |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER (UNDER) EXPENDITURES  | <u>(17,574)</u>                               | <u>(17,574)</u>           | <u>(16,214)</u>  | <u>1,360</u>                                 |
| OTHER FINANCING SOURCES (USES):   |   |                           |                  |  |
| Transfers in:   |   |                           |                  |  |
| From other subfunds   | 5,600   | 5,600                     | 4,700            | (900)  |
| Restricted income tax fund  | 12,000  | 12,000                    | 12,000           | -  |
| Transfers out:  |   |                           |                  |  |
| To other subfunds   |   |                           |                  | -  |
| Total other financing sources (uses)  | <u>17,600</u>                                 | <u>17,600</u>             | <u>16,700</u>    | <u>(900)</u>                                 |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER FINANCING SOURCES<br>OVER (UNDER) EXPENDITURES AND<br>OTHER FINANCING USES | 26  | 26                        | 486              | 460  |
| FUND BALANCES AT BEGINNING<br>OF YEAR   | <u>13,161</u>                                 | <u>13,161</u>             | <u>13,161</u>    | <u>-</u>                                     |
| FUND BALANCES AT END OF YEAR  | <u>\$ 13,187</u>                              | <u>\$ 13,187</u>          | <u>\$ 13,647</u> | <u>\$ 460</u>                                |

| Stadium Bond Fund |                |              |                              | Subordinated Income Tax Fund |                 |                 |                              |
|-------------------|----------------|--------------|------------------------------|------------------------------|-----------------|-----------------|------------------------------|
| Original Budget   | Revised Budget | Actual       | Variance-Positive (Negative) | Original Budget              | Revised Budget  | Actual          | Variance-Positive (Negative) |
| \$                | \$             | \$           | \$                           | \$                           | \$              | \$              | \$                           |
|                   |                |              | -                            |                              |                 |                 | -                            |
| 4                 | 4              | 1            | (3)                          | 61                           | 61              | 17              | (44)                         |
| <u>4</u>          | <u>4</u>       | <u>1</u>     | <u>(3)</u>                   | <u>61</u>                    | <u>61</u>       | <u>17</u>       | <u>(44)</u>                  |
| 1,550             | 1,550          | 1,550        | -                            | 4,465                        | 4,465           | 4,465           | -                            |
| 78                | 78             | 78           | -                            | 1,125                        | 1,125           | 1,125           | -                            |
| <u>1,628</u>      | <u>1,628</u>   | <u>1,628</u> | <u>-</u>                     | <u>5,590</u>                 | <u>5,590</u>    | <u>5,590</u>    | <u>-</u>                     |
| (1,624)           | (1,624)        | (1,627)      | (3)                          | (5,529)                      | (5,529)         | (5,573)         | (44)                         |
| 1,627             | 1,627          | 1,616        | (11)                         | 5,703                        | 5,703           | 5,639           | (64)                         |
|                   |                |              | -                            |                              |                 |                 | -                            |
| <u>1,627</u>      | <u>1,627</u>   | <u>1,616</u> | <u>(11)</u>                  | <u>5,703</u>                 | <u>5,703</u>    | <u>5,639</u>    | <u>(64)</u>                  |
| 3                 | 3              | (11)         | (14)                         | 174                          | 174             | 66              | (108)                        |
| 11                | 11             | 11           | -                            | 3,262                        | 3,262           | 3,262           | -                            |
| <u>\$ 14</u>      | <u>\$ 14</u>   | <u>\$ -</u>  | <u>\$ (14)</u>               | <u>\$ 3,436</u>              | <u>\$ 3,436</u> | <u>\$ 3,328</u> | <u>\$ (108)</u>              |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUDGETED DEBT SERVICE FUNDS-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(Amounts in Thousands)

|   | Lower Euclid Avenue TIF    |                           |                 |  | Core City Bonds            |                           |                 |  |
|---|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|-----------------|--|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> | <u>Actual</u>   | <u>Variance-<br/>Positive<br/>(Negative)</u> | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> | <u>Actual</u>   | <u>Variance-<br/>Positive<br/>(Negative)</u> |
| REVENUES:   |                            |                           |                 |  |                            |                           |                 |  |
| Property taxes  | \$                         | \$                        | \$              | \$ -   | \$                         | \$                        | \$              | \$ -   |
| Other shared revenues   |                            |                           |                 | -  |                            |                           |                 | -  |
| Investment earnings   | 25                         | 25                        | 6               | (19)   | 64                         | 64                        | 18              | (46)   |
| Miscellaneous   |                            |                           |                 | -  |                            |                           |                 | -  |
| Total revenues  | <u>25</u>                  | <u>25</u>                 | <u>6</u>        | <u>(19)</u>                                  | <u>64</u>                  | <u>64</u>                 | <u>18</u>       | <u>(46)</u>                                  |
| EXPENDITURES:   |                            |                           |                 |  |                            |                           |                 |  |
| Principal retirement  | 226                        | 226                       | 226             | -  | 2,280                      | 2,280                     | 2,280           | -  |
| Interest  | 139                        | 139                       | 138             | 1  | 1,548                      | 1,542                     | 991             | 551  |
| Total expenditures  | <u>365</u>                 | <u>365</u>                | <u>364</u>      | <u>1</u>                                     | <u>3,828</u>               | <u>3,822</u>              | <u>3,271</u>    | <u>551</u>                                   |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER (UNDER) EXPENDITURES  | <u>(340)</u>               | <u>(340)</u>              | <u>(358)</u>    | <u>(18)</u>                                  | <u>(3,764)</u>             | <u>(3,758)</u>            | <u>(3,253)</u>  | <u>505</u>                                   |
| OTHER FINANCING SOURCES (USES):   |                            |                           |                 |  |                            |                           |                 |  |
| Transfers in:   |                            |                           |                 |  |                            |                           |                 |  |
| From other subfunds   | 365                        | 365                       | 632             | 267  | 3,574                      | 3,568                     | 1,541           | (2,027)                                      |
| Restricted income tax fund  |                            |                           |                 | -  |                            |                           |                 | -  |
| Transfers out:  |                            |                           |                 |  |                            |                           |                 |  |
| To other subfunds   |                            |                           |                 | -  |                            |                           |                 | -  |
| Total other financing sources (uses)  | <u>365</u>                 | <u>365</u>                | <u>632</u>      | <u>267</u>                                   | <u>3,574</u>               | <u>3,568</u>              | <u>1,541</u>    | <u>(2,027)</u>                               |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER FINANCING SOURCES<br>OVER (UNDER) EXPENDITURES AND<br>OTHER FINANCING USES | 25                         | 25                        | 274             | 249  | (190)                      | (190)                     | (1,712)         | (1,522)                                      |
| FUND BALANCES AT BEGINNING<br>OF YEAR   | <u>1,799</u>               | <u>1,799</u>              | <u>1,799</u>    | <u>-</u>                                     | <u>3,518</u>               | <u>3,518</u>              | <u>3,518</u>    | <u>-</u>                                     |
| FUND BALANCES AT END OF YEAR  | <u>\$ 1,824</u>            | <u>\$ 1,824</u>           | <u>\$ 2,073</u> | <u>\$ 249</u>                                | <u>\$ 3,328</u>            | <u>\$ 3,328</u>           | <u>\$ 1,806</u> | <u>\$ (1,522)</u>                            |

| Subordinate Lien Income Tax Bonds |                   |                 |                                     | Totals             |                   |                  |                                     |
|-----------------------------------|-------------------|-----------------|-------------------------------------|--------------------|-------------------|------------------|-------------------------------------|
| Original<br>Budget                | Revised<br>Budget | Actual          | Variance-<br>Positive<br>(Negative) | Original<br>Budget | Revised<br>Budget | Actual           | Variance-<br>Positive<br>(Negative) |
| \$                                | \$                | \$              | \$ -                                | \$ 20,137          | \$ 20,137         | \$ 19,991        | \$ (146)                            |
|                                   |                   |                 | -                                   | 1,657              | 1,657             | 1,657            | -                                   |
| 336                               | 336               | 67              | (269)                               | 890                | 890               | 313              | (577)                               |
| 431                               | 431               | 217             | (214)                               | 431                | 431               | 217              | (214)                               |
| <u>767</u>                        | <u>767</u>        | <u>284</u>      | <u>(483)</u>                        | <u>23,115</u>      | <u>23,115</u>     | <u>22,178</u>    | <u>(937)</u>                        |
| 12,685                            | 12,685            | 12,685          | -                                   | 46,796             | 46,796            | 46,376           | 420                                 |
| 14,508                            | 14,508            | 14,281          | 227                                 | 31,576             | 31,570            | 29,509           | 2,061                               |
| <u>27,193</u>                     | <u>27,193</u>     | <u>26,966</u>   | <u>227</u>                          | <u>78,372</u>      | <u>78,366</u>     | <u>75,885</u>    | <u>2,481</u>                        |
| <u>(26,426)</u>                   | <u>(26,426)</u>   | <u>(26,682)</u> | <u>(256)</u>                        | <u>(55,257)</u>    | <u>(55,251)</u>   | <u>(53,707)</u>  | <u>1,544</u>                        |
|                                   |                   |                 | -                                   | 16,869             | 16,863            | 14,128           | (2,735)                             |
| 23,767                            | 23,767            | 23,380          | (387)                               | 35,767             | 35,767            | 35,380           | (387)                               |
| (907)                             | (907)             | (907)           | -                                   | (907)              | (907)             | (907)            | -                                   |
| <u>22,860</u>                     | <u>22,860</u>     | <u>22,473</u>   | <u>(387)</u>                        | <u>51,729</u>      | <u>51,723</u>     | <u>48,601</u>    | <u>(3,122)</u>                      |
| (3,566)                           | (3,566)           | (4,209)         | (643)                               | (3,528)            | (3,528)           | (5,106)          | (1,578)                             |
| 12,443                            | 12,443            | 12,443          | -                                   | 34,194             | 34,194            | 34,194           | -                                   |
| <u>\$ 8,877</u>                   | <u>\$ 8,877</u>   | <u>\$ 8,234</u> | <u>\$ (643)</u>                     | <u>\$ 30,666</u>   | <u>\$ 30,666</u>  | <u>\$ 29,088</u> | <u>\$ (1,578)</u>                   |

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# CITY OF CLEVELAND, OHIO

## NONMAJOR ENTERPRISE FUNDS

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

### Public Auditorium

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

### West Side Market

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

### East Side Market

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

### Municipal Parking Lots

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

### Cemeteries

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

### Golf Courses

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

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2020  
(Amounts in Thousands)**

|   | <u>Public<br/>Auditorium</u> | <u>West Side<br/>Market</u> | <u>East Side<br/>Market</u> |
|---|------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                               |                              |                             |                             |
| Current assets:                             |                              |                             |                             |
| Cash and cash equivalents                   | \$ 111                       | \$ 377                      | \$                          |
| Receivables:                                |                              |                             |                             |
| Accounts                                    | 75                           |                             |                             |
| Less: Allowance for doubtful accounts       | <u>(60)</u>                  |                             |                             |
| Receivables, net                            | <u>15</u>                    | <u>-</u>                    | <u>-</u>                    |
| Due from other funds                        |                              |                             |                             |
| Inventory of supplies                       |                              |                             |                             |
| Prepaid expenses and other assets           | <u>10</u>                    | <u>3</u>                    |                             |
| Total current assets                        | <u>136</u>                   | <u>380</u>                  | <u>-</u>                    |
| Noncurrent assets:                          |                              |                             |                             |
| Restricted assets:                          |                              |                             |                             |
| Cash and cash equivalents                   |                              |                             |                             |
| Total restricted assets                     | <u>-</u>                     | <u>-</u>                    | <u>-</u>                    |
| Capital assets:                             |                              |                             |                             |
| Land  | 4,261                        | 198                         | 413                         |
| Land improvements                           |                              | 848                         | 484                         |
| Buildings, structures and improvements      | 25,847                       | 15,213                      | 8,241                       |
| Furniture, fixtures, equipment and vehicles | 1,071                        | 1,788                       | 450                         |
| Construction in progress                    | 4,851                        | 462                         |                             |
| Less: Accumulated depreciation              | <u>(22,326)</u>              | <u>(12,220)</u>             | <u>(2,884)</u>              |
| Total capital assets, net                   | <u>13,704</u>                | <u>6,289</u>                | <u>6,704</u>                |
| Total noncurrent assets                     | <u>13,704</u>                | <u>6,289</u>                | <u>6,704</u>                |
| Total assets                                | <u>13,840</u>                | <u>6,669</u>                | <u>6,704</u>                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                              |                             |                             |
| Loss on refunding                           |                              |                             |                             |
| Pension                                     | 271                          | 77                          |                             |
| OPEB  | <u>150</u>                   | <u>43</u>                   |                             |
| Total deferred outflows of resources        | <u>421</u>                   | <u>120</u>                  | <u>-</u>                    |

| <u>Municipal<br/>Parking<br/>Lots</u> | <u>Cemeteries</u> | <u>Golf<br/>Courses</u> | <u>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</u> |
|---------------------------------------|-------------------|-------------------------|--|
| \$ 5,358                              | \$ 88             | \$ 1,179                | \$ 7,113   |
| 28                                    |                   |                         | 103  |
| <u>28</u>                             | <u>-</u>          | <u>-</u>                | <u>(60)</u>  |
|                                       |                   |                         | 43   |
| 19                                    |                   |                         | 19   |
| 8                                     | 5                 |                         | 5  |
| <u>8</u>                              | <u>8</u>          | <u>-</u>                | <u>29</u>  |
| <u>5,413</u>                          | <u>101</u>        | <u>1,179</u>            | <u>7,209</u>                                       |
| 8,945                                 | 4,826             |                         | 13,771   |
| <u>8,945</u>                          | <u>4,826</u>      | <u>-</u>                | <u>13,771</u>                                      |
| 5,478                                 | 1,259             | 1,822                   | 13,431   |
| 4,374                                 | 5,692             | 4,083                   | 15,481   |
| 56,483                                | 12,200            | 1,965                   | 119,949  |
| 2,213                                 | 642               | 334                     | 6,498  |
| 4,640                                 | 1,912             |                         | 11,865   |
| <u>(37,190)</u>                       | <u>(7,432)</u>    | <u>(5,515)</u>          | <u>(87,567)</u>                                    |
| <u>35,998</u>                         | <u>14,273</u>     | <u>2,689</u>            | <u>79,657</u>                                      |
| 44,943                                | 19,099            | 2,689                   | 93,428   |
| <u>50,356</u>                         | <u>19,200</u>     | <u>3,868</u>            | <u>100,637</u>                                     |
| 142                                   |                   |                         | 142  |
| 177                                   | 174               |                         | 699  |
| <u>129</u>                            | <u>129</u>        | <u>-</u>                | <u>451</u>   |
| <u>448</u>                            | <u>303</u>        | <u>-</u>                | <u>1,292</u>                                       |

(Continued)



**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS**

**DECEMBER 31, 2020**

**(Amounts in Thousands)**

|  | <u>Public</u><br><u>Auditorium</u> | <u>West Side</u><br><u>Market</u> | <u>East Side</u><br><u>Market</u> |
|--|------------------------------------|-----------------------------------|-----------------------------------|
| <b>LIABILITIES</b>                         |                                    |                                   |                                   |
| Current liabilities:                       |                                    |                                   |                                   |
| Accounts payable                           | \$ 101                             | \$ 107                            | \$                                |
| Accrued wages and benefits                 | 144                                | 63                                |                                   |
| Due to other funds                         | 62                                 | 17                                |                                   |
| Due to other governments                   |                                    |                                   |                                   |
| Accrued interest payable                   |                                    |                                   |                                   |
| Current portion of long-term obligations   |                                    |                                   |                                   |
| Total current liabilities                  | <u>307</u>                         | <u>187</u>                        | <u>-</u>                          |
| Long-term liabilities:                     |                                    |                                   |                                   |
| Accrued wages and benefits                 | 25                                 | 9                                 |                                   |
| Revenue bonds payable                      |                                    |                                   |                                   |
| Net pension liability                      | 1,681                              | 388                               |                                   |
| Net OPEB liability                         | <u>1,013</u>                       | <u>270</u>                        |                                   |
| Total liabilities                          | <u>3,026</u>                       | <u>854</u>                        | <u>-</u>                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>       |                                    |                                   |                                   |
| Derivative instruments-interest rate swaps |                                    |                                   |                                   |
| Pension                                    | 354                                | 86                                |                                   |
| OPEB                                       | <u>167</u>                         | <u>42</u>                         |                                   |
| Total deferred inflows of resources        | <u>521</u>                         | <u>128</u>                        | <u>-</u>                          |
| <b>NET POSITION</b>                        |                                    |                                   |                                   |
| Net investment in capital assets           | 13,704                             | 6,289                             | 6,704                             |
| Restricted for debt service                |                                    |                                   |                                   |
| Unrestricted                               | <u>(2,990)</u>                     | <u>(482)</u>                      |                                   |
| Total net position                         | <u>\$ 10,714</u>                   | <u>\$ 5,807</u>                   | <u>\$ 6,704</u>                   |

| <u>Municipal<br/>Parking<br/>Lots</u> | <u>Cemeteries</u> | <u>Golf<br/>Courses</u> | <u>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</u> |
|---------------------------------------|-------------------|-------------------------|--|
| \$ 42                                 | \$ 13             | \$ 80                   | \$ 343   |
| 97                                    | 106               |                         | 410  |
| 27                                    | 17                |                         | 123  |
| 261                                   |                   |                         | 261  |
| 118                                   |                   |                         | 118  |
| 3,730                                 |                   |                         | 3,730  |
| <u>4,275</u>                          | <u>136</u>        | <u>80</u>               | <u>4,985</u>                                       |
| 16                                    | 28                |                         | 78   |
| 4,009                                 |                   |                         | 4,009  |
| 1,165                                 | 1,165             |                         | 4,399  |
| 811                                   | 811               |                         | 2,905  |
| <u>10,276</u>                         | <u>2,140</u>      | <u>80</u>               | <u>16,376</u>                                      |
| 4                                     |                   |                         | 4  |
| 263                                   | 259               |                         | 962  |
| 126                                   | 126               |                         | 461  |
| <u>393</u>                            | <u>385</u>        | <u>-</u>                | <u>1,427</u>                                       |
| 31,537                                | 14,273            | 2,689                   | 75,196   |
| 5,797                                 |                   |                         | 5,797  |
| <u>2,801</u>                          | <u>2,705</u>      | <u>1,099</u>            | <u>3,133</u>                                       |
| <u>\$ 40,135</u>                      | <u>\$ 16,978</u>  | <u>\$ 3,788</u>         | <u>\$ 84,126</u>                                   |

(Concluded)

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET POSITION-NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**(Amounts in Thousands)**

|   | <u>Public<br/>Auditorium</u> | <u>West Side<br/>Market</u> | <u>East Side<br/>Market</u> |
|---|------------------------------|-----------------------------|-----------------------------|
| <b>OPERATING REVENUES:</b>                              |                              |                             |                             |
| Charges for services                                    | \$ 595                       | \$ 929                      | \$ -                        |
| Total operating revenue                                 | <u>595</u>                   | <u>929</u>                  | <u>-</u>                    |
| <b>OPERATING EXPENSES:</b>                              |                              |                             |                             |
| Operations  | 2,764                        | 1,480                       |                             |
| Maintenance   | 5                            | 18                          |                             |
| Depreciation  | 293                          | 564                         | 60                          |
| Total operating expenses                                | <u>3,062</u>                 | <u>2,062</u>                | <u>60</u>                   |
| <b>OPERATING INCOME (LOSS)</b>                          | <u>(2,467)</u>               | <u>(1,133)</u>              | <u>(60)</u>                 |
| <b>NON-OPERATING REVENUE (EXPENSES):</b>                |                              |                             |                             |
| Investment income (loss)                                |                              | 3                           |                             |
| Interest expense  |                              |                             |                             |
| Other revenues (expenses)                               |                              |                             |                             |
| Total non-operating revenues (expenses)                 | <u>-</u>                     | <u>3</u>                    | <u>-</u>                    |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b> | <u>(2,467)</u>               | <u>(1,130)</u>              | <u>(60)</u>                 |
| Capital contributions                                   | 2,252                        | 352                         |                             |
| Transfers in  | 1,750                        | 250                         |                             |
| <b>CHANGE IN NET POSITION</b>                           | <u>1,535</u>                 | <u>(528)</u>                | <u>(60)</u>                 |
| <b>NET POSITION AT BEGINNING OF YEAR</b>                | <u>9,179</u>                 | <u>6,335</u>                | <u>6,764</u>                |
| <b>NET POSITION AT END OF YEAR</b>                      | <u>\$ 10,714</u>             | <u>\$ 5,807</u>             | <u>\$ 6,704</u>             |

| <b>Municipal<br/>Parking<br/><u>Lots</u></b> | <b><u>Cemeteries</u></b> | <b><u>Golf<br/>Courses</u></b> | <b>Total<br/>Nonmajor<br/>Enterprise<br/><u>Funds</u></b> |
|--|--------------------------|--------------------------------|---|
| \$ 3,875                                     | \$ 1,677                 | \$ 674                         | \$ 7,750  |
| <u>3,875</u>                                 | <u>1,677</u>             | <u>674</u>                     | <u>7,750</u>  |
| 3,657  | 1,918                    | 1,141                          | 10,960  |
| 38   | 1                        | 3                              | 65  |
| <u>1,721</u>                                 | <u>593</u>               | <u>102</u>                     | <u>3,333</u>  |
| <u>5,416</u>                                 | <u>2,512</u>             | <u>1,246</u>                   | <u>14,358</u>   |
| <u>(1,541)</u>                               | <u>(835)</u>             | <u>(572)</u>                   | <u>(6,608)</u>  |
| 63   | 38                       |                                | 104   |
| (614)  |                          |                                | (614)   |
|  |                          | <u>14</u>                      | <u>14</u>   |
| <u>(551)</u>                                 | <u>38</u>                | <u>14</u>                      | <u>(496)</u>  |
| (2,092)                                      | (797)                    | (558)                          | (7,104)   |
| 177  | 4                        | 1                              | 2,786   |
| <u>2,000</u>                                 | <u>150</u>               | <u>705</u>                     | <u>4,855</u>  |
| 85   | (643)                    | 148                            | 537   |
| <u>40,050</u>                                | <u>17,621</u>            | <u>3,640</u>                   | <u>83,589</u>   |
| <u>\$ 40,135</u>                             | <u>\$ 16,978</u>         | <u>\$ 3,788</u>                | <u>\$ 84,126</u>  |

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**(Amounts in Thousands)**

|   | <u>Public<br/>Auditorium</u> | <u>West Side<br/>Market</u> | <u>East Side<br/>Market</u> |
|---|------------------------------|-----------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                |                              |                             |                             |
| Cash received from customers  | \$ 718                       | \$ 927                      | \$                          |
| Cash payments to suppliers for goods or services                            | (1,198)                      | (1,056)                     |                             |
| Cash payments to employees for services                                     | (1,194)                      | (505)                       |                             |
| Net cash provided by (used for) operating activities                        | <u>(1,674)</u>               | <u>(634)</u>                | <u>-</u>                    |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES:</b>                 |                              |                             |                             |
| Cash received through transfers from other funds                            | 1,750                        | 250                         |                             |
| Cash received for royalties   |                              |                             |                             |
| Net cash provided by (used for)<br>noncapital financing activities          | <u>1,750</u>                 | <u>250</u>                  | <u>-</u>                    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES:</b>        |                              |                             |                             |
| Acquisition and construction of capital assets                              |                              |                             |                             |
| Principal paid on long-term debt  |                              |                             |                             |
| Interest paid on long-term debt   |                              |                             |                             |
| Net cash provided by (used for) capital<br>and related financing activities | <u>-</u>                     | <u>-</u>                    | <u>-</u>                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                |                              |                             |                             |
| Interest received on investments  |                              | 3                           |                             |
| Net cash provided by (used for) investing activities                        | <u>-</u>                     | <u>3</u>                    | <u>-</u>                    |
| <b>NET INCREASE (DECREASE) IN CASH AND<br/>CASH EQUIVALENTS</b>             | 76                           | (381)                       | -                           |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                       | <u>35</u>                    | <u>758</u>                  |                             |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                             | <u>\$ 111</u>                | <u>\$ 377</u>               | <u>\$ -</u>                 |

| <u>Municipal<br/>Parking<br/>Lots</u> | <u>Cemeteries</u> | <u>Golf<br/>Courses</u> | <u>Total<br/>Nonmajor<br/>Enterprise<br/>Funds</u> |
|---------------------------------------|-------------------|-------------------------|--|
| \$ 3,819                              | \$ 1,679          | \$ 674                  | \$ 7,817   |
| (2,877)                               | (455)             | (1,156)                 | (6,742)  |
| <u>(1,134)</u>                        | <u>(1,265)</u>    | <u></u>                 | <u>(4,098)</u>                                     |
| <u>(192)</u>                          | <u>(41)</u>       | <u>(482)</u>            | <u>(3,023)</u>                                     |
| 2,000                                 | 150               | 705                     | 4,855  |
| <u></u>                               | <u></u>           | <u>14</u>               | <u>14</u>  |
| <u>2,000</u>                          | <u>150</u>        | <u>719</u>              | <u>4,869</u>                                       |
|                                       | (617)             |                         | (617)  |
| (3,540)                               |                   |                         | (3,540)  |
| <u>(608)</u>                          | <u></u>           | <u></u>                 | <u>(608)</u>                                       |
| <u>(4,148)</u>                        | <u>(617)</u>      | <u>-</u>                | <u>(4,765)</u>                                     |
| 71                                    | 38                |                         | 112  |
| <u>71</u>                             | <u>38</u>         | <u>-</u>                | <u>112</u>   |
| (2,269)                               | (470)             | 237                     | (2,807)  |
| <u>16,572</u>                         | <u>5,384</u>      | <u>942</u>              | <u>23,691</u>                                      |
| <u>\$ 14,303</u>                      | <u>\$ 4,914</u>   | <u>\$ 1,179</u>         | <u>\$ 20,884</u>                                   |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**(Amounts in Thousands)**

|  | <u>Public</u><br><u>Auditorium</u> | <u>West Side</u><br><u>Market</u> | <u>East Side</u><br><u>Market</u> |
|--|------------------------------------|-----------------------------------|-----------------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS)              |                                    |                                   |                                   |
| TO NET CASH PROVIDED BY (USED FOR)                     |                                    |                                   |                                   |
| OPERATING ACTIVITIES:                                  |                                    |                                   |                                   |
| Operating income (loss)                                | \$ (2,467)                         | \$ (1,133)                        | \$ (60)                           |
| Adjustments to reconcile operating income (loss) to    |                                    |                                   |                                   |
| net cash provided by (used for) operating activities:  |                                    |                                   |                                   |
| Depreciation   | 293                                | 564                               | 60                                |
| (Increase) Decrease in Assets:                         |                                    |                                   |                                   |
| Receivables, net                                       | 125                                |                                   |                                   |
| Prepaid expenses and other assets                      | 1                                  |                                   |                                   |
| Due from other funds                                   |                                    |                                   |                                   |
| (Increase) Decrease in Deferred Outflows of Resources: |                                    |                                   |                                   |
| Pension  | 480                                | 104                               |                                   |
| OPEB   | (83)                               | (21)                              |                                   |
| Increase (Decrease) in Liabilities:                    |                                    |                                   |                                   |
| Accounts payable                                       | 66                                 | (86)                              |                                   |
| Accrued wages and benefits                             | 33                                 | (25)                              |                                   |
| Net pension liability                                  | (639)                              | (160)                             |                                   |
| Net OPEB liability                                     | 46                                 | 11                                |                                   |
| Due to other funds                                     | (5)                                | (7)                               |                                   |
| Due to other governments                               |                                    |                                   |                                   |
| Increase (Decrease) in Deferred Inflows of Resources:  |                                    |                                   |                                   |
| Pension  | 311                                | 78                                |                                   |
| OPEB   | 165                                | 41                                |                                   |
| Total adjustments                                      | <u>793</u>                         | <u>499</u>                        | <u>60</u>                         |
| NET CASH PROVIDED BY (USED FOR)                        |                                    |                                   |                                   |
| OPERATING ACTIVITIES                                   | <u>\$ (1,674)</u>                  | <u>\$ (634)</u>                   | <u>\$ -</u>                       |
| SCHEDULE OF NONCASH CAPITAL AND RELATED                |                                    |                                   |                                   |
| FINANCING ACTIVITIES:                                  |                                    |                                   |                                   |
| Contributions of Capital Assets                        | \$ 2,252                           | \$ 352                            | \$                                |
| Capital Assets Added from Accounts Payable             | 47                                 | 1                                 |                                   |

| Municipal<br>Parking<br><u>Lots</u> | <u>Cemeteries</u> | <u>Golf<br/>Courses</u> | Total<br>Nonmajor<br>Enterprise<br><u>Funds</u> |
|-------------------------------------|-------------------|-------------------------|---|
| \$ (1,541)                          | \$ (835)          | \$ (572)                | \$ (6,608)                                      |
| 1,721                               | 593               | 102                     | 3,333   |
| (13)                                |                   |                         | 112   |
| (1)                                 |                   |                         | -   |
| (7)                                 |                   |                         | (7)   |
| 330                                 | 331               |                         | 1,245   |
| (62)                                | (61)              |                         | (227)   |
| (502)                               | 8                 | (12)                    | (526)   |
|                                     | 7                 |                         | 15  |
| (479)                               | (479)             |                         | (1,757)   |
| 34                                  | 34                |                         | 125   |
| (49)                                | 4                 |                         | (57)  |
| 16                                  |                   |                         | 16  |
| 237                                 | 233               |                         | 859   |
| 124                                 | 124               |                         | 454   |
| <u>1,349</u>                        | <u>794</u>        | <u>90</u>               | <u>3,585</u>                                    |
| <u>\$ (192)</u>                     | <u>\$ (41)</u>    | <u>\$ (482)</u>         | <u>\$ (3,023)</u>                               |

|        |      |      |          |
|--------|------|------|----------|
| \$ 177 | \$ 4 | \$ 1 | \$ 2,786 |
| 15     | 4    | 3    | 70       |

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## INTERNAL SERVICE FUNDS

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

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

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF NET POSITION - ALL INTERNAL SERVICE FUNDS**

**DECEMBER 31, 2020**

**(Amounts in Thousands)**

|   | <u>Motor<br/>Vehicle<br/>Maintenance</u> | <u>Printing<br/>and<br/>Reproduction</u> | <u>City<br/>Storeroom<br/>and<br/>Warehouse</u> | <u>Utilities<br/>Administration</u> |
|---|--|--|---|-------------------------------------|
| <b>ASSETS</b>                               |  |  |   |                                     |
| Current assets:                             |  |  |   |                                     |
| Cash and cash equivalents                   | \$ 8,292                                 | \$ 407                                   | \$ 120  | \$ 1,049                            |
| Receivables:                                |  |  |   |                                     |
| Accounts                                    |  |  |   |                                     |
| Due from other funds                        | 1,580                                    | 162                                      | 32  |                                     |
| Inventory of supplies                       | 1,298                                    | 73                                       |   |                                     |
| Prepaid expenses and other assets           | 44                                       | 29                                       |   | 92                                  |
| Total current assets                        | <u>11,214</u>                            | <u>671</u>                               | <u>152</u>                                      | <u>1,141</u>                        |
| Noncurrent assets:                          |  |  |   |                                     |
| Capital assets:                             |  |  |   |                                     |
| Land  | 663                                      |  |   |                                     |
| Land improvements                           | 146                                      |  |   |                                     |
| Buildings, structures and improvements      | 3,170                                    | 884                                      |   | 317                                 |
| Furniture, fixtures, equipment and vehicles | 17,200                                   | 1,497                                    |   | 1,916                               |
| Less: Accumulated depreciation              | <u>(18,984)</u>                          | <u>(1,705)</u>                           |   | <u>(1,657)</u>                      |
| Total capital assets, net                   | <u>2,195</u>                             | <u>676</u>                               | <u>-</u>  | <u>576</u>                          |
| Total noncurrent assets                     | <u>2,195</u>                             | <u>676</u>                               | <u>-</u>  | <u>576</u>                          |
| <b>TOTAL ASSETS</b>                         | <u>13,409</u>                            | <u>1,347</u>                             | <u>152</u>                                      | <u>1,717</u>                        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |  |  |   |                                     |
| Pension                                     | 830                                      | 134                                      |   | 1,430                               |
| OPEB  | 623                                      | 107                                      |   | 1,160                               |
| Total deferred outflows of resources        | <u>1,453</u>                             | <u>241</u>                               | <u>-</u>  | <u>2,590</u>                        |

| <u>Sinking<br/>Fund<br/>Administration</u> | <u>Municipal<br/>Income Tax<br/>Administration</u> | <u>Telephone<br/>Exchange</u> | <u>Radio<br/>Communications</u> | <u>Workers'<br/>Compensation<br/>Reserve</u> | <u>Health Self<br/>Insurance<br/>Fund</u> | <u>Prescription Self<br/>Insurance<br/>Fund</u> | <u>Total</u>  |
|--|--|-------------------------------|---------------------------------|--|---|---|---------------|
| \$ 179                                     | \$ 1,717   | \$ 1,094                      | \$ 1,418                        | \$ 41,127                                    | \$ 23,688                                 | \$ 5,646  | \$ 84,737     |
|  |  |                               |                                 |  | 13  |   | 13            |
| 41   |  | 2,088                         | 476                             |  |   |   | 4,379         |
|  | 44   | 222                           | 120                             |  |   |   | 1,371         |
|  |  |                               |                                 |  |   |   | 551           |
| <u>220</u>                                 | <u>1,761</u>                                       | <u>3,404</u>                  | <u>2,014</u>                    | <u>41,127</u>                                | <u>23,701</u>                             | <u>5,646</u>                                    | <u>91,051</u> |
|  |  |                               |                                 |  |   |   | 663           |
|  |  |                               | 33                              |  |   |   | 179           |
|  |  |                               | 112                             |  |   |   | 4,483         |
|  | 557  | 131                           | 400                             |  |   |   | 21,701        |
|  | (414)  | (131)                         | (290)                           |  |   |   | (23,181)      |
| <u>-</u>                                   | <u>143</u>   | <u>-</u>                      | <u>255</u>                      | <u>-</u>                                     | <u>-</u>                                  | <u>-</u>  | <u>3,845</u>  |
| <u>-</u>                                   | <u>143</u>   | <u>-</u>                      | <u>255</u>                      | <u>-</u>                                     | <u>-</u>                                  | <u>-</u>  | <u>3,845</u>  |
| <u>220</u>                                 | <u>1,904</u>                                       | <u>3,404</u>                  | <u>2,269</u>                    | <u>41,127</u>                                | <u>23,701</u>                             | <u>5,646</u>                                    | <u>94,896</u> |
| 10   | 1,070  | 239                           | 139                             |  |   |   | 3,852         |
| 43   | 731  | 149                           | 43                              |  |   |   | 2,856         |
| 53   | 1,801  | 388                           | 182                             | -  | -   | -   | 6,708         |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF NET POSITION - ALL INTERNAL SERVICE FUNDS  
DECEMBER 31, 2020  
(Amounts in Thousands)**

|                                      | <b>Motor<br/>Vehicle<br/>Maintenance</b> | <b>Printing<br/>and<br/>Reproduction</b> | <b>City<br/>Storeroom<br/>and<br/>Warehouse</b> | <b>Utilities<br/>Administration</b> |
|--------------------------------------|--|--|---|-------------------------------------|
| <b>LIABILITIES</b>                   |  |  |   |                                     |
| Current liabilities:                 |  |  |   |                                     |
| Accounts payable                     | \$ 1,225                                 | \$ 89                                    | \$  | \$ 55                               |
| Accrued wages and benefits           | 854                                      | 174                                      | 9   | 1,736                               |
| Claims payable                       |  |  |   |                                     |
| Due to other funds                   | 25                                       | 2  |   | 5                                   |
| Due to other governments             | <u>2</u>                                 |  |   |                                     |
| Total current liabilities            | <u>2,106</u>                             | <u>265</u>                               | <u>9</u>  | <u>1,796</u>                        |
| Long-term liabilities:               |  |  |   |                                     |
| Accrued wages and benefits           | 221                                      | 41                                       | 2   | 371                                 |
| Net pension liability                | 5,277                                    | 617                                      |   | 8,499                               |
| Net OPEB liability                   | <u>3,798</u>                             | <u>552</u>                               |   | <u>7,056</u>                        |
| Total liabilities                    | <u>11,402</u>                            | <u>1,475</u>                             | <u>11</u>                                       | <u>17,722</u>                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |  |   |                                     |
| Pension                              | 1,289                                    | 251                                      |   | 2,228                               |
| OPEB                                 | <u>628</u>                               | <u>125</u>                               |   | <u>1,172</u>                        |
| Total deferred inflows of resources  | <u>1,917</u>                             | <u>376</u>                               | <u>-</u>  | <u>3,400</u>                        |
| <b>NET POSITION</b>                  |  |  |   |                                     |
| Net investment in capital assets     | 2,195                                    | 676                                      |   | 576                                 |
| Unrestricted                         | <u>(652)</u>                             | <u>(939)</u>                             | <u>141</u>                                      | <u>(17,391)</u>                     |
| Total net position                   | <u>\$ 1,543</u>                          | <u>\$ (263)</u>                          | <u>\$ 141</u>                                   | <u>\$ (16,815)</u>                  |

| <u>Sinking<br/>Fund<br/>Administration</u> | <u>Municipal<br/>Income Tax<br/>Administration</u> | <u>Telephone<br/>Exchange</u> | <u>Radio<br/>Communications</u> | <u>Workers'<br/>Compensation<br/>Reserve</u> | <u>Health Self<br/>Insurance<br/>Fund</u> | <u>Prescription Self<br/>Insurance<br/>Fund</u> | <u>Total</u>     |
|--|--|-------------------------------|---------------------------------|--|---|---|------------------|
| \$ 11                                      | \$ 104   | \$ 1,729                      | \$ 102                          | \$   | \$  | \$  | \$ 3,315         |
| 36   | 925  | 171                           | 62                              | 9,637  |   |   | 13,604           |
|  | 70   |                               | 3                               |  | 11,170                                    | 338   | 11,508           |
|  | 632  |                               | 14                              |  |   |   | 105              |
| <u>47</u>                                  | <u>1,731</u>                                       | <u>1,900</u>                  | <u>181</u>                      | <u>9,637</u>                                 | <u>11,170</u>                             | <u>338</u>                                      | <u>29,180</u>    |
| 14   | 173  | 28                            | 26                              |  |   |   | 876              |
| 388  | 6,358  | 1,233                         | 491                             |  |   |   | 22,863           |
| 270  | 4,598  | 1,024                         | 270                             |  |   |   | 17,568           |
| <u>719</u>                                 | <u>12,860</u>                                      | <u>4,185</u>                  | <u>968</u>                      | <u>9,637</u>                                 | <u>11,170</u>                             | <u>338</u>                                      | <u>70,487</u>    |
| 87   | 1,490  | 334                           | 90                              |  |   |   | 5,769            |
| 42   | 712  | 141                           | 42                              |  |   |   | 2,862            |
| <u>129</u>                                 | <u>2,202</u>                                       | <u>475</u>                    | <u>132</u>                      | <u>-</u>                                     | <u>-</u>                                  | <u>-</u>  | <u>8,631</u>     |
|  | 143  |                               | 255                             |  |   |   | 3,845            |
| <u>(575)</u>                               | <u>(11,500)</u>                                    | <u>(868)</u>                  | <u>1,096</u>                    | <u>31,490</u>                                | <u>12,531</u>                             | <u>5,308</u>                                    | <u>18,641</u>    |
| <u>\$ (575)</u>                            | <u>\$ (11,357)</u>                                 | <u>\$ (868)</u>               | <u>\$ 1,351</u>                 | <u>\$ 31,490</u>                             | <u>\$ 12,531</u>                          | <u>\$ 5,308</u>                                 | <u>\$ 22,486</u> |

(Concluded)

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET POSITION - ALL INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Amounts in Thousands)**

|  | <u>Motor<br/>Vehicle<br/>Maintenance</u> | <u>Printing<br/>and<br/>Reproduction</u> | <u>City<br/>Storeroom<br/>and<br/>Warehouse</u> | <u>Utilities<br/>Administration</u> |
|--|--|--|---|-------------------------------------|
| <b>OPERATING REVENUES:</b>                       |  |  |   |                                     |
| Charges for services                             | \$ 19,037                                | \$ 1,987                                 | \$ 445  | \$ 13,991                           |
| Total operating revenue                          | <u>19,037</u>                            | <u>1,987</u>                             | <u>445</u>                                      | <u>13,991</u>                       |
| <b>OPERATING EXPENSES:</b>                       |  |  |   |                                     |
| Operations                                       | 17,364                                   | 2,220                                    | 446   | 16,360                              |
| Maintenance                                      | 1,043                                    | 89                                       |   | 131                                 |
| Depreciation                                     | 254                                      | 70                                       |   | 115                                 |
| Total operating expenses                         | <u>18,661</u>                            | <u>2,379</u>                             | <u>446</u>                                      | <u>16,606</u>                       |
| OPERATING INCOME (LOSS)                          | <u>376</u>                               | <u>(392)</u>                             | <u>(1)</u>                                      | <u>(2,615)</u>                      |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>        |  |  |   |                                     |
| Investment income                                | 42                                       | 2  |   | 12                                  |
| Total non-operating revenues (expenses)          | <u>42</u>                                | <u>2</u>                                 | <u>-</u>  | <u>12</u>                           |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 418                                      | (390)                                    | (1)   | (2,603)                             |
| Capital contributions                            | 102                                      | 13                                       |   |                                     |
| Transfers in                                     |  |  |   |                                     |
| CHANGE IN NET POSITION                           | 520                                      | (377)                                    | (1)   | (2,603)                             |
| NET POSITION AT BEGINNING OF YEAR                | <u>1,023</u>                             | <u>114</u>                               | <u>142</u>                                      | <u>(14,212)</u>                     |
| NET POSITION AT END OF YEAR                      | <u>\$ 1,543</u>                          | <u>\$ (263)</u>                          | <u>\$ 141</u>                                   | <u>\$ (16,815)</u>                  |

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| <u>Sinking<br/>Fund<br/>Administration</u> | <u>Municipal<br/>Income Tax<br/>Administration</u> | <u>Telephone<br/>Exchange</u> | <u>Radio<br/>Communications</u> | <u>Workers'<br/>Compensation<br/>Reserve</u> | <u>Health Self<br/>Insurance<br/>Fund</u> | <u>Prescription Self<br/>Insurance<br/>Fund</u> | <u>Total</u>     |
|--|--|-------------------------------|---------------------------------|--|---|---|------------------|
| \$ 60                                      | \$ 9,926   | \$ 12,412                     | \$ 2,770                        | \$ 33,857                                    | \$ 87,514                                 | \$ 18,027                                       | \$ 200,026       |
| <u>60</u>                                  | <u>9,926</u>                                       | <u>12,412</u>                 | <u>2,770</u>                    | <u>33,857</u>                                | <u>87,514</u>                             | <u>18,027</u>                                   | <u>200,026</u>   |
| 840  | 11,037   | 12,537                        | 1,452                           | 7,889  | 83,678                                    | 15,068  | 168,891          |
|  | 159  | 35                            | 1,699                           |  |   |   | 3,156            |
|  | 59   |                               | 52                              |  |   |   | 550              |
| <u>840</u>                                 | <u>11,255</u>                                      | <u>12,572</u>                 | <u>3,203</u>                    | <u>7,889</u>                                 | <u>83,678</u>                             | <u>15,068</u>                                   | <u>172,597</u>   |
| <u>(780)</u>                               | <u>(1,329)</u>                                     | <u>(160)</u>                  | <u>(433)</u>                    | <u>25,968</u>                                | <u>3,836</u>                              | <u>2,959</u>                                    | <u>27,429</u>    |
|  | 90   | 8                             | 13                              |  |   |   | 167              |
| <u>-</u>                                   | <u>90</u>  | <u>8</u>                      | <u>13</u>                       | <u>-</u>                                     | <u>-</u>                                  | <u>-</u>  | <u>167</u>       |
| (780)                                      | (1,239)  | (152)                         | (420)                           | 25,968                                       | 3,836                                     | 2,959   | 27,596           |
|  |  |                               |                                 |  |   |   | 115              |
| <u>797</u>                                 |  |                               |                                 |  |   |   | <u>797</u>       |
| 17   | (1,239)  | (152)                         | (420)                           | 25,968                                       | 3,836                                     | 2,959   | 28,508           |
| <u>(592)</u>                               | <u>(10,118)</u>                                    | <u>(716)</u>                  | <u>1,771</u>                    | <u>5,522</u>                                 | <u>8,695</u>                              | <u>2,349</u>                                    | <u>(6,022)</u>   |
| <u>\$ (575)</u>                            | <u>\$ (11,357)</u>                                 | <u>\$ (868)</u>               | <u>\$ 1,351</u>                 | <u>\$ 31,490</u>                             | <u>\$ 12,531</u>                          | <u>\$ 5,308</u>                                 | <u>\$ 22,486</u> |



## CITY OF CLEVELAND, OHIO

### COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

(Amounts in Thousands)

|   | <u>Motor<br/>Vehicle<br/>Maintenance</u> | <u>Printing<br/>and<br/>Reproduction</u> | <u>City<br/>Storeroom<br/>and<br/>Warehouse</u> | <u>Utilities<br/>Administration</u> |
|---|--|--|---|-------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                |  |  |   |                                     |
| Cash received from customers  | \$ 18,935                                | \$ 1,962                                 | \$ 453  | \$ 13,986                           |
| Cash payments to suppliers for goods or services                            | (11,193)                                 | (1,063)                                  | (370)   | (2,439)                             |
| Cash payments to employees for services                                     | (6,288)                                  | (1,020)                                  | (66)  | (11,893)                            |
| Net cash provided by (used for) operating activities                        | <u>1,454</u>                             | <u>(121)</u>                             | <u>17</u>                                       | <u>(346)</u>                        |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES:</b>                 |  |  |   |                                     |
| Cash received through transfers from other funds                            | <u>-</u>                                 | <u>-</u>                                 | <u>-</u>  | <u>-</u>                            |
| Net cash provided by (used for) noncapital financing activities             | <u>-</u>                                 | <u>-</u>                                 | <u>-</u>  | <u>-</u>                            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES:</b>        |  |  |   |                                     |
| Acquisition and construction of capital assets                              | <u>(63)</u>                              | <u>1</u>                                 | <u>-</u>  | <u>-</u>                            |
| Net cash provided by (used for) capital<br>and related financing activities | <u>(63)</u>                              | <u>1</u>                                 | <u>-</u>  | <u>-</u>                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                |  |  |   |                                     |
| Interest received on investments  | <u>42</u>                                | <u>2</u>                                 | <u>-</u>  | <u>12</u>                           |
| Net cash provided by (used for) investing activities                        | <u>42</u>                                | <u>2</u>                                 | <u>-</u>  | <u>12</u>                           |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                 | <b>1,433</b>                             | <b>(118)</b>                             | <b>17</b>                                       | <b>(334)</b>                        |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                       | <b><u>6,859</u></b>                      | <b><u>525</u></b>                        | <b><u>103</u></b>                               | <b><u>1,383</u></b>                 |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                             | <b><u>\$ 8,292</u></b>                   | <b><u>\$ 407</u></b>                     | <b><u>\$ 120</u></b>                            | <b><u>\$ 1,049</u></b>              |

| <u>Sinking<br/>Fund<br/>Administration</u> | <u>Municipal<br/>Income Tax<br/>Administration</u> | <u>Telephone<br/>Exchange</u> | <u>Radio<br/>Communications</u> | <u>Workers'<br/>Compensation<br/>Reserve</u> | <u>Health Self<br/>Insurance<br/>Fund</u> | <u>Prescription Self<br/>Insurance<br/>Fund</u> | <u>Total</u>     |
|--|--|-------------------------------|---------------------------------|--|---|---|------------------|
| \$ 50                                      | \$ 8,945   | \$ 11,779                     | \$ 2,513                        | \$ 26,449                                    | \$ 87,501                                 | \$ 18,027                                       | \$ 190,600       |
| (527)                                      | (2,991)  | (10,312)                      | (2,619)                         |  | (81,617)                                  | (15,087)  | (128,218)        |
| (223)                                      | (6,743)  | (1,395)                       | (537)                           |  |   |   | (28,165)         |
| <u>(700)</u>                               | <u>(789)</u>                                       | <u>72</u>                     | <u>(643)</u>                    | <u>26,449</u>                                | <u>5,884</u>                              | <u>2,940</u>                                    | <u>34,217</u>    |
| <br>                                       |  |                               |                                 |  |   |   |                  |
| 797  |  |                               |                                 |  |   |   | 797              |
| <u>797</u>                                 | <u>-</u>   | <u>-</u>                      | <u>-</u>                        | <u>-</u>                                     | <u>-</u>                                  | <u>-</u>  | <u>797</u>       |
| <br>                                       |  |                               |                                 |  |   |   |                  |
|  | (32)   |                               | (40)                            |  |   |   | (134)            |
| <u>-</u>                                   | <u>(32)</u>  | <u>-</u>                      | <u>(40)</u>                     | <u>-</u>                                     | <u>-</u>                                  | <u>-</u>  | <u>(134)</u>     |
| <br>                                       |  |                               |                                 |  |   |   |                  |
|  | 90   | 8                             | 13                              |  |   |   | 167              |
| <u>-</u>                                   | <u>90</u>  | <u>8</u>                      | <u>13</u>                       | <u>-</u>                                     | <u>-</u>                                  | <u>-</u>  | <u>167</u>       |
| <br>                                       |  |                               |                                 |  |   |   |                  |
| 97   | (731)  | 80                            | (670)                           | 26,449                                       | 5,884                                     | 2,940   | 35,047           |
| <u>82</u>                                  | <u>2,448</u>                                       | <u>1,014</u>                  | <u>2,088</u>                    | <u>14,678</u>                                | <u>17,804</u>                             | <u>2,706</u>                                    | <u>49,690</u>    |
| <br>                                       |  |                               |                                 |  |   |   |                  |
| <u>\$ 179</u>                              | <u>\$ 1,717</u>                                    | <u>\$ 1,094</u>               | <u>\$ 1,418</u>                 | <u>\$ 41,127</u>                             | <u>\$ 23,688</u>                          | <u>\$ 5,646</u>                                 | <u>\$ 84,737</u> |

(Continued)

**CITY OF CLEVELAND, OHIO**

**COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Amounts in Thousands)**

|  | <u>Motor<br/>Vehicle<br/>Maintenance</u> | <u>Printing<br/>and<br/>Reproduction</u> | <u>City<br/>Storeroom<br/>and<br/>Warehouse</u> | <u>Utilities<br/>Administration</u> |
|--|--|--|---|-------------------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br>CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:        |  |  |   |                                     |
| Operating income (loss)  | \$ 376                                   | \$ (392)                                 | \$ (1)  | \$ (2,615)                          |
| Adjustments to reconcile operating income (loss) to<br>net cash provided by (used for) operating activities: |  |  |   |                                     |
| Depreciation   | 254                                      | 70                                       |   | 115                                 |
| (Increase) Decrease in Assets:   |  |  |   |                                     |
| Receivables, net   |  |  |   |                                     |
| Prepaid expenses and other assets  | 2  |  | 1   | 4                                   |
| Due from other funds   | (102)                                    | (24)                                     | 9   |                                     |
| Inventory of supplies  | (250)                                    | 12                                       |   |                                     |
| (Increase) Decrease in Deferred Outflows of Resources:   |  |  |   |                                     |
| Pension  | 1,645                                    | 338                                      | 6   | 3,027                               |
| OPEB   | (309)                                    | (62)                                     |   | (576)                               |
| Increase (Decrease) in Liabilities:  |  |  |   |                                     |
| Accounts payable   | 148                                      | 1  |   | (23)                                |
| Accrued wages and benefits   | 120                                      | 24                                       | 2   | 529                                 |
| Net pension liability  | (2,395)                                  | (479)                                    |   | (4,471)                             |
| Net OPEB liability   | 174                                      | 34                                       |   | 325                                 |
| Claims Payable   |  |  |   |                                     |
| Due to other funds   | 2  | (1)                                      |   | 3                                   |
| Due to other governments   | 2  |  |   |                                     |
| Increase (Decrease) in Deferred Inflows of Resources:  |  |  |   |                                     |
| Pension  | 1,169                                    | 234                                      |   | 2,182                               |
| OPEB   | 618                                      | 124                                      |   | 1,154                               |
| Total adjustments  | <u>1,078</u>                             | <u>271</u>                               | <u>18</u>                                       | <u>2,269</u>                        |
| NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES   | <u>\$ 1,454</u>                          | <u>\$ (121)</u>                          | <u>\$ 17</u>                                    | <u>\$ (346)</u>                     |

SCHEDULE OF NONCASH CAPITAL AND RELATED  
FINANCING ACTIVITIES:

|  |        |       |    |    |
|--|--------|-------|----|----|
| Contributions of Capital Assets            | \$ 102 | \$ 13 | \$ | \$ |
| Capital Assets Added from Accounts Payable |        | 13    |    |    |

| <u>Sinking</u><br><u>Fund</u><br><u>Administration</u> | <u>Municipal</u><br><u>Income Tax</u><br><u>Administration</u> | <u>Telephone</u><br><u>Exchange</u> | <u>Radio</u><br><u>Communications</u> | <u>Workers'</u><br><u>Compensation</u><br><u>Reserve</u> | <u>Health Self</u><br><u>Insurance</u><br><u>Fund</u> | <u>Prescription Self</u><br><u>Insurance</u><br><u>Fund</u> | <u>Total</u>     |
|--|--|-------------------------------------|---------------------------------------|--|---|---|------------------|
| \$ (780)   | \$ (1,329)   | \$ (160)                            | \$ (433)                              | \$ 25,968  | \$ 3,836  | \$ 2,959  | \$ 27,429        |
|  | 59   |                                     | 52                                    |  |   |   | 550              |
|  |  |                                     |                                       |  | (13)  |   | (13)             |
| 2  | 2  | 1                                   |                                       |  |   |   | 12               |
| (11)   |  | (632)                               | (257)                                 |  |   |   | (1,017)          |
|  |  |                                     |                                       |  |   |   | (238)            |
| 127  | 2,066  | 314                                 | 100                                   |  |   |   | 7,623            |
| (21)   | (349)  | (61)                                | (20)                                  |  |   |   | (1,398)          |
| (4)  | (13)   | 628                                 | (67)                                  |  |   |   | 670              |
| 16   | 169  | 70                                  | 11                                    | 481  |   |   | 1,422            |
| (160)  | (2,714)  | (479)                               | (160)                                 |  |   |   | (10,858)         |
| 11   | 197  | 35                                  | 11                                    |  |   |   | 787              |
|  |  |                                     |                                       |  | 2,061   | (19)  | 2,042            |
|  | 57   | (1)                                 |                                       |  |   |   | 60               |
|  | (973)  |                                     | 1                                     |  |   |   | (970)            |
| 78   | 1,339  | 234                                 | 78                                    |  |   |   | 5,314            |
| 42   | 700  | 123                                 | 41                                    |  |   |   | 2,802            |
| <u>80</u>  | <u>540</u>   | <u>232</u>                          | <u>(210)</u>                          | <u>481</u>   | <u>2,048</u>  | <u>(19)</u>   | <u>6,788</u>     |
| <u>\$ (700)</u>  | <u>\$ (789)</u>  | <u>\$ 72</u>                        | <u>\$ (643)</u>                       | <u>\$ 26,449</u>   | <u>\$ 5,884</u>                                       | <u>\$ 2,940</u>   | <u>\$ 34,217</u> |

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13

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# CITY OF CLEVELAND, OHIO

## CUSTODIAL FUNDS

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

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

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020  
 (Amounts in Thousands)

|                            | Municipal Courts | Central<br>Collection<br>Agency | Other           | Total           |
|----------------------------|------------------|---------------------------------|-----------------|-----------------|
| <b>Assets</b>              |                  |                                 |                 |                 |
| Cash and Cash Equivalents  | \$ 1,753         | \$ 5,034                        | \$ 8,168        | \$ 14,955       |
| Taxes Receivable           |                  | 17,727                          |                 | 17,727          |
| Accounts Receivable        |                  |                                 | 1,872           | 1,872           |
| Due From Other Governments |                  | 1,409                           |                 | 1,409           |
| Total assets               | <u>1,753</u>     | <u>24,170</u>                   | <u>10,040</u>   | <u>35,963</u>   |
| <b>Liabilities</b>         |                  |                                 |                 |                 |
| Accounts Payable           |                  |                                 | 3,474           | 3,474           |
| Due to Others              | 1,753            |                                 |                 | 1,753           |
| Due to Other Government    |                  | 24,170                          | 498             | 24,668          |
| Total liabilities          | <u>1,753</u>     | <u>24,170</u>                   | <u>3,972</u>    | <u>29,895</u>   |
| <b>Net Position</b>        |                  |                                 |                 |                 |
| Restricted                 | -                | -                               | 6,068           | 6,068           |
| Total net position         | <u>\$ -</u>      | <u>\$ -</u>                     | <u>\$ 6,068</u> | <u>\$ 6,068</u> |

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Amounts in Thousands)

|   | Municipal Courts | Central<br>Collection<br>Agency | Other           | Total           |
|---|------------------|---------------------------------|-----------------|-----------------|
| <b>Additions</b>                              |                  |                                 |                 |                 |
| Fire Escrow                                   | \$ -             | \$ -                            | \$ 546          | \$ 546          |
| Law Enforcement Trust Funds                   |                  |                                 | 504             | 504             |
| Governmental and Trust and Agency Funds       |                  |                                 | 15              | 15              |
| Income Tax Collected for Other Governments    |                  | 129,604                         |                 | 129,604         |
| Fines Collected for Other Governments         | 17,079           |                                 |                 | 17,079          |
| Investment Income                             |                  |                                 | 1               | 1               |
| Total additions                               | <u>17,079</u>    | <u>129,604</u>                  | <u>1,066</u>    | <u>147,749</u>  |
| <b>Deductions</b>                             |                  |                                 |                 |                 |
| Special Assessments                           |                  |                                 | 136             | 136             |
| Governmental and Trust and Agency Funds       |                  |                                 | 231             | 231             |
| Law Enforcement Trust Funds                   |                  |                                 | 401             | 401             |
| Payments of Income Tax to Other Governments   |                  | 129,604                         |                 | 129,604         |
| Payments of Fines to Other Governments        | 17,079           |                                 |                 | 17,079          |
| Other   |                  |                                 | 23              | 23              |
| Total deductions                              | <u>17,079</u>    | <u>129,604</u>                  | <u>791</u>      | <u>147,474</u>  |
| Change in net position                        | -                | -                               | 275             | 275             |
| Net position, beginning of year (as restated) |                  |                                 | 5,793           | 5,793           |
| Net position, end of year                     | <u>\$ -</u>      | <u>\$ -</u>                     | <u>\$ 6,068</u> | <u>\$ 6,068</u> |



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

# CITY OF CLEVELAND, OHIO

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

### SCHEDULE BY TYPE\*

DECEMBER 31, 2020

(Amounts in Thousands)

---

Governmental Funds Capital Assets:

|   |                         |
|---|-------------------------|
| Land  | \$ 70,529               |
| Land improvements                           | 228,074                 |
| Buildings, structures and improvements      | 711,716                 |
| Furniture, fixtures, equipment and vehicles | 270,769                 |
| Infrastructure                              | 861,533                 |
| Construction in progress                    | <u>295,730</u>          |
| <br>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS | <br><u>\$ 2,438,351</u> |

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

**CITY OF CLEVELAND, OHIO**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY\*  
DECEMBER 31, 2020  
(Amounts in Thousands)**

|  | <u>Total</u>        | <u>Land</u>      | <u>Land<br/>Improvements</u> | <u>Buildings,<br/>Structures<br/>and<br/>Improvements</u> | <u>Furniture,<br/>Fixtures,<br/>Equipment<br/>and Vehicles</u> | <u>Infrastructure</u> | <u>Construction<br/>In<br/>Progress</u> |
|--|---------------------|------------------|------------------------------|---|--|-----------------------|---|
| <b>General Government:</b>                         |                     |                  |                              |   |  |                       |   |
| General government                                 | \$ 355,294          | \$ 2,479         | \$ 2,314                     | \$ 306,959  | \$ 30,666  | \$ 6,942              | \$ 5,934                                |
| City Hall  | 29,538              | 877              |                              | 26,004  |  | 1,347                 | 1,310                                   |
| Engineering and construction                       | 512,799             |                  | 28,083                       |   | 1,789  | 482,622               | 305                                     |
| Research, planning and development                 | 49,035              | 903              | 39,786                       | 4,326   | 61   | 2,997                 | 962                                     |
| Charles V. Carr Municipal Center                   | 647                 |                  | 15                           | 632   |  |                       |   |
| Total general government                           | <u>947,313</u>      | <u>4,259</u>     | <u>70,198</u>                | <u>337,921</u>  | <u>32,516</u>  | <u>493,908</u>        | <u>8,511</u>                            |
| <b>Public Works:</b>                               |                     |                  |                              |   |  |                       |   |
| Waste collection                                   | 43,042              | 499              |                              | 9,999   | 30,996   | 1,460                 | 88                                      |
| Streets  | 585,865             | 1,540            | 11,602                       | 14,393  | 27,864   | 337,328               | 193,138                                 |
| Traffic engineering                                | 5,508               |                  |                              | 813   | 2,478  | 2,200                 | 17                                      |
| Park maintenance and properties                    | 184,274             | 38,657           | 70,407                       | 27,361  | 17,779   | 316                   | 29,754                                  |
| Recreation   | 174,246             | 847              | 64,138                       | 78,367  | 2,749  |                       | 28,145                                  |
| Other  | 136,597             | 2,669            |                              | 115,673   | 4,129  | 74                    | 14,052                                  |
| Total public works                                 | <u>1,129,532</u>    | <u>44,212</u>    | <u>146,147</u>               | <u>246,606</u>  | <u>85,995</u>  | <u>341,378</u>        | <u>265,194</u>                          |
| <b>Public Safety:</b>                              |                     |                  |                              |   |  |                       |   |
| Police   | 152,823             | 4,978            | 1,183                        | 52,629  | 88,486   | 162                   | 5,385                                   |
| Fire   | 84,462              | 1,663            |                              | 37,333  | 43,486   |                       | 1,980                                   |
| Emergency medical service                          | 21,211              |                  |                              | 1,168   | 13,059   | 5,614                 | 1,370                                   |
| Correction   | 7,608               | 249              |                              | 6,570   | 766  | 23                    |   |
| Dog pound  | 8,810               |                  |                              | 8,036   | 771  |                       | 3                                       |
| Other  | 6,968               |                  |                              |   | 1,318  |                       | 5,650                                   |
| Total public safety                                | <u>281,882</u>      | <u>6,890</u>     | <u>1,183</u>                 | <u>105,736</u>  | <u>147,886</u>   | <u>5,799</u>          | <u>14,388</u>                           |
| <b>Public Health:</b>                              |                     |                  |                              |   |  |                       |   |
| Health and environment                             | 14,557              | 1,112            | 208                          | 10,846  | 2,335  | 56                    |   |
| Total public health                                | <u>14,557</u>       | <u>1,112</u>     | <u>208</u>                   | <u>10,846</u>   | <u>2,335</u>   | <u>56</u>             | <u>-</u>                                |
| <b>Community Development:</b>                      |                     |                  |                              |   |  |                       |   |
| Community development                              | 47,858              | 7,138            | 7,376                        | 9,467   | 1,533  | 15,807                | 6,537                                   |
| Total community development                        | <u>47,858</u>       | <u>7,138</u>     | <u>7,376</u>                 | <u>9,467</u>  | <u>1,533</u>   | <u>15,807</u>         | <u>6,537</u>                            |
| <b>Economic Development:</b>                       |                     |                  |                              |   |  |                       |   |
| Economic development                               | 12,674              | 6,918            | 2,962                        | 740   |  | 1,004                 | 1,050                                   |
| Total economic development                         | <u>12,674</u>       | <u>6,918</u>     | <u>2,962</u>                 | <u>740</u>  | <u>-</u>   | <u>1,004</u>          | <u>1,050</u>                            |
| <b>Building and Housing:</b>                       |                     |                  |                              |   |  |                       |   |
| Building and housing                               | 4,535               |                  |                              | 400   | 504  | 3,581                 | 50                                      |
| Total building and housing                         | <u>4,535</u>        | <u>-</u>         | <u>-</u>                     | <u>400</u>  | <u>504</u>   | <u>3,581</u>          | <u>50</u>                               |
| <b>TOTAL GOVERNMENTAL<br/>FUNDS CAPITAL ASSETS</b> | <u>\$ 2,438,351</u> | <u>\$ 70,529</u> | <u>\$ 228,074</u>            | <u>\$ 711,716</u>   | <u>\$ 270,769</u>  | <u>\$ 861,533</u>     | <u>\$ 295,730</u>                       |

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

**CITY OF CLEVELAND, OHIO**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY\*  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Amounts in Thousands)**

|                                    | <b>Balance<br/>January 1,<br/>2020</b> | <b>Additions</b> | <b>Deductions</b> | <b>Transfers</b> | <b>Balance<br/>December 31,<br/>2020</b> |
|------------------------------------|--|------------------|-------------------|------------------|--|
| <b>General Government:</b>         |  |                  |                   |                  |  |
| General government                 | \$ 353,564                             | \$ 3,348         | \$ (1,514)        | \$ (104)         | \$ 355,294                               |
| City Hall                          | 28,724                                 | 814              |                   |                  | 29,538                                   |
| Engineering and construction       | 512,799                                |                  |                   |                  | 512,799                                  |
| Research, planning and development | 49,035                                 |                  |                   |                  | 49,035                                   |
| Charles V. Carr Municipal Center   | 647                                    |                  |                   |                  | 647                                      |
| Total general government           | <u>944,769</u>                         | <u>4,162</u>     | <u>(1,514)</u>    | <u>(104)</u>     | <u>947,313</u>                           |
| <b>Public Works:</b>               |  |                  |                   |                  |  |
| Waste collection                   | 42,163                                 | 1,159            | (649)             | 369              | 43,042                                   |
| Streets                            | 551,645                                | 38,838           | (5,074)           | 456              | 585,865                                  |
| Traffic engineering                | 5,490                                  | 18               |                   |                  | 5,508                                    |
| Park maintenance and properties    | 183,024                                | 1,801            | (645)             | 94               | 184,274                                  |
| Recreation                         | 153,963                                | 20,283           |                   |                  | 174,246                                  |
| Other                              | 133,843                                | 2,711            | (22)              | 65               | 136,597                                  |
| Total public works                 | <u>1,070,128</u>                       | <u>64,810</u>    | <u>(6,390)</u>    | <u>984</u>       | <u>1,129,532</u>                         |
| <b>Public Safety:</b>              |  |                  |                   |                  |  |
| Police                             | 148,524                                | 5,551            | (578)             | (674)            | 152,823                                  |
| Fire                               | 79,679                                 | 5,448            | (31)              | (634)            | 84,462                                   |
| Emergency medical service          | 20,536                                 | 737              |                   | (62)             | 21,211                                   |
| Correction                         | 7,627                                  |                  | (19)              |                  | 7,608                                    |
| Dog pound                          | 8,751                                  | 59               |                   |                  | 8,810                                    |
| Other                              | 2,423                                  | 4,545            |                   |                  | 6,968                                    |
| Total public safety                | <u>267,540</u>                         | <u>16,340</u>    | <u>(628)</u>      | <u>(1,370)</u>   | <u>281,882</u>                           |
| <b>Public Health:</b>              |  |                  |                   |                  |  |
| Health and environment             | 14,272                                 | 226              | (10)              | 69               | 14,557                                   |
| Total public health                | <u>14,272</u>                          | <u>226</u>       | <u>(10)</u>       | <u>69</u>        | <u>14,557</u>                            |
| <b>Community Development:</b>      |  |                  |                   |                  |  |
| Community development              | 47,096                                 | 762              |                   |                  | 47,858                                   |
| Total community development        | <u>47,096</u>                          | <u>762</u>       | <u>-</u>          | <u>-</u>         | <u>47,858</u>                            |
| <b>Economic Development:</b>       |  |                  |                   |                  |  |
| Economic development               | 12,302                                 | 372              |                   |                  | 12,674                                   |
| Total economic development         | <u>12,302</u>                          | <u>372</u>       | <u>-</u>          | <u>-</u>         | <u>12,674</u>                            |
| <b>Building and Housing:</b>       |  |                  |                   |                  |  |
| Building and housing               | 4,498                                  | 37               |                   |                  | 4,535                                    |
| Total building and housing         | <u>4,498</u>                           | <u>37</u>        | <u>-</u>          | <u>-</u>         | <u>4,535</u>                             |
| <b>TOTAL GOVERNMENTAL FUNDS</b>    |  |                  |                   |                  |  |
| CAPITAL ASSETS                     | <u>\$ 2,360,605</u>                    | <u>\$ 86,709</u> | <u>\$ (8,542)</u> | <u>\$ (421)</u>  | <u>\$ 2,438,351</u>                      |

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

# **STATISTICAL SECTION**

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**CITY OF CLEVELAND, OHIO**  
**Statistical Section**

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

| <b><u>Contents</u></b>   | <b><u>Page</u></b> |
|--|--------------------|
| <b>Financial Trends</b>  |                    |
| These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.  | <b>S3-S6</b>       |
| <b>Revenue Capacity</b>  |                    |
| These schedules contain information to help the reader assess the City’s most significant local revenue source, the municipal income tax.  | <b>S7-S11</b>      |
| <b>Debt Capacity</b>   |                    |
| 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.                    | <b>S12-S19</b>     |
| <b>Economic and Demographic Information</b>  |                    |
| These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.   | <b>S20-S22</b>     |
| <b>Operating Information</b>   |                    |
| 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. | <b>S23-S24</b>     |
| <b>Schedule of Statistics – General Fund</b>   | <b>S25</b>         |

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



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

|  | 2020                | 2019                | 2018                | 2017                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities</b>                     |                     |                     |                     |                     |
| Net investment in capital assets                   | \$ 722,806          | \$ 722,633          | \$ 714,288          | \$ 719,579          |
| Restricted   | 209,288             | 208,522             | 188,612             | 161,003             |
| Unrestricted                                       | <u>(702,088)</u>    | <u>(677,805)</u>    | <u>(933,271)</u>    | <u>(433,843)</u>    |
| <i>Total Governmental Activities Net Position</i>  | <u>\$ 230,006</u>   | <u>\$ 253,350</u>   | <u>\$ (30,371)</u>  | <u>\$ 446,739</u>   |
| <b>Business-Type Activities</b>                    |                     |                     |                     |                     |
| Net investment in capital assets                   | \$ 1,724,704        | \$ 1,633,097        | \$ 1,544,414        | \$ 1,482,861        |
| Restricted   | 184,926             | 207,837             | 219,202             | 214,161             |
| Unrestricted                                       | <u>417,570</u>      | <u>438,760</u>      | <u>474,284</u>      | <u>548,411</u>      |
| <i>Total Business-Type Activities Net Position</i> | <u>\$ 2,327,200</u> | <u>\$ 2,279,694</u> | <u>\$ 2,237,900</u> | <u>\$ 2,245,433</u> |
| <b>Primary Government</b>                          |                     |                     |                     |                     |
| Net investment in capital assets                   | \$ 2,447,510        | \$ 2,355,730        | \$ 2,258,702        | \$ 2,202,440        |
| Restricted   | 394,214             | 416,359             | 407,814             | 375,164             |
| Unrestricted                                       | <u>(284,518)</u>    | <u>(239,045)</u>    | <u>(458,987)</u>    | <u>114,568</u>      |
| <i>Total Primary Government Net Position</i>       | <u>\$ 2,557,206</u> | <u>\$ 2,533,044</u> | <u>\$ 2,207,529</u> | <u>\$ 2,692,172</u> |

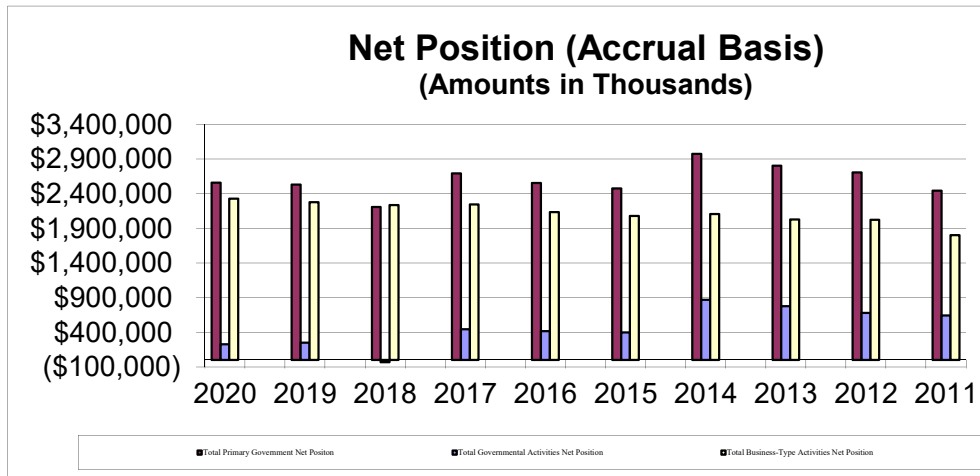
GASB issued Statement No. 65 effective for periods beginning after December 15, 2012. This statement changed the treatment of bond issuance costs to expense in the period incurred. Previously, the costs were recorded as assets and amortized over the life of the related debt issued. This change is reflected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

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

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

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

| 2016                | 2015                | 2014                | 2013                | 2012                | 2011                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 722,785          | \$ 653,925          | \$ 828,002          | \$ 686,794          | \$ 572,213          | \$ 543,460          |
| 155,224             | 167,042             | 152,360             | 145,729             | 122,488             | 117,765             |
| (459,804)           | (422,125)           | (110,650)           | (53,448)            | (12,383)            | (19,771)            |
| <u>\$ 418,205</u>   | <u>\$ 398,842</u>   | <u>\$ 869,712</u>   | <u>\$ 779,075</u>   | <u>\$ 682,318</u>   | <u>\$ 641,454</u>   |
| \$ 1,367,544        | \$ 1,354,871        | \$ 1,335,195        | \$ 1,307,661        | \$ 1,303,584        | \$ 1,130,178        |
| 236,772             | 240,979             | 244,937             | 244,196             | 227,826             | 234,050             |
| 532,257             | 482,852             | 525,970             | 474,185             | 492,956             | 438,767             |
| <u>\$ 2,136,573</u> | <u>\$ 2,078,702</u> | <u>\$ 2,106,102</u> | <u>\$ 2,026,042</u> | <u>\$ 2,024,366</u> | <u>\$ 1,802,995</u> |
| \$ 2,090,329        | \$ 2,008,796        | \$ 2,163,197        | \$ 1,994,455        | \$ 1,875,797        | \$ 1,673,638        |
| 391,996             | 408,021             | 397,297             | 389,925             | 350,314             | 351,815             |
| 72,453              | 60,727              | 415,320             | 420,737             | 480,573             | 418,996             |
| <u>\$ 2,554,778</u> | <u>\$ 2,477,544</u> | <u>\$ 2,975,814</u> | <u>\$ 2,805,117</u> | <u>\$ 2,706,684</u> | <u>\$ 2,444,449</u> |



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

|  | 2020              | 2019 (3)          | 2018              | 2017              |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Program Revenues</b>                                |                   |                   |                   |                   |
| <b>Governmental Activities:</b>                        |                   |                   |                   |                   |
| Charges for Services:                                  |                   |                   |                   |                   |
| General Government (1)                                 | \$ 13,105         | \$ 19,447         | \$ 20,408         | \$ 19,573         |
| Public Works (1)                                       | 18,452            | 19,395            | 17,973            | 18,408            |
| Public Safety  | 15,853            | 14,262            | 15,123            | 17,803            |
| Community Development (1)                              | 1,167             | 1,072             | 359               | 777               |
| Building and Housing                                   | 18,827            | 20,900            | 19,008            | 16,377            |
| Public Health  | 2,389             | 3,827             | 3,715             | 3,091             |
| Economic Development                                   | 142               | 158               | 140               | 103               |
| Subtotal - Charges for Services                        | <u>69,935</u>     | <u>79,061</u>     | <u>76,726</u>     | <u>76,132</u>     |
| Operating Grants and Contributions:                    |                   |                   |                   |                   |
| General Government (1)                                 | 9,649             | 4,293             | 4,450             | 3,343             |
| Public Works (1)                                       | 22,350            | 16,228            | 14,729            | 24,106            |
| Public Safety  | 51,911            | 3,130             | 5,067             | 6,144             |
| Community Development                                  | 30,668            | 28,560            | 30,325            | 26,173            |
| Building and Housing                                   | 2,390             | 540               | 2,360             | 2,413             |
| Public Health  | 7,983             | 8,056             | 8,327             | 8,809             |
| Economic Development                                   | 14,593            | 19,487            | 18,843            | 3,023             |
| Subtotal - Operating Grants and Contributions          | <u>139,544</u>    | <u>80,294</u>     | <u>84,101</u>     | <u>74,011</u>     |
| Capital Grants and Contributions:                      |                   |                   |                   |                   |
| General Government                                     | 115               | 5,918             | 1,259             | 34                |
| Public Works (1)                                       | 12,173            | 17,121            | 19,561            | 35,744            |
| Public Safety  |                   |                   |                   | 97                |
| Economic Development                                   | 294               | 240               | 308               |                   |
| Subtotal - Capital Grants and Contributions            | <u>12,582</u>     | <u>23,279</u>     | <u>21,128</u>     | <u>35,875</u>     |
| <i>Total Governmental Activities Program Revenues</i>  | <u>222,061</u>    | <u>182,634</u>    | <u>181,955</u>    | <u>186,018</u>    |
| <b>Business-Type Activities:</b>                       |                   |                   |                   |                   |
| Charges for Services:                                  |                   |                   |                   |                   |
| Water  | 327,272           | 320,168           | 306,159           | 301,621           |
| Sewer  | 29,392            | 32,176            |                   |                   |
| Electricity  | 192,583           | 209,787           | 218,096           | 194,904           |
| Airport facilities                                     | 103,088           | 148,421           | 145,981           | 145,206           |
| Nonmajor activities                                    | 7,750             | 14,040            | 44,352            | 42,643            |
| Subtotal - Charges for Services                        | <u>660,085</u>    | <u>724,592</u>    | <u>714,588</u>    | <u>684,374</u>    |
| Operating Grants and Contributions:                    |                   |                   |                   |                   |
| Water  | 3,085             | 3,041             | 8,346             | 4,087             |
| Sewer  | 222               | 741               |                   |                   |
| Electricity  | 188               | 598               | 409               | 4,105             |
| Airport facilities                                     | 575               | 1,750             | 1,399             | 314               |
| Nonmajor activities                                    | 68                | 199               | 588               | 648               |
| Subtotal - Operating Grants and Contributions          | <u>4,138</u>      | <u>6,329</u>      | <u>10,742</u>     | <u>9,154</u>      |
| Capital Grants and Contributions:                      |                   |                   |                   |                   |
| Water  | 7,816             | 18,635            | 17,686            | 50,693            |
| Sewer  | 3,967             | 4,154             |                   |                   |
| Electricity  | 2,134             | 1,455             | 1,458             | 189               |
| Airport facilities                                     | 74,313            | 52,972            | 53,867            | 56,757            |
| Nonmajor activities                                    | 50                | 296               | 5,318             | 4,452             |
| Subtotal - Capital Grants and Contributions            | <u>88,280</u>     | <u>77,512</u>     | <u>78,329</u>     | <u>112,091</u>    |
| <i>Total Business-Type Activities Program Revenues</i> | <u>752,503</u>    | <u>808,433</u>    | <u>803,659</u>    | <u>805,619</u>    |
| <i>Total Primary Government Program Revenues</i>       | <u>\$ 974,564</u> | <u>\$ 991,067</u> | <u>\$ 985,614</u> | <u>\$ 991,637</u> |

|    | 2016             | 2015              | 2014              | 2013              | 2012 (2)          | 2011              |
|----|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 18,636           | \$ 23,007         | \$ 31,589         | \$ 29,983         | \$ 30,696         | \$ 32,336         |
|    | 18,301           | 17,587            | 17,706            | 17,561            | 18,369            | 16,271            |
|    | 18,075           | 13,032            | 15,318            | 17,078            | 15,049            | 15,034            |
|    | 952              | 844               | 1,483             |                   |                   |                   |
|    | 17,717           | 16,408            | 11,984            | 11,734            | 5,757             | 18,072            |
|    | 3,463            | 2,544             | 2,754             | 2,917             | 2,967             | 2,931             |
|    | 103              | 103               | 101               | 377               | 100               | 37                |
|    | <u>77,247</u>    | <u>73,525</u>     | <u>80,935</u>     | <u>79,650</u>     | <u>72,938</u>     | <u>84,681</u>     |
|    | 3,468            | 4,349             | 4,351             | 5,601             | 4,345             | 3,673             |
|    | 14,802           | 14,753            | 20,373            | 29,770            | 28,342            | 27,364            |
|    | 46,421           | 3,806             | 7,315             | 9,180             | 13,805            | 12,497            |
|    | 28,950           | 32,729            | 35,673            | 42,608            | 69,004            | 68,887            |
|    | 4,380            | 3,609             | 2,804             | 9,133             | 6,679             | 5,698             |
|    | 8,122            | 8,974             | 11,040            | 9,249             | 10,321            | 13,228            |
|    | 8,614            | 11,752            | 18,234            | 14,046            | 11,387            | 4,008             |
|    | <u>114,757</u>   | <u>79,972</u>     | <u>99,790</u>     | <u>119,587</u>    | <u>143,883</u>    | <u>135,355</u>    |
|    | 134              | 415               | 2,862             | 56,610            | 1,330             | 23                |
|    | 87,304           | 45,581            | 85,253            | 38,348            | 24,515            | 13,982            |
|    | 6                | 91                | 173               |                   |                   |                   |
|    | <u>87,444</u>    | <u>46,087</u>     | <u>88,288</u>     | <u>94,958</u>     | <u>25,845</u>     | <u>14,005</u>     |
|    | <u>279,448</u>   | <u>199,584</u>    | <u>269,013</u>    | <u>294,195</u>    | <u>242,666</u>    | <u>234,041</u>    |
|    | 310,111          | 301,283           | 303,412           | 272,674           | 280,323           | 236,626           |
|    | 192,967          | 192,861           | 181,843           | 170,342           | 165,227           | 168,448           |
|    | 142,433          | 128,033           | 131,724           | 113,244           | 116,694           | 114,967           |
|    | 42,133           | 39,351            | 34,276            | 34,135            | 35,188            | 34,600            |
|    | <u>687,644</u>   | <u>661,528</u>    | <u>651,255</u>    | <u>590,395</u>    | <u>597,432</u>    | <u>554,641</u>    |
|    | 1,678            | 413               | 301               | 5,984             | 4,567             | 3,305             |
|    | 3,340            | 3,225             | 4,030             | 656               | 97                | 883               |
|    | 191              | 85                | 73                | 132               | 177               |                   |
|    | 218              | 299               | 161               | 86                | 478               | 278               |
|    | <u>5,427</u>     | <u>4,022</u>      | <u>4,565</u>      | <u>6,858</u>      | <u>5,319</u>      | <u>4,466</u>      |
|    | 4,326            | 25,158            | 34,699            | 12,446            | 21,800            | 2,284             |
|    | 354              | 481               | 2                 | 393               | 964               | 206               |
|    | 32,280           | 20,159            | 19,775            | 35,089            | 25,025            | 56,385            |
|    | 1,092            | 1,245             | 3,280             | 808               | 5,773             | 5,716             |
|    | <u>38,052</u>    | <u>47,043</u>     | <u>57,756</u>     | <u>48,736</u>     | <u>53,562</u>     | <u>64,591</u>     |
|    | <u>731,123</u>   | <u>712,593</u>    | <u>713,576</u>    | <u>645,989</u>    | <u>656,313</u>    | <u>623,698</u>    |
| \$ | <u>1,010,571</u> | <u>\$ 912,177</u> | <u>\$ 982,589</u> | <u>\$ 940,184</u> | <u>\$ 898,979</u> | <u>\$ 857,739</u> |

(Continued)

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

|  | 2020             | 2019 (3)          | 2018             | 2017              |
|--|------------------|-------------------|------------------|-------------------|
| <b>Expenses</b>  |                  |                   |                  |                   |
| <b>Governmental Activities:</b>  |                  |                   |                  |                   |
| General Government (1)   | \$ 160,148       | \$ 191,388        | \$ 157,730       | \$ 160,117        |
| Public Works (1)   | 156,576          | 172,526           | 151,476          | 137,256           |
| Public Safety  | 397,692          | 75,355            | 415,703          | 357,248           |
| Community Development (1)  | 33,643           | 31,523            | 33,464           | 28,555            |
| Building and Housing   | 15,320           | 16,974            | 15,294           | 14,240            |
| Public Health  | 18,321           | 21,269            | 19,189           | 18,038            |
| Economic Development   | 20,454           | 28,428            | 27,251           | 36,189            |
| Interest on debt   | 27,198           | 27,059            | 26,286           | 28,630            |
| <i>Total Governmental Activities Expenses</i>                                      | <u>829,352</u>   | <u>564,522</u>    | <u>846,393</u>   | <u>780,273</u>    |
| <b>Business-Type Activities</b>  |                  |                   |                  |                   |
| Water  | 300,180          | 316,588           | 302,725          | 293,148           |
| Sewer  | 29,358           | 31,318            |                  |                   |
| Electricity  | 199,950          | 220,883           | 218,261          | 197,613           |
| Airport facilities   | 168,310          | 187,779           | 173,624          | 172,383           |
| Nonmajor activities  | 14,916           | 17,834            | 44,863           | 41,990            |
| <i>Total Business-Type Activities Expenses</i>                                     | <u>712,714</u>   | <u>774,402</u>    | <u>739,473</u>   | <u>705,134</u>    |
| <i>Total Primary Government Program Expenses</i>                                   | <u>1,542,066</u> | <u>1,338,924</u>  | <u>1,585,866</u> | <u>1,485,407</u>  |
| <b>Net (Expense)/Revenue</b>   |                  |                   |                  |                   |
| Governmental Activities  | (607,291)        | (381,888)         | (664,438)        | (594,255)         |
| Business-Type Activities   | 39,789           | 34,031            | 64,186           | 100,485           |
| <i>Total Primary Government Net Expense</i>  | <u>(567,502)</u> | <u>(347,857)</u>  | <u>(600,252)</u> | <u>(493,770)</u>  |
| <b>General Revenues and Other Changes in Net Position</b>                          |                  |                   |                  |                   |
| <b>Governmental Activities</b>   |                  |                   |                  |                   |
| Taxes:   |                  |                   |                  |                   |
| Income taxes   | 458,943          | 487,077           | 480,966          | 451,929           |
| Property taxes   | 57,955           | 58,252            | 53,839           | 51,985            |
| Other taxes  | 16,349           | 44,633            | 45,235           | 46,704            |
| Unrestricted shared revenues   | 15,556           | 20,894            | 19,338           | 37,428            |
| State and local government funds   | 25,936           | 26,658            | 25,191           | 24,331            |
| Unrestricted investment earnings   | 3,827            | 14,997            | 10,730           | 4,392             |
| Other  | 13,022           | 20,210            | 19,070           | 14,374            |
| Transfers  | (7,641)          | (7,112)           | (4,852)          | (8,354)           |
| <i>Total Governmental Activities</i>   | <u>583,947</u>   | <u>665,609</u>    | <u>649,517</u>   | <u>622,789</u>    |
| <b>Business-Type Activities</b>  |                  |                   |                  |                   |
| Unrestricted investment earnings   | 11               | 26                | 24               | 13                |
| Other  | 65               | 625               |                  | 8                 |
| Special items - gain on sale of capital assets                                     |                  |                   |                  |                   |
| Transfers  | 7,641            | 7,112             | 4,852            | 8,354             |
| <i>Total Business-Type Activities Expenses</i>                                     | <u>7,717</u>     | <u>7,763</u>      | <u>4,876</u>     | <u>8,375</u>      |
| <i>Total Primary Government General Revenues and Other Changes in Net Position</i> | <u>591,664</u>   | <u>673,372</u>    | <u>654,393</u>   | <u>631,164</u>    |
| <b>Change in Net Position</b>  |                  |                   |                  |                   |
| Governmental Activities  | (23,344)         | 283,721           | (14,921)         | 28,534            |
| Business-Type Activities   | 47,506           | 41,794            | 69,062           | 108,860           |
| <i>Total Primary Government Change in Net Position</i>                             | <u>\$ 24,162</u> | <u>\$ 325,515</u> | <u>\$ 54,141</u> | <u>\$ 137,394</u> |

**Note:**

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

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

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

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

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

|    | 2016             | 2015             | 2014              | 2013              | 2012 (2)         | 2011             |
|----|------------------|------------------|-------------------|-------------------|------------------|------------------|
| \$ | 139,022          | \$ 140,946       | \$ 121,050        | \$ 115,793        | \$ 106,141       | \$ 95,833        |
|    | 119,019          | 117,040          | 129,551           | 130,108           | 128,276          | 139,577          |
|    | 383,453          | 328,453          | 298,768           | 310,246           | 310,745          | 308,051          |
|    | 32,173           | 35,026           | 39,099            | 44,337            | 70,705           | 75,778           |
|    | 14,111           | 13,433           | 11,059            | 17,694            | 14,729           | 14,098           |
|    | 16,110           | 16,841           | 18,236            | 15,405            | 17,385           | 19,596           |
|    | 37,913           | 29,474           | 32,508            | 18,142            | 13,845           | 22,323           |
|    | 27,596           | 36,489           | 26,333            | 24,913            | 26,153           | 27,686           |
|    | <u>769,397</u>   | <u>717,702</u>   | <u>676,604</u>    | <u>676,638</u>    | <u>687,979</u>   | <u>702,942</u>   |
|    | 270,014          | 259,892          | 253,822           | 258,014           | 244,647          | 232,497          |
|    | 196,092          | 197,823          | 181,862           | 171,669           | 163,547          | 167,799          |
|    | 172,254          | 162,499          | 161,021           | 155,343           | 153,627          | 167,531          |
|    | 39,501           | 37,088           | 38,430            | 35,235            | 39,671           | 46,302           |
|    | <u>677,861</u>   | <u>657,302</u>   | <u>635,135</u>    | <u>620,261</u>    | <u>601,492</u>   | <u>614,129</u>   |
|    | <u>1,447,258</u> | <u>1,375,004</u> | <u>1,311,739</u>  | <u>1,296,899</u>  | <u>1,289,471</u> | <u>1,317,071</u> |
|    | (489,949)        | (518,118)        | (407,591)         | (382,443)         | (445,313)        | (468,901)        |
|    | 53,262           | 55,291           | 78,441            | 25,728            | 54,821           | 9,569            |
|    | <u>(436,687)</u> | <u>(462,827)</u> | <u>(329,150)</u>  | <u>(356,715)</u>  | <u>(390,492)</u> | <u>(459,332)</u> |
|    | 359,668          | 346,797          | 337,933           | 332,719           | 330,863          | 311,492          |
|    | 28,634           | 55,017           | 52,327            | 45,055            | 56,086           | 63,839           |
|    | 48,945           | 38,904           | 35,851            | 37,765            | 28,680           | 27,312           |
|    | 35,888           | 34,974           | 37,240            | 34,434            | 27,338           | 19,558           |
|    | 24,061           | 26,567           | 23,846            | 30,081            | 25,966           | 43,821           |
|    | 1,801            | 1,060            | 1,193             | 683               | 692              | 97               |
|    | 14,906           | 8,760            | 11,454            | 21,194            | 18,141           | 19,086           |
|    | (4,591)          | (1,957)          | (1,616)           | (1,527)           | (1,589)          | (2,031)          |
|    | <u>509,312</u>   | <u>510,122</u>   | <u>498,228</u>    | <u>500,404</u>    | <u>486,177</u>   | <u>483,174</u>   |
|    | 7                | 4                | 3                 | 3                 |                  | 30               |
|    | 11               |                  |                   |                   |                  | 5,125            |
|    | 4,591            | 1,957            | 1,616             | 1,527             | 1,589            | 2,031            |
|    | 4,609            | 1,961            | 1,619             | 1,530             | 1,589            | 7,186            |
|    | <u>513,921</u>   | <u>512,083</u>   | <u>499,847</u>    | <u>501,934</u>    | <u>487,766</u>   | <u>490,360</u>   |
|    | 19,363           | (7,996)          | 90,637            | 117,961           | 40,864           | 14,273           |
|    | 57,871           | 57,252           | 80,060            | 27,258            | 56,410           | 16,755           |
| \$ | <u>77,234</u>    | <u>\$ 49,256</u> | <u>\$ 170,697</u> | <u>\$ 145,219</u> | <u>\$ 97,274</u> | <u>\$ 31,028</u> |

(Concluded)

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

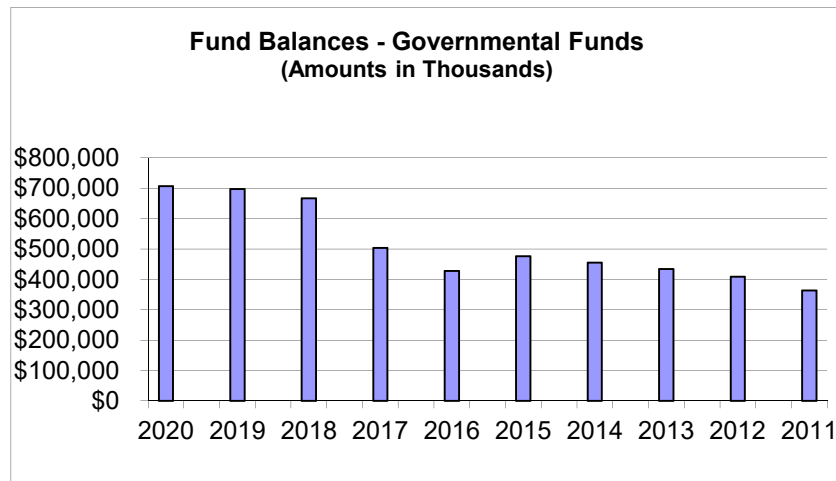
|                                     | 2020              | 2019              | 2018              | 2017              | 2016              |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>General Fund</b>                 |                   |                   |                   |                   |                   |
| Nonspendable                        | \$ 8,082          | \$ 3,069          | \$ 3,035          | \$                | \$                |
| Assigned                            | 84,600            | 85,953            | 67,388            | 42,168            | 15,631            |
| Unassigned                          | 121,872           | 114,870           | 116,486           | 92,692            | 66,091            |
| Total General Fund                  | 214,554           | 203,892           | 186,909           | 134,860           | 81,722            |
| <b>Public Health (2)</b>            |                   |                   |                   |                   |                   |
| Nonspendable                        | 32                | 32                |                   |                   |                   |
| Restricted                          | 1,897             | 1,446             |                   |                   |                   |
| Committed                           | 584               | 387               |                   |                   |                   |
| Total Public Health                 | 2,513             | 1,865             |                   |                   |                   |
| <b>All Other Governmental Funds</b> |                   |                   |                   |                   |                   |
| Nonspendable                        | 128               | 138               | 168               |                   |                   |
| Restricted                          | 420,543           | 427,063           | 416,726           | 296,361           | 287,250           |
| Committed                           | 68,930            | 64,813            | 62,927            | 72,770            | 70,597            |
| Assigned                            |                   | 11                | 9                 | 11                | 2                 |
| Unassigned                          |                   |                   |                   |                   | (11,514)          |
| Total All Other Governmental Funds  | 489,601           | 492,025           | 479,830           | 369,142           | 346,335           |
| <b>Total Governmental Funds</b>     | <u>\$ 706,668</u> | <u>\$ 697,782</u> | <u>\$ 666,739</u> | <u>\$ 504,002</u> | <u>\$ 428,057</u> |

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

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

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

| 2015              | 2014              | 2013              | 2012              | 2011              |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 740            | \$ 885            | \$ 648            | \$ 632            | \$ 576            |
| 11,979            | 15,041            | 13,209            | 9,239             | 12,027            |
| 68,490            | 78,401            | 75,891            | 61,879            | 38,991            |
| 81,209            | 94,327            | 89,748            | 71,750            | 51,594            |
| 865               | 1,387             | 355               | 495               | 1,172             |
| 312,089           | 268,905           | 245,015           | 233,832           | 204,590           |
| 82,189            | 90,739            | 98,806            | 102,901           | 105,624           |
| 6                 | 8                 | 3                 | 2                 | 1                 |
|                   |                   |                   |                   | (96)              |
| 395,149           | 361,039           | 344,179           | 337,230           | 311,291           |
| <u>\$ 476,358</u> | <u>\$ 455,366</u> | <u>\$ 433,927</u> | <u>\$ 408,980</u> | <u>\$ 362,885</u> |





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

|  | 2020            | 2019             | 2018              | 2017             |
|--|-----------------|------------------|-------------------|------------------|
| <b>Revenues</b>  |                 |                  |                   |                  |
| Income taxes   | \$ 466,699      | \$ 486,792       | \$ 473,306        | \$ 447,259       |
| Property taxes   | 58,364          | 57,580           | 52,665            | 51,473           |
| State and local government funds                                 | 25,616          | 26,304           | 24,970            | 24,375           |
| Other taxes and shared revenues (2)                              |                 |                  |                   |                  |
| Other taxes (2)  | 16,349          | 44,739           | 45,149            | 46,683           |
| Other shared revenues (2)  | 53,053          | 55,319           | 53,866            | 61,079           |
| Licenses and permits   | 18,120          | 21,892           | 21,196            | 19,407           |
| Charges for services   | 36,905          | 38,158           | 39,194            | 39,177           |
| Fines, forfeits and settlements                                  | 8,186           | 14,292           | 15,296            | 14,299           |
| Investment earnings  | 3,671           | 14,277           | 10,186            | 4,147            |
| Grants   | 112,741         | 52,890           | 60,385            | 80,077           |
| Contributions  | 377             | 1,787            | 4,398             | 1,704            |
| Miscellaneous  | 16,844          | 25,437           | 15,068            | 11,618           |
| <i>Total Revenues</i>  | <u>816,925</u>  | <u>839,467</u>   | <u>815,679</u>    | <u>801,298</u>   |
| <b>Expenditures</b>  |                 |                  |                   |                  |
| Current:   |                 |                  |                   |                  |
| General Government (1)   | 110,683         | 107,996          | 97,343            | 100,372          |
| Public Works (1)   | 104,711         | 109,612          | 104,949           | 98,228           |
| Public Safety  | 354,729         | 345,025          | 332,423           | 322,483          |
| Community Development (1)  | 30,929          | 27,857           | 30,876            | 25,827           |
| Building and Housing   | 14,146          | 14,019           | 13,829            | 13,216           |
| Public Health  | 17,019          | 18,343           | 17,735            | 16,382           |
| Economic Development   | 19,846          | 27,718           | 26,850            | 35,748           |
| Other  | 9,032           | 8,255            | 9,030             | 6,640            |
| Capital outlay   | 120,315         | 113,170          | 88,812            | 85,888           |
| Inception of capital lease                                       |                 |                  |                   |                  |
| Debt service:  |                 |                  |                   |                  |
| Principal retirement   | 55,103          | 55,423           | 55,368            | 49,041           |
| Interest   | 31,353          | 34,968           | 31,006            | 30,000           |
| General Government   | 1,088           | 450              | 1,485             | 971              |
| Other  | 1,088           | 1,080            | 1,077             | 1,069            |
| <i>Total Expenditures</i>  | <u>870,042</u>  | <u>863,916</u>   | <u>810,783</u>    | <u>785,865</u>   |
| <i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i> | <u>(53,117)</u> | <u>(24,449)</u>  | <u>4,896</u>      | <u>15,433</u>    |
| <b>Other Financing Sources (Uses)</b>                            |                 |                  |                   |                  |
| Transfers in   | 101,945         | 123,680          | 112,956           | 81,122           |
| Transfers out  | (107,597)       | (126,729)        | (116,926)         | (83,188)         |
| Issuance of bonds  | 132,555         | 51,015           | 135,680           |                  |
| Issuance of refunding bonds                                      |                 |                  |                   | 142,850          |
| Premium on bonds and notes                                       | 5,200           | 5,740            | 16,868            | 21,916           |
| Discount on bonds and notes                                      |                 |                  |                   |                  |
| Payment to refund bonds and notes                                | (70,109)        |                  |                   | (108,761)        |
| Issuance of Loans  |                 | 601              | 15                |                  |
| Sale of City assets  | 9               | 1,185            | 9,248             | 6,573            |
| Capital leases   |                 |                  |                   |                  |
| <i>Total Other Financing Sources (Uses)</i>                      | <u>62,003</u>   | <u>55,492</u>    | <u>157,841</u>    | <u>60,512</u>    |
| <i>Net Change in Fund Balances</i>                               | <u>\$ 8,886</u> | <u>\$ 31,043</u> | <u>\$ 162,737</u> | <u>\$ 75,945</u> |
| Debt Service as a Percentage of Noncapital Expenditures          | 11.1%           | 11.5%            | 11.6%             | 10.8%            |

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

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

|    | 2016            | 2015             | 2014             | 2013             | 2012             | 2011              |
|----|-----------------|------------------|------------------|------------------|------------------|-------------------|
| \$ | 355,092         | \$ 350,524       | \$ 336,743       | \$ 333,359       | \$ 331,118       | \$ 312,508        |
|    | 49,311          | 49,697           | 49,198           | 49,740           | 55,312           | 55,949            |
|    | 24,431          | 26,433           | 25,077           | 28,439           | 31,821           | 45,640            |
|    |                 |                  |                  |                  | 86,084           | 77,636            |
|    | 48,945          | 38,904           | 35,851           | 37,764           |                  |                   |
|    | 49,108          | 48,864           | 54,329           | 59,907           |                  |                   |
|    | 21,236          | 18,884           | 15,404           | 16,034           | 15,070           | 16,877            |
|    | 37,620          | 35,169           | 36,120           | 39,297           | 41,436           | 39,433            |
|    | 14,295          | 18,864           | 28,928           | 27,020           | 26,830           | 28,376            |
|    | 1,725           | 927              | 858              | 865              | 468              | 518               |
|    | 125,956         | 102,257          | 111,935          | 115,851          | 129,724          | 120,119           |
|    | 1,844           | 2,803            | 2,571            | 15,948           | 1,364            | 52                |
|    | 16,067          | 13,565           | 18,534           | 27,770           | 18,770           | 15,356            |
|    | <u>745,630</u>  | <u>706,891</u>   | <u>715,548</u>   | <u>751,994</u>   | <u>737,997</u>   | <u>712,464</u>    |
|    | 98,102          | 86,686           | 91,199           | 85,638           | 85,125           | 77,792            |
|    | 93,148          | 90,961           | 89,042           | 86,576           | 85,753           | 91,926            |
|    | 347,426         | 311,177          | 294,605          | 303,234          | 303,767          | 302,009           |
|    | 29,990          | 33,076           | 37,191           | 42,677           | 69,238           | 73,682            |
|    | 13,710          | 13,419           | 10,885           | 17,444           | 14,542           | 14,031            |
|    | 15,410          | 16,462           | 17,722           | 14,983           | 16,986           | 19,160            |
|    | 37,552          | 29,393           | 32,360           | 18,030           | 12,794           | 19,348            |
|    | 7,388           | 8,635            | 10,580           | 11,877           | 10,992           | 11,171            |
|    | 99,622          | 127,001          | 100,868          | 115,170          | 69,945           | 66,575            |
|    |                 | 571              | 6,044            | 5,046            | 5,648            | 4,566             |
|    | 49,370          | 48,648           | 47,752           | 46,252           | 48,115           | 47,481            |
|    | 30,365          | 28,627           | 27,935           | 30,380           | 33,741           | 30,628            |
|    | 476             | 2,462            | 1,114            | 615              | 1,264            | 438               |
|    | 1,070           | 1,071            | 1,077            | 1,176            | 1,168            | 315               |
|    | <u>823,629</u>  | <u>798,189</u>   | <u>768,374</u>   | <u>779,098</u>   | <u>759,078</u>   | <u>759,122</u>    |
|    | <u>(77,999)</u> | <u>(91,298)</u>  | <u>(52,826)</u>  | <u>(27,104)</u>  | <u>(21,081)</u>  | <u>(46,658)</u>   |
|    | 72,227          | 92,273           | 77,659           | 56,516           | 59,830           | 68,643            |
|    | (74,118)        | (94,734)         | (79,766)         | (58,466)         | (62,145)         | (71,514)          |
|    | 28,125          | 101,385          | 69,200           | 35,840           | 82,945           | 31,260            |
|    | 23,680          | 117,325          | 20,110           | 25,360           |                  |                   |
|    | 7,497           | 30,085           | 6,666            | 4,415            | 8,770            | 1,105             |
|    |                 |                  | (13)             |                  | (145)            | (217)             |
|    | (28,150)        | (135,757)        | (20,635)         | (25,360)         | (28,910)         |                   |
|    |                 |                  |                  | 2,786            |                  |                   |
|    | 437             | 1,713            | 1,044            | 4,425            | 324              | 1,229             |
|    |                 |                  |                  | 6,535            | 6,507            | 6,615             |
|    | <u>29,698</u>   | <u>112,290</u>   | <u>74,265</u>    | <u>52,051</u>    | <u>67,176</u>    | <u>37,121</u>     |
| \$ | <u>(48,301)</u> | <u>\$ 20,992</u> | <u>\$ 21,439</u> | <u>\$ 24,947</u> | <u>\$ 46,095</u> | <u>\$ (9,537)</u> |
|    | 10.8%           | 11.1%            | 11.7%            | 11.5%            | 11.8%            | 11.1%             |

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

| Collection Year | Real Property                |                             |                        | Tangible Personal Property |                        |
|-----------------|------------------------------|-----------------------------|------------------------|----------------------------|------------------------|
|                 | Assessed Value               |                             | Estimated Actual Value | Public Utility             |                        |
|                 | Residential/<br>Agricultural | Commercial<br>Industrial/PU |                        | Assessed Value             | Estimated Actual Value |
| 2020            | \$ 2,158,209                 | \$ 2,506,116                | \$ 13,326,645          | \$ 468,023                 | \$ 531,844             |
| 2019            | 2,161,965                    | 2,664,334                   | 13,789,426             | 436,992                    | 496,582                |
| 2018            | 1,987,511                    | 2,325,434                   | 12,322,700             | 415,800                    | 472,500                |
| 2017            | 2,002,109                    | 2,238,298                   | 12,115,449             | 387,919                    | 440,817                |
| 2016            | 2,002,439                    | 2,255,156                   | 12,164,557             | 331,843                    | 377,094                |
| 2015            | 2,035,581                    | 2,593,704                   | 13,226,529             | 318,829                    | 362,306                |
| 2014            | 2,051,307                    | 2,550,042                   | 13,146,711             | 298,603                    | 339,322                |
| 2013            | 2,075,286                    | 2,526,924                   | 13,149,171             | 266,558                    | 302,907                |
| 2012            | 2,641,867                    | 2,743,313                   | 15,386,229             | 246,081                    | 279,638                |
| 2011            | 2,675,681                    | 2,722,417                   | 15,423,137             | 242,172                    | 275,195                |

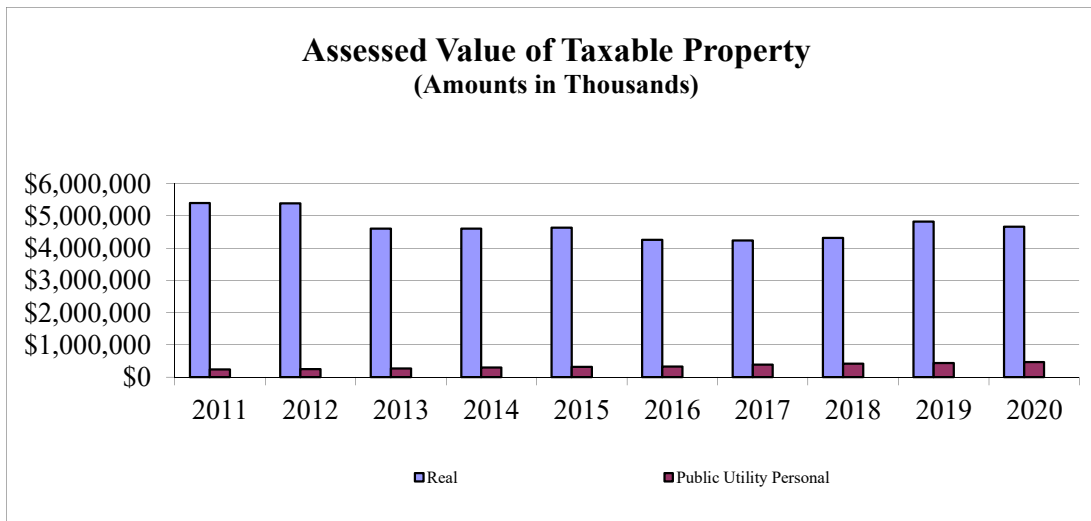
The assessed valuation level for real property in Cuyahoga County is 35% of appraised market value, except for certain agricultural land and public utility property.

Electric deregulation took place January 1, 2001. Under prior law, an electric company's taxable production equipment was assessed at 100% of true value, while all of its other taxable property was assessed at 88% of true value. Effective in 2002, the valuation on electric utility production equipment was reduced from 100% to 25% of true value, with makeup payments in varying amounts to be made through 2020 to taxing subdivisions by the State of Ohio from State resources. All taxable property remained at 88% true value.

The total direct rate is shown per \$1,000 of assessed value.

Source: Cuyahoga County Fiscal Officer.

|                |                        | Total                 |        |  |
|----------------|------------------------|-----------------------|--------|--|
| Assessed Value | Estimated Actual Value | Total Direct Tax Rate | Ratio  |  |
| \$ 5,132,348   | \$ 13,858,489          | 12.70                 | 37.0 % |  |
| 5,263,291      | 14,286,008             | 12.70                 | 36.8   |  |
| 4,728,745      | 12,795,200             | 12.70                 | 37.0   |  |
| 4,628,326      | 12,556,266             | 12.70                 | 36.9   |  |
| 4,589,438      | 12,541,651             | 12.70                 | 36.6   |  |
| 4,948,114      | 13,588,835             | 12.70                 | 36.4   |  |
| 4,899,952      | 13,486,033             | 12.70                 | 36.3   |  |
| 4,868,768      | 13,452,078             | 12.70                 | 36.2   |  |
| 5,631,261      | 15,665,867             | 12.70                 | 35.9   |  |
| 5,640,270      | 15,698,332             | 12.70                 | 35.9   |  |



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

|                              | 2020                    | 2019                    | 2018                    | 2017                    |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Unvoted Millage</b>       |                         |                         |                         |                         |
| Debt                         | 4.350000                | 4.350000                | 4.350000                | 4.350000                |
| Fire Pension                 | 0.050000                | 0.050000                | 0.050000                | 0.050000                |
| <i>Total Unvoted Millage</i> | <u>4.400000</u>         | <u>4.400000</u>         | <u>4.400000</u>         | <u>4.400000</u>         |
| <b>Charter Millage</b>       |                         |                         |                         |                         |
| Operating                    | 7.750000                | 7.750000                | 7.750000                | 7.750000                |
| Fire Pension                 | 0.250000                | 0.250000                | 0.250000                | 0.250000                |
| Police Pension               | 0.300000                | 0.300000                | 0.300000                | 0.300000                |
| <i>Total Charter Millage</i> | <u>8.300000</u>         | <u>8.300000</u>         | <u>8.300000</u>         | <u>8.300000</u>         |
| <b>Total Millage</b>         | <u><u>12.700000</u></u> | <u><u>12.700000</u></u> | <u><u>12.700000</u></u> | <u><u>12.700000</u></u> |

**Overlapping Rates by Taxing District**

|   |           |           |           |           |
|---|-----------|-----------|-----------|-----------|
| <b>City School District</b>                   |           |           |           |           |
| Residential/Agricultural Real                 | 54.635189 | 49.324018 | 49.475411 | 52.627462 |
| Commercial/Industrial and Public Utility Real | 61.877129 | 56.853103 | 55.336037 | 61.103106 |
| General Business and Public Utility Personal  | 84.300000 | 79.100000 | 79.300000 | 79.300000 |
| <b>County</b>                                 |           |           |           |           |
| Residential/Agricultural Real                 | 14.006317 | 12.801150 | 12.797318 | 13.914095 |
| Commercial/Industrial and Public Utility Real | 14.303665 | 13.230331 | 13.077038 | 14.006049 |
| General Business and Public Utility Personal  | 14.850000 | 14.050000 | 14.050000 | 14.050000 |
| <b>Special Taxing Districts (1)</b>           |           |           |           |           |
| Residential/Agricultural Real                 | 14.874736 | 14.830000 | 14.431850 | 13.636727 |
| Commercial/Industrial and Public Utility Real | 15.075454 | 15.080000 | 14.324894 | 13.760521 |
| General Business and Public Utility Personal  | 16.580000 | 16.580000 | 16.180000 | 14.180000 |

**Note:**

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents. Charter millage is consistently applied to all types of property. The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue. Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Cleveland Metropolitan Parks District, Cleveland-Cuyahoga County Port Authority, Cleveland Public Library and Cuyahoga Community College.

Source: Cuyahoga County Fiscal Officer.

| 2016      | 2015      | 2014      | 2013      | 2012      | 2011      |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 4.350000  | 4.350000  | 4.350000  | 4.350000  | 4.350000  | 4.350000  |
| 0.050000  | 0.050000  | 0.050000  | 0.050000  | 0.050000  | 0.050000  |
| 4.400000  | 4.400000  | 4.400000  | 4.400000  | 4.400000  | 4.400000  |
| 7.750000  | 7.750000  | 7.750000  | 7.750000  | 7.750000  | 7.750000  |
| 0.250000  | 0.250000  | 0.250000  | 0.250000  | 0.250000  | 0.250000  |
| 0.300000  | 0.300000  | 0.300000  | 0.300000  | 0.300000  | 0.300000  |
| 8.300000  | 8.300000  | 8.300000  | 8.300000  | 8.300000  | 8.300000  |
| 12.700000 | 12.700000 | 12.700000 | 12.700000 | 12.700000 | 12.700000 |
| 52.527150 | 52.479460 | 52.699898 | 52.427248 | 52.116544 | 31.674164 |
| 61.578271 | 61.740058 | 61.107741 | 60.124573 | 60.128798 | 44.235815 |
| 79.300000 | 79.300000 | 79.900000 | 79.800000 | 79.800000 | 64.800000 |
| 13.880201 | 13.869781 | 14.050000 | 14.050000 | 13.220000 | 13.118223 |
| 14.012362 | 14.050000 | 14.019470 | 13.949465 | 12.996761 | 12.784540 |
| 14.050000 | 14.050000 | 14.050000 | 14.050000 | 13.220000 | 13.220000 |
| 13.116607 | 13.112910 | 13.202292 | 12.298441 | 11.391842 | 11.225159 |
| 13.322508 | 13.363153 | 13.312617 | 12.339767 | 11.418198 | 11.232744 |
| 13.680000 | 13.680000 | 13.680000 | 12.780000 | 11.880000 | 11.880000 |

**City of Cleveland, Ohio**  
*Property Tax Levies and Collections*  
*Last Ten Years*

| Year | Current<br>Tax<br>Levy (1) | Current<br>Tax<br>Collections (2) | Percent of Current<br>Tax Collections<br>To Current<br>Tax Levy | Delinquent<br>Tax<br>Collections | Total<br>Tax<br>Collections |
|------|----------------------------|-----------------------------------|---|----------------------------------|-----------------------------|
| 2020 | \$ 78,536,205              | \$ 71,810,777                     | 91.44 %   | \$ 4,691,071                     | \$ 76,501,848               |
| 2019 | 72,955,931                 | 71,218,160                        | 97.62   | 5,828,919                        | 77,047,080                  |
| 2018 | 74,752,362                 | 66,628,584                        | 89.13   | 4,538,024                        | 71,166,608                  |
| 2017 | 72,023,002                 | 64,982,553                        | 90.22   | 4,280,681                        | 69,263,234                  |
| 2016 | 70,861,467                 | 61,490,574                        | 86.78   | 3,862,554                        | 65,353,128                  |
| 2015 | 75,115,511                 | 62,192,254                        | 82.80   | 4,537,073                        | 66,729,327                  |
| 2014 | 72,904,038                 | 60,147,465                        | 82.50   | 4,542,885                        | 64,690,350                  |
| 2013 | 68,191,726                 | 57,319,877                        | 84.06   | 4,664,866                        | 61,984,743                  |
| 2012 | 76,327,893                 | 58,664,824                        | 76.86   | 6,972,134                        | 65,636,958                  |
| 2011 | 74,312,975                 | 59,301,577                        | 79.80   | 5,104,558                        | 64,406,135                  |

**Note:**

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

(1) The current tax levy is the total amount of taxes assessed for the year.

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

(3) Total levy includes the delinquent levy.

Source: Cuyahoga County Fiscal Officer.

| <u>Total<br/>Tax<br/>Levy (3)</u> | <u>Percent of Total<br/>Tax Collections<br/>To Total<br/>Tax Levy</u> | <u>Accumulated<br/>Outstanding<br/>Delinquent<br/>Taxes</u> | <u>Percentage of<br/>Delinquent Taxes<br/>to Total Tax Levy</u> |
|-----------------------------------|---|---|---|
| \$ 103,132,280                    | 74.18 %   | \$ 25,397,758   | 24.63 %   |
| 98,584,152                        | 78.15   | 24,209,291  | 24.56   |
| 97,367,860                        | 73.09   | 24,479,163  | 25.14   |
| 94,787,217                        | 73.07   | 23,227,032  | 24.50   |
| 87,924,969                        | 74.33   | 23,066,836  | 26.23   |
| 110,147,288                       | 60.58   | 47,220,991  | 42.87   |
| 110,329,017                       | 58.63   | 41,284,638  | 37.42   |
| 104,953,336                       | 59.06   | 40,343,634  | 38.44   |
| 122,143,372                       | 53.74   | 47,654,232  | 39.01   |
| 109,926,575                       | 58.59   | 44,679,192  | 40.64   |



**City of Cleveland, Ohio**  
*Principal Taxpayers - Real Estate Tax*  
 2020 and 2011

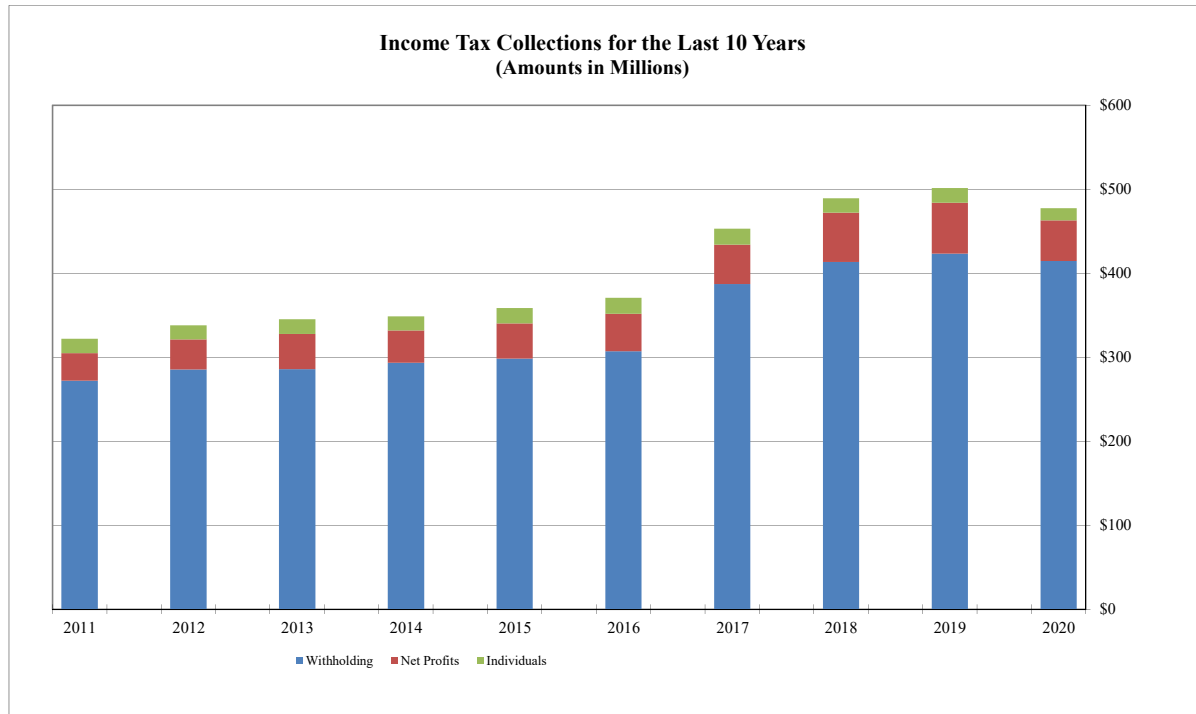
| <i>2020</i>                                   |                                      |                                       |
|---|--------------------------------------|---------------------------------------|
| Taxpayer                                      | Real Property Assessed Valuation (1) | Percentage of Real Assessed Valuation |
| Cleveland Electric Illuminating Co.           | \$ 240,499,560                       | 5.16 %                                |
| East Ohio Gas Co.                             | 138,702,460                          | 2.97                                  |
| City of Cleveland, Ohio                       | 120,048,460                          | 2.57                                  |
| American Transmission System                  | 115,396,990                          | 2.47                                  |
| 127 PS Fee Owner, LLC                         | 89,097,230                           | 1.91                                  |
| Cleveland-Cuyahoga Port Authority             | 73,729,460                           | 1.58                                  |
| Hertz Cleveland                               | 52,025,630                           | 1.12                                  |
| G&I IX 200 Public Square Garage, LLC          | 51,774,150                           | 1.11                                  |
| Cleveland Propco II, LLC                      | 40,580,310                           | 0.87                                  |
| Flats East Office Tower, LLC                  | 33,322,580                           | 0.71                                  |
| <b>Total</b>                                  | <b>\$ 955,176,830</b>                | <b>20.47 %</b>                        |
| <b>Total Real Property Assessed Valuation</b> | <b>\$ 4,664,326,000</b>              |                                       |
| <i>2011</i>                                   |                                      |                                       |
| Taxpayer                                      | Real Property Assessed Valuation (1) | Percentage of Real Assessed Valuation |
| Cleveland Clinic Foundation                   | \$ 241,141,560                       | 4.47 %                                |
| City of Cleveland, Ohio                       | 87,469,400                           | 1.62                                  |
| Key Center Properties LLC                     | 83,619,320                           | 1.55                                  |
| Cleveland Financial Associates                | 46,967,070                           | 0.87                                  |
| Board of County Commissioners                 | 39,698,830                           | 0.73                                  |
| City of Cleveland Executive                   | 36,508,320                           | 0.68                                  |
| National City Bank                            | 36,391,080                           | 0.67                                  |
| Hub North Point Properties LLC                | 33,309,480                           | 0.62                                  |
| ISG Cleveland West Inc.                       | 26,892,690                           | 0.50                                  |
| Optima 1375, LLC                              | 25,857,270                           | 0.48                                  |
| <b>Total</b>                                  | <b>\$ 657,855,020</b>                | <b>12.19 %</b>                        |
| <b>Total Real Property Assessed Valuation</b> | <b>\$ 5,398,098,000</b>              |                                       |

(1) The amounts presented represent the assessed values upon which 2020 and 2011 collections were based.

Source: Cuyahoga County Fiscal Officer.

**City of Cleveland, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

| Tax Year | Tax Rate | Total Tax Collected (1) | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes From Net Profits | Percentage of Taxes from Net Profits | Taxes From Individuals | Percentage of Taxes from Individuals |
|----------|----------|-------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2020     | 2.50%    | \$ 477,455,352          | \$ 414,445,798         | 86.80%                               | \$ 48,378,491          | 10.13%                               | \$ 14,631,063          | 3.07%                                |
| 2019     | 2.50     | 501,323,695             | 423,375,271            | 84.45                                | 60,595,378             | 12.09                                | 17,353,046             | 3.46                                 |
| 2018     | 2.50     | 489,235,527             | 413,232,659            | 84.47                                | 58,623,924             | 11.98                                | 17,378,944             | 3.55                                 |
| 2017     | 2.50     | 453,091,275             | 387,201,556            | 85.46                                | 46,757,836             | 10.32                                | 19,131,883             | 4.22                                 |
| 2016     | 2.00     | 370,753,947             | 307,143,756            | 82.84                                | 44,644,300             | 12.04                                | 18,965,891             | 5.12                                 |
| 2015     | 2.00     | 358,677,459             | 298,318,465            | 83.17                                | 41,948,933             | 11.70                                | 18,410,061             | 5.13                                 |
| 2014     | 2.00     | 348,674,282             | 293,456,642            | 84.16                                | 38,294,001             | 10.98                                | 16,923,639             | 4.86                                 |
| 2013     | 2.00     | 345,255,736             | 285,891,566            | 82.81                                | 41,929,164             | 12.14                                | 17,435,006             | 5.05                                 |
| 2012     | 2.00     | 338,046,790             | 285,450,129            | 84.44                                | 35,946,656             | 10.63                                | 16,650,005             | 4.93                                 |
| 2011     | 2.00     | 322,072,689             | 272,209,650            | 84.52                                | 32,693,730             | 10.15                                | 17,169,309             | 5.33                                 |



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

(1) Gross collections.

Source: Central Collection Agency.

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

| Year | Governmental Activities        |                           |                             |                                 |  |                                     |  |
|------|--------------------------------|---------------------------|-----------------------------|---------------------------------|--|-------------------------------------|--|
|      | General<br>Obligation<br>Bonds | Urban<br>Renewal<br>Bonds | Non-Tax<br>Revenue<br>Bonds | Capital<br>Lease<br>Obligations | Subordinated<br>Income Tax<br>Refunding<br>Bonds | Certificates<br>of<br>Participation | Subordinate<br>Lien<br>Income Tax<br>Bonds |
| 2020 | \$ 337,202,000                 | \$                        | \$47,069,000                | \$                              | \$21,552,000                                     | \$ 69,900,000                       | \$ 367,083,000                             |
| 2019 | 318,912,000                    |                           | 49,122,000                  | 488,000                         | 26,630,000                                       | 77,750,000                          | 361,740,000                                |
| 2018 | 291,055,000                    |                           | 53,107,000                  | 1,874,000                       | 31,593,000                                       | 85,266,000                          | 377,853,000                                |
| 2017 | 230,353,000                    | 835,000                   | 56,968,000                  | 4,363,000                       | 36,346,000                                       | 92,506,000                          | 329,359,000                                |
| 2016 | 256,139,000                    | 1,615,000                 | 60,751,000                  | 7,344,000                       | 39,458,000                                       | 99,438,000                          | 280,057,000                                |
| 2015 | 247,235,000                    | 2,345,000                 | 64,438,000                  | 11,354,000                      | 43,910,000                                       | 106,095,000                         | 289,810,000                                |
| 2014 | 270,033,000                    | 3,030,000                 | 51,004,000                  | 15,262,000                      | 44,927,000                                       | 112,471,000                         | 198,462,000                                |
| 2013 | 297,178,000                    | 3,670,000                 | 53,202,000                  | 19,185,000                      | 48,421,000                                       | 118,581,000                         | 129,551,000                                |
| 2012 | 325,676,000                    | 4,270,000                 | 56,018,000                  | 16,236,000                      | 51,769,000                                       | 124,749,000                         | 93,320,000                                 |
| 2011 | 310,456,000                    | 4,835,000                 | 58,747,000                  | 12,908,000                      | 54,982,000                                       | 130,941,000                         | 80,976,000                                 |

**Note:**

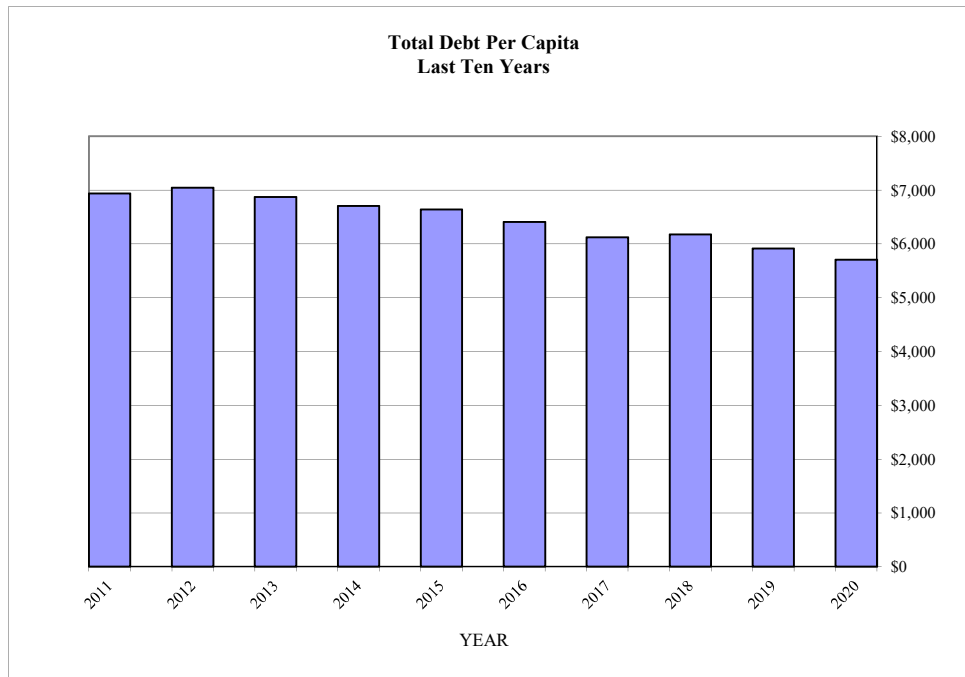
Population and Personal Income data are presented on page S21.

In 2014, this table was modified to include Note/Loans payable, as it is part of the Governmental Debt.

In 2018, this table recalculated all figures that had premiums and discounts. The premiums and discounts are now reflected in the type of debt.

**Business-Type Activities**

| Annual Appropriation Bonds | Note / Loans Payable | Revenue Bonds    | OWDA / OPWC Loans | Total Debt       | Percentage of Personal Income | Per Capita |
|----------------------------|----------------------|------------------|-------------------|------------------|-------------------------------|------------|
| \$ 8,372,000               | \$ 1,187,000         | \$ 1,339,827,000 | \$ 72,254,000     | \$ 2,264,446,000 | 26.89%                        | \$ 5,707   |
| 8,705,000                  | 1,266,000            | 1,429,751,000    | 72,750,000        | 2,347,114,000    | 29.45                         | 5,915      |
| 9,018,000                  | 1,024,000            | 1,525,350,000    | 75,545,000        | 2,451,685,000    | 32.79                         | 6,178      |
| 9,315,000                  | 1,344,000            | 1,584,033,000    | 83,478,000        | 2,428,900,000    | 34.00                         | 6,121      |
| 9,592,000                  | 1,671,000            | 1,696,483,000    | 91,316,000        | 2,543,864,000    | 36.56                         | 6,411      |
| 9,854,000                  | 2,240,000            | 1,758,793,000    | 99,220,000        | 2,635,294,000    | 38.09                         | 6,641      |
| 10,100,000                 | 2,801,000            | 1,845,740,000    | 106,815,000       | 2,660,645,000    | 39.46                         | 6,705      |
| 10,331,000                 |                      | 1,931,909,000    | 114,372,000       | 2,726,400,000    | 40.87                         | 6,871      |
| 10,557,000                 |                      | 2,003,727,000    | 109,742,000       | 2,796,064,000    | 43.22                         | 7,046      |
| 10,778,000                 |                      | 1,972,923,000    | 115,523,000       | 2,753,069,000    | 42.56                         | 6,938      |



**City of Cleveland, Ohio**  
*Ratio of General Obligation Bonded Debt to Assessed  
Value and Bonded Debt Per Capita  
Last Ten Years*

| Year                   | Population (1)A | Assessed Value<br>of Taxable<br>Property (2) | Net<br>Bonded<br>Debt | Ratio of<br>Net Bonded<br>Debt to Assessed<br>Value of<br>Taxable Property | Net Bonded<br>Debt Per<br>Capita |
|------------------------|-----------------|--|-----------------------|--|----------------------------------|
| (Amounts in Thousands) |                 |  |                       |  |                                  |
| 2020                   | 396,815         | \$ 5,132,348                                 | \$ 323,543            | 6.30 %   | \$ 815.35                        |
| 2019                   | 396,815         | 5,263,291                                    | 305,732               | 5.81   | 770.46                           |
| 2018                   | 396,815         | 4,728,745                                    | 279,415               | 5.91   | 704.14                           |
| 2017                   | 396,815         | 4,628,326                                    | 225,338               | 4.87   | 567.87                           |
| 2016                   | 396,815         | 4,589,438                                    | 251,060               | 5.47   | 632.69                           |
| 2015                   | 396,815         | 4,948,114                                    | 244,111               | 4.93   | 615.18                           |
| 2014                   | 396,815         | 4,899,952                                    | 266,952               | 5.45   | 672.74                           |
| 2013                   | 396,815         | 4,868,768                                    | 293,752               | 6.03   | 740.27                           |
| 2012                   | 396,815         | 5,631,261                                    | 319,460               | 5.67   | 805.06                           |
| 2011                   | 396,815         | 5,640,270                                    | 308,969               | 5.48   | 778.62                           |

**Note:**

Net Bonded Debt includes all general obligation bonded debt less balance in debt service fund, plus bond premium.

In 2018, the City restated prior years net bonded debt to include bond premium. As a result, this also affected the ratio of net bonded debt to assessed value of taxable property and net bonded debt to assessed value of taxable property and net bonded debt per capita.

Sources:

- (1) U. S. Bureau of Census, 2010 Federal Census of Population. (1)A 2020 Amounts will be changed to reflect 2020 results when available.
- (2) Cuyahoga County Fiscal Officer's Office.

**City of Cleveland, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
 December 31, 2020

| Jurisdiction                            | Governmental<br>Activities Debt<br>Outstanding | Percentage<br>Applicable<br>to City (1) | Amount<br>Applicable<br>to City |
|---|--|---|---------------------------------|
| <b>Direct - City of Cleveland</b>       |  |   |                                 |
| General Obligation Bonds                | \$ 337,202,000                                 | 100.00 %                                | \$ 337,202,000                  |
| Subordinated Income Tax Refunding Bonds | 21,552,000                                     | 100.00                                  | 21,552,000                      |
| Subordinate Lien Income Tax Bonds       | 367,083,000                                    | 100.00                                  | 367,083,000                     |
| Non-Tax Revenue Bonds                   | 47,069,000                                     | 100.00                                  | 47,069,000                      |
| Certificates of Participation           | 69,900,000                                     | 100.00                                  | 69,900,000                      |
| Annual Appropriation Bonds              | 8,372,000                                      | 100.00                                  | 8,372,000                       |
| Note/Loans Payable                      | <u>1,187,000</u>                               | 100.00                                  | <u>1,187,000</u>                |
| <i>Total Direct Debt</i>                | 852,365,000                                    |   | 852,365,000                     |
| <b>Overlapping</b>                      |  |   |                                 |
| Cleveland Municipal School District     |  |   |                                 |
| General Obligation Bonds                | 222,311,765                                    | 96.82                                   | 215,242,251                     |
| Cuyahoga County                         |  |   |                                 |
| General Obligation Bonds                | 266,975,000                                    | 16.78                                   | 44,798,405                      |
| Cuyahoga Community College              | 201,500,000                                    | 16.78                                   | 33,811,700                      |
| Berea School District                   | 108,661,000                                    | 3.88                                    | 4,216,047                       |
| Shaker Heights School District          | <u>33,840,000</u>                              | 5.51                                    | <u>1,864,584</u>                |
| <b>Total</b>                            | <u>\$ 1,685,652,765</u>                        |   | <u>\$ 1,152,297,987</u>         |

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

Source: Cuyahoga County Fiscal Officer's Office.

**City of Cleveland, Ohio**

*Legal Debt Margin*

*Last Ten Years*

|   | 2020             | 2019             | 2018             | 2017             |
|---|------------------|------------------|------------------|------------------|
| Total Assessed Property Value   | \$ 5,132,348,420 | \$ 5,263,290,660 | \$ 4,728,745,440 | \$ 4,628,325,790 |
| Overall Legal Debt Limit<br>(10½% of Assessed Valuation)                    | 538,896,584      | 552,645,519      | 496,518,271      | 485,974,208      |
| Debt Outstanding:   |                  |                  |                  |                  |
| General Obligation Bonds  | 310,985,000      | 292,810,000      | 267,135,000      | 211,400,000      |
| Revenue Bonds   | 1,248,613,000    | 1,352,593,000    | 1,439,068,000    | 1,501,493,000    |
| Urban Renewal Bonds   |                  |                  |                  | 835,000          |
| Subordinated Income Tax Refunding Bonds                                     | 20,265,000       | 24,730,000       | 28,975,000       | 32,960,000       |
| Subordinate Lien Income Tax Bonds   | 339,850,000      | 327,260,000      | 339,690,000      | 296,285,000      |
| OWDA/OPWC Loans   | 72,841,000       | 73,352,000       | 75,560,000       | 83,478,000       |
| Non-tax Revenue Bonds   | 47,072,000       | 49,078,000       | 52,971,000       | 56,705,000       |
| Annual Appropriation Bonds  | 8,475,000        | 8,820,000        | 9,145,000        | 9,455,000        |
| Total Gross Indebtedness  | 2,048,101,000    | 2,128,643,000    | 2,212,544,000    | 2,192,611,000    |
| Less:   |                  |                  |                  |                  |
| General Obligation Bonds  | 310,985,000      | 292,810,000      | 267,135,000      | 211,400,000      |
| Revenue Bonds   | 1,248,613,000    | 1,352,593,000    | 1,439,068,000    | 1,501,493,000    |
| Urban Renewal Bonds   |                  |                  |                  | 835,000          |
| Subordinated Income Tax Refunding Bonds                                     | 20,265,000       | 24,730,000       | 28,975,000       | 32,960,000       |
| Subordinate Lien Income Tax Bonds   | 339,850,000      | 327,260,000      | 339,690,000      | 296,285,000      |
| OWDA/OPWC Loans   | 72,841,000       | 73,352,000       | 75,560,000       | 83,478,000       |
| Non-tax Revenue Bonds   | 47,072,000       | 49,078,000       | 52,971,000       | 56,705,000       |
| Annual Appropriation Bonds  | 8,475,000        | 8,820,000        | 9,145,000        | 9,455,000        |
| General Obligation Bond Retirement Fund Balance                             | 13,659,000       | 13,180,000       | 11,640,000       | 5,015,000        |
| Total Net Debt Applicable to Debt Limit*                                    | -                | -                | -                | -                |
| Legal Debt Margin Within 10½% Limitations                                   | \$ 538,896,584   | \$ 552,645,519   | \$ 496,518,271   | \$ 485,974,208   |
| Legal Debt Margin as a Percentage of the Debt Limit                         | 100.00%          | 100.00%          | 100.00%          | 100.00%          |
| Unvoted Debt Limitation<br>(5½% of Assessed Valuation)                      | \$ 282,279,163   | \$ 289,480,986   | \$ 260,080,999   | \$ 254,557,918   |
| Total Gross Indebtedness  | 2,048,101,000    | 2,128,643,000    | 2,212,544,000    | 2,192,611,000    |
| Less:   |                  |                  |                  |                  |
| General Obligation Bonds  | 310,985,000      | 292,810,000      | 267,135,000      | 211,400,000      |
| Revenue Bonds   | 1,248,613,000    | 1,352,593,000    | 1,439,068,000    | 1,501,493,000    |
| Urban Renewal Bonds   |                  |                  |                  | 835,000          |
| Subordinated Income Tax Refunding Bonds                                     | 20,265,000       | 24,730,000       | 28,975,000       | 32,960,000       |
| Subordinate Lien Income Tax Bonds   | 339,850,000      | 327,260,000      | 339,690,000      | 296,285,000      |
| OWDA/OPWC Loans   | 72,841,000       | 73,352,000       | 75,560,000       | 83,478,000       |
| Non-tax Revenue Bonds   | 47,072,000       | 49,078,000       | 52,971,000       | 56,705,000       |
| Annual Appropriation Bonds  | 8,475,000        | 8,820,000        | 9,145,000        | 9,455,000        |
| General Obligation Bond Retirement Fund Balance                             | 13,659,000       | 13,180,000       | 11,640,000       | 5,015,000        |
| Net Debt Within 5½% Limitations*  | -                | -                | -                | -                |
| Unvoted Legal Debt Margin Within 5½% Limitations                            | \$ 282,279,163   | \$ 289,480,986   | \$ 260,080,999   | \$ 254,557,918   |
| Unvoted legal Debt Margin as a Percentage of the<br>Unvoted Debt Limitation | 100.00%          | 100.00%          | 100.00%          | 100.00%          |

\* The City does not report net debt limits below zero, therefore if the net debt limit is negative it is considered to be equal to zero.  
The types of debt issued by the City are exempt from the limitations defined in the Ohio Revised Code.

Source: City Financial Records.

| 2016                   | 2015                   | 2014                   | 2013                   | 2012                   | 2011                   |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <u>\$4,589,437,780</u> | <u>\$4,948,113,550</u> | <u>\$4,899,952,220</u> | <u>\$4,868,767,980</u> | <u>\$5,631,261,380</u> | <u>\$5,640,270,380</u> |
| <u>481,890,967</u>     | <u>519,551,923</u>     | <u>514,494,983</u>     | <u>511,220,638</u>     | <u>591,282,445</u>     | <u>592,228,390</u>     |
| 233,900,000            | 228,740,000            | 257,565,000            | 282,550,000            | 308,700,000            | 298,660,000            |
| 1,617,778,000          | 1,699,688,000          | 1,786,283,000          | 1,863,588,000          | 1,926,203,000          | 1,930,163,000          |
| 1,615,000              | 2,345,000              | 3,030,000              | 3,670,000              | 4,270,000              | 4,835,000              |
| 35,275,000             | 38,885,000             | 43,650,000             | 46,915,000             | 50,020,000             | 52,975,000             |
| 258,160,000            | 265,995,000            | 188,335,000            | 124,490,000            | 92,380,000             | 80,505,000             |
| 91,316,000             | 99,220,000             | 106,815,000            | 114,372,000            | 109,742,000            | 115,523,000            |
| 60,328,000             | 63,829,000             | 50,203,000             | 53,108,000             | 55,894,000             | 58,591,000             |
| 9,745,000              | 10,020,000             | 10,280,000             | 10,525,000             | 10,765,000             | 11,000,000             |
| <u>2,308,117,000</u>   | <u>2,408,722,000</u>   | <u>2,446,161,000</u>   | <u>2,499,218,000</u>   | <u>2,557,974,000</u>   | <u>2,552,252,000</u>   |
| 233,900,000            | 228,740,000            | 257,565,000            | 282,550,000            | 308,700,000            | 298,660,000            |
| 1,617,778,000          | 1,699,688,000          | 1,786,283,000          | 1,863,588,000          | 1,926,203,000          | 1,930,163,000          |
| 1,615,000              | 2,345,000              | 3,030,000              | 3,670,000              | 4,270,000              | 4,835,000              |
| 35,275,000             | 38,885,000             | 43,650,000             | 46,915,000             | 50,020,000             | 52,975,000             |
| 258,160,000            | 265,995,000            | 188,335,000            | 124,490,000            | 92,380,000             | 80,505,000             |
| 91,316,000             | 99,220,000             | 106,815,000            | 114,372,000            | 109,742,000            | 115,523,000            |
| 60,328,000             | 63,829,000             | 50,203,000             | 53,108,000             | 55,894,000             | 58,591,000             |
| 9,745,000              | 10,020,000             | 10,280,000             | 10,525,000             | 10,765,000             | 11,000,000             |
| 5,079,000              | 3,124,000              | 3,081,000              | 3,426,000              | 6,216,000              | 1,488,000              |
| -                      | -                      | -                      | -                      | -                      | -                      |
| <u>\$ 481,890,967</u>  | <u>\$ 519,551,923</u>  | <u>\$ 514,494,983</u>  | <u>\$ 511,220,638</u>  | <u>\$ 591,282,445</u>  | <u>\$ 592,228,390</u>  |
| 100.00%                | 100.00%                | 100.00%                | 100.00%                | 100.00%                | 100.00%                |
| <u>\$ 252,419,078</u>  | <u>\$ 272,146,245</u>  | <u>\$ 269,497,372</u>  | <u>\$ 267,782,239</u>  | <u>\$ 309,719,376</u>  | <u>\$ 310,214,871</u>  |
| 2,308,117,000          | 2,408,722,000          | 2,446,161,000          | 2,499,218,000          | 2,557,974,000          | 2,552,252,000          |
| 233,900,000            | 228,740,000            | 257,565,000            | 282,550,000            | 308,700,000            | 298,660,000            |
| 1,617,778,000          | 1,699,688,000          | 1,786,283,000          | 1,863,588,000          | 1,926,203,000          | 1,930,163,000          |
| 1,615,000              | 2,345,000              | 3,030,000              | 3,670,000              | 4,270,000              | 4,835,000              |
| 35,275,000             | 38,885,000             | 43,650,000             | 46,915,000             | 50,020,000             | 52,975,000             |
| 258,160,000            | 265,995,000            | 188,335,000            | 124,490,000            | 92,380,000             | 80,505,000             |
| 91,316,000             | 99,220,000             | 106,815,000            | 114,372,000            | 109,742,000            | 115,523,000            |
| 60,328,000             | 63,829,000             | 50,203,000             | 53,108,000             | 55,894,000             | 58,591,000             |
| 9,745,000              | 10,020,000             | 10,280,000             | 10,525,000             | 10,765,000             | 11,000,000             |
| 5,079,000              | 3,124,000              | 3,081,000              | 3,426,000              | 6,216,000              | 1,488,000              |
| -                      | -                      | -                      | -                      | -                      | -                      |
| <u>\$ 252,419,078</u>  | <u>\$ 272,146,245</u>  | <u>\$ 269,497,372</u>  | <u>\$ 267,782,239</u>  | <u>\$ 309,719,376</u>  | <u>\$ 310,214,871</u>  |
| 100.00%                | 100.00%                | 100.00%                | 100.00%                | 100.00%                | 100.00%                |



**City of Cleveland, Ohio**  
*Pledged Revenue Coverage*  
*Airport Revenue Bonds*  
*Last Ten Years*

| Year | Gross Revenues (1) | Direct Operating Expenses (2) | Net Revenues Available for Debt Service | Debt Service  |               | Coverage |
|------|--------------------|-------------------------------|---|---------------|---------------|----------|
|      |                    |                               |   | Principal     | Interest      |          |
| 2020 | \$ 172,662,000     | \$ 75,896,000                 | \$ 96,766,000                           | \$ 44,250,000 | \$ 22,338,666 | 1.45     |
| 2019 | 189,211,000        | 81,118,000                    | 108,093,000                             | 41,585,000    | 23,263,000    | 1.67     |
| 2018 | 185,477,000        | 81,551,000                    | 103,926,000                             | 39,970,000    | 28,633,914    | 1.51     |
| 2017 | 183,268,000        | 85,399,000                    | 97,869,000                              | 38,535,000    | 29,902,274    | 1.43     |
| 2016 | 178,723,000        | 81,501,000                    | 97,222,000                              | 39,765,000    | 29,907,925    | 1.40     |
| 2015 | 164,346,000        | 74,841,000                    | 89,505,000                              | 34,415,000    | 33,357,922    | 1.32     |
| 2014 | 165,780,000        | 72,101,000                    | 93,679,000                              | 33,155,000    | 34,568,497    | 1.38     |
| 2013 | 154,616,000        | 67,164,000                    | 87,452,000                              | 32,120,000    | 35,369,367    | 1.30     |
| 2012 | 152,030,000        | 68,855,000                    | 83,175,000                              | 16,285,000    | 33,765,871    | 1.66     |
| 2011 | 150,112,000        | 73,310,000                    | 76,802,000                              | 13,660,000    | 34,940,285    | 1.58     |

(1) Gross revenues include operating revenues plus interest income. Beginning in 2001, a minimum of 40% of passenger facility charges, as well as grant funds from the FAA for the new runway, are dedicated to the payment of debt service charges and are included in gross revenues. Beginning in 2007, the Coverage Account was included in the calculation of debt service coverage

(2) Direct operating expenses are calculated in accordance with the bond indenture.

**City of Cleveland, Ohio**  
*Pledged Revenue Coverage*  
*Power System Revenue Bonds*  
*Last Ten Years*

| Year | Gross Revenues (1) | Direct Operating Expenses (2) | Net Revenues Available for Debt Service | Debt Service |               | Coverage |
|------|--------------------|-------------------------------|---|--------------|---------------|----------|
|      |                    |                               |   | Principal    | Interest      |          |
| 2020 | \$ 186,957,000     | \$ 162,529,000                | \$ 24,428,000                           | \$ 3,740,000 | \$ 6,142,349  | 2.47     |
| 2019 | 204,286,000        | 179,977,000                   | 24,309,000                              | 5,640,000    | 8,453,175     | 1.73     |
| 2018 | 212,383,000        | 181,141,000                   | 31,242,000                              | 7,705,000    | 8,569,901     | 1.92     |
| 2017 | 195,188,000        | 167,923,000                   | 27,265,000                              | 8,785,000    | 9,116,666     | 1.52     |
| 2016 | 193,194,000        | 166,591,000                   | 26,603,000                              | 8,055,000    | 9,859,269     | 1.49     |
| 2015 | 192,934,000        | 166,150,000                   | 26,784,000                              | 7,500,000    | 10,410,464    | 1.50     |
| 2014 | 181,877,000        | 154,115,000                   | 27,762,000                              | 10,770,000   | 8,061,556     | 1.47     |
| 2013 | 170,383,000        | 141,116,000                   | 29,267,000                              | 12,710,000   | 9,766,869     | 1.30     |
| 2012 | 165,307,000        | 136,987,000                   | 28,320,000                              | 10,050,000   | 9,746,181     | 1.43     |
| 2011 | 168,599,000        | 139,952,000                   | 28,647,000                              | 10,495,000   | 9,987,500 (3) | 1.40     |

(1) Gross revenues include operating revenues plus applicable interest income.

(2) Direct operating expenses are calculated in accordance with the bond indenture.

(3) Net of capitalized interest per indenture.

**City of Cleveland, Ohio**  
*Pledged Revenue Coverage*  
*Water System Revenue Bonds*  
*Last Ten Years*

| Year | Gross Revenues (1) | Direct Operating Expenses (2) | Net Revenues Available for Debt Service | Debt Service  |               | Coverage |
|------|--------------------|-------------------------------|---|---------------|---------------|----------|
|      |                    |                               |   | Principal     | Interest (3)  |          |
| 2020 | \$ 330,316,000     | \$ 189,864,000                | \$ 140,452,000                          | \$ 17,995,000 | \$ 14,572,634 | 4.31     |
| 2019 | 323,043,000        | 217,352,000                   | 105,691,000                             | 27,540,000    | 15,092,505    | 2.48     |
| 2018 | 315,296,000        | 197,901,000                   | 117,395,000                             | 30,640,000    | 16,950,832    | 2.47     |
| 2017 | 305,971,000        | 185,367,000                   | 120,604,000                             | 29,700,000    | 15,664,601    | 2.66     |
| 2016 | 311,882,000        | 162,618,000                   | 149,264,000                             | 44,720,000    | 15,100,291    | 2.50     |
| 2015 | 301,715,000        | 165,981,000                   | 135,734,000                             | 42,110,000    | 21,034,935    | 2.15     |
| 2014 | 304,182,000        | 153,559,000                   | 150,623,000                             | 41,200,000    | 26,822,980    | 2.21     |
| 2013 | 274,324,000        | 154,947,000                   | 119,377,000                             | 39,910,000    | 29,089,797    | 1.73     |
| 2012 | 282,288,000        | 149,169,000                   | 133,119,000                             | 31,100,000    | 26,639,529    | 2.31     |
| 2011 | 238,975,000        | 146,232,000                   | 92,743,000                              | 34,000,000    | 30,275,641    | 1.44     |

(1) Gross revenues include operating revenues plus interest income.

(2) Direct operating expenses are calculated in accordance with the bond indenture.

(3) Per indenture, interest expense was reduced by amount released from reserve fund at the start of year through 2019

**City of Cleveland, Ohio**  
*Pledged Revenue Coverage*  
*Water Pollution Control Revenue Bonds*  
*Last Five Years*

| Year (3) | Gross Revenues (1) | Direct Operating Expenses (2) | Net Revenues Available for Debt Service | Debt Service |              | Coverage |
|----------|--------------------|-------------------------------|---|--------------|--------------|----------|
|          |                    |                               |   | Principal    | Interest     |          |
| 2020     | \$ 29,608,000      | \$ 21,890,000                 | \$ 7,718,000                            | \$ 610,000   | \$ 1,521,550 | 3.62     |
| 2019     | 32,956,000         | 21,742,000                    | 11,214,000                              | 590,000      | 1,545,150    | 5.25     |
| 2018     | 30,443,000         | 20,136,000                    | 10,307,000                              | 570,000      | 1,562,250    | 4.83     |
| 2017     | 29,847,000         | 21,075,000                    | 8,772,000                               | 550,000      | 1,584,250    | 4.11     |
| 2016     | 28,861,000         | 19,010,000                    | 9,851,000                               |              | 928,547      | 10.61    |

(1) Gross revenues include operating revenues plus interest income, except for interest on the construction funds.

(2) Direct operating expenses are calculated in accordance with the bond indenture.

(3) Pledged revenue debt was first issued in 2016. The City will continue to present information until a full ten-year is compiled.

**City of Cleveland, Ohio**

*Principal Employers*

2020 and 2011

| <b>2020</b>                             |                |   |
|---|----------------|---|
| Employer                                | Employees      | Percentage of<br>Total City<br>Employment |
| Cleveland Clinic                        | 36,398         | 26.51%                                    |
| University Hospitals                    | 17,481         | 12.73                                     |
| U.S. Office of Personnel Management     | 12,335         | 8.98                                      |
| Cuyahoga County                         | 7,586          | 5.53                                      |
| City of Cleveland                       | 7,006          | 5.10                                      |
| The MetroHealth System                  | 6,974          | 5.08                                      |
| Cleveland Metropolitan School District  | 6,100          | 4.44                                      |
| KeyCorp                                 | 4,712          | 3.43                                      |
| Case Western Reserve University         | 4,458          | 3.25                                      |
| Sherwin-Williams Co.                    | 4,257          | 3.10                                      |
| <b>Total</b>                            | <b>107,307</b> | <b>78.15%</b>                             |
| <b>Total Employment within the City</b> | <b>137,300</b> |   |

| <b>2011</b>                             |                |   |
|---|----------------|---|
| Employer                                | Employees      | Percentage of<br>Total City<br>Employment |
| The Cleveland Clinic Foundation         | 34,000         | 22.99%                                    |
| University Hospitals of Cleveland       | 13,726         | 9.28                                      |
| Cuyahoga County                         | 7,859          | 5.31                                      |
| United States Postal Service            | 7,242          | 4.90                                      |
| City of Cleveland                       | 7,089          | 4.79                                      |
| KeyCorp                                 | 5,827          | 3.94                                      |
| The MetroHealth System                  | 5,558          | 3.76                                      |
| Case Western Reserve University         | 4,620          | 3.12                                      |
| Sherwin-Williams Co.                    | 3,035          | 2.05                                      |
| Lincoln Electric Co.                    | 2,600          | 1.76                                      |
| <b>Total</b>                            | <b>91,556</b>  | <b>61.90%</b>                             |
| <b>Total Employment within the City</b> | <b>147,900</b> |   |

**Note:**

Largest employers headquartered in the City ranked by FTE employees.

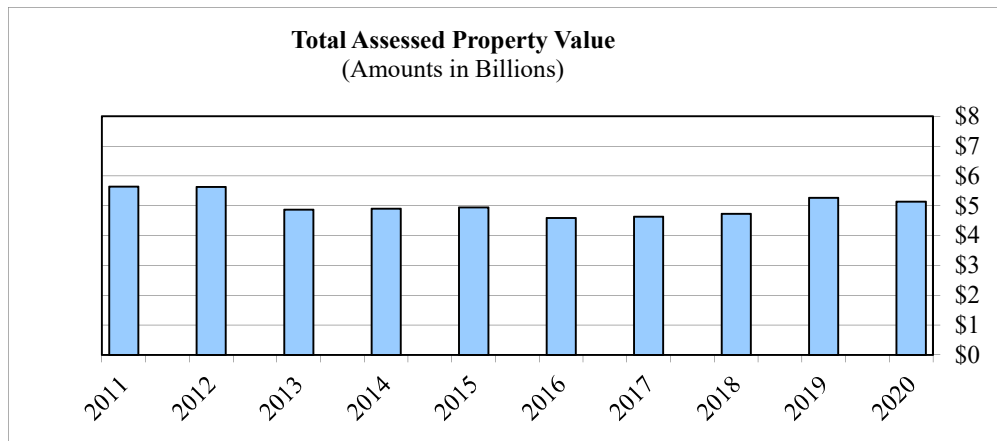
**Source:**

Number of employees from Crain's Cleveland:  
 Book of Lists 2021, Largest Cuyahoga County Employers; FTEs as of 6/30/2020  
 Book of Lists 2012, Largest Cuyahoga County Employers; FTEs as of 6/30/2011

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**City of Cleveland, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

| Year | Population |      | Total Personal<br>Income (5) | Personal<br>Income<br>Per Capita |      | Median<br>Household<br>Income |      | Median<br>Age |     |
|------|------------|------|------------------------------|----------------------------------|------|-------------------------------|------|---------------|-----|
| 2020 | 396,815    | (1)A | \$ 8,421,604,745             | \$ 21,223                        | (13) | \$ 30,907                     | (13) | 35.5          | (1) |
| 2019 | 396,815    | (1)  | 7,970,029,275                | 20,085                           | (12) | 29,008                        | (12) | 35.7          | (1) |
| 2018 | 396,815    | (1)  | 7,477,581,860                | 18,844                           | (11) | 27,854                        | (11) | 35.7          | (1) |
| 2017 | 396,815    | (1)  | 7,143,860,445                | 18,003                           | (10) | 26,583                        | (10) | 35.7          | (1) |
| 2016 | 396,815    | (1)  | 6,958,944,655                | 17,537                           | (9)  | 26,150                        | (9)  | 35.7          | (1) |
| 2015 | 396,815    | (1)  | 6,918,866,340                | 17,436                           | (8)  | 26,179                        | (8)  | 35.7          | (1) |
| 2014 | 396,815    | (1)  | 6,742,680,480                | 16,992                           | (7)  | 26,217                        | (7)  | 35.7          | (1) |
| 2013 | 396,815    | (1)  | 6,671,253,780                | 16,812                           | (6)  | 26,556                        | (6)  | 35.7          | (1) |
| 2012 | 396,815    | (1)  | 6,468,878,130                | 16,302                           | (1)  | 27,349                        | (1)  | 35.7          | (1) |
| 2011 | 396,815    | (1)  | 6,468,878,130                | 16,302                           | (1)  | 27,349                        | (1)  | 35.7          | (1) |



- (1) Source: U. S. Census Bureau. 2010 Census, (1)A Population total will reflect 2020 results when available.
- (2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/>".
- (3) Source: Ohio Labor Market Info, Website: "<http://ohiolmi.com/>".
- (4) Source: Cuyahoga County Auditor's Office.
- (5) Computation of per capita personal income multiplied by population.
- (6) Source: U. S. Census Bureau. 2012 dollars years 2008-2012.
- (7) Source: U. S. Census Bureau. 2013 dollars years 2009-2013.
- (8) Source: U. S. Census Bureau. 2014 dollars years 2010-2014.
- (9) Source: U. S. Census Bureau. 2015 dollars years 2011-2015.
- (10) Source: U. S. Census Bureau. 2016 dollars years 2012-2016.
- (11) Source: U. S. Census Bureau. 2017 dollars years 2013-2017.
- (12) Source: U. S. Census Bureau. 2018 dollars years 2014-2018.
- (13) Source: U. S. Census Bureau. 2019 dollars years 2015-2019.

| Educational Attainment: Bachelor's Degree or Higher |      | School Enrollment (2) | City Unemployment Rate (3) | Average Sales Price of Residential Property (4) | Total Assessed Property Value (4) |
|---|------|-----------------------|----------------------------|---|-----------------------------------|
|   |      |                       |                            |   | (Amounts in Thousands)            |
| 17.5%   | (13) | 37,158                | 13.9%                      | \$ 89,100                                       | \$ 5,132,348                      |
| 16.9  | (12) | 37,701                | 5.2                        | 77,900  | 5,263,291                         |
| 16.4  | (11) | 38,645                | 6.5                        | 69,500  | 4,728,745                         |
| 16.1  | (10) | 38,949                | 7.7                        | 76,458  | 4,628,326                         |
| 15.6  | (9)  | 39,125                | 6.9                        | 59,403  | 4,589,438                         |
| 15.2  | (8)  | 38,555                | 5.2                        | 67,280  | 4,948,114                         |
| 14.9  | (7)  | 37,967                | 7.8                        | 54,549  | 4,899,952                         |
| 14.0  | (6)  | 38,725                | 9.3                        | 59,737  | 4,868,768                         |
| 13.1  | (1)  | 42,883                | 8.5                        | 55,774  | 5,631,261                         |
| 13.1  | (1)  | 45,060                | 10.0                       | 54,638  | 5,640,270                         |





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

| Function/Program   | 2020     | 2019     | 2018     | 2017     |
|--|----------|----------|----------|----------|
| <b>General Government</b>                                |          |          |          |          |
| Council  | 61.00    | 64.00    | 65.50    | 60.00    |
| Mayor's Office   | 19.50    | 19.50    | 18.50    | 24.00    |
| Office of Capital Projects                               | 59.50    | 61.50    | 57.00    | 54.00    |
| Mayor's Office of Sustainability                         | 10.00    | 8.00     | 8.00     | 8.00     |
| Mayor's Office of Quality Control                        | 12.00    | 11.50    | 9.50     | 10.50    |
| Landmarks Commission                                     | 4.50     | 5.00     | 5.50     | 4.00     |
| Building Standards and Appeals                           | 3.00     | 3.00     | 5.50     | 5.50     |
| Board of Zoning Appeals                                  | 4.50     | 4.50     | 4.00     | 4.50     |
| Civil Service Commission                                 | 8.50     | 7.50     | 8.50     | 8.50     |
| Community Relations Board                                | 26.50    | 26.00    | 24.00    | 22.00    |
| City Planning Commission                                 | 23.50    | 23.00    | 21.50    | 20.50    |
| Equal Employment Opportunity                             | 7.00     | 7.00     | 7.00     | 8.00     |
| Prevention Intervention and Opportunity                  | 5.00     |          |          |          |
| Court  | 410.00   | 436.50   | 441.50   | 443.50   |
| Office of Budget Administration                          | 7.00     | 7.00     | 8.00     | 7.00     |
| Aging  | 25.00    | 25.50    | 26.00    | 23.50    |
| Personnel and Human Resources                            | 17.50    | 18.50    | 17.50    | 16.50    |
| Consumer Affairs   |          |          |          |          |
| Law  | 74.00    | 78.00    | 80.00    | 78.50    |
| Finance  | 252.50   | 264.00   | 267.50   | 248.50   |
| <b>Security of Persons and Property</b>                  |          |          |          |          |
| Administration   | 38.00    | 37.00    | 36.00    | 36.00    |
| Police   | 1,934.00 | 2,013.00 | 1,972.00 | 1,822.50 |
| Fire   | 681.00   | 718.00   | 722.00   | 702.00   |
| EMS  | 279.00   | 305.00   | 310.00   | 288.00   |
| Dog Pound  | 32.00    | 33.50    | 26.50    | 22.00    |
| House of Corrections                                     | 1.50     | 1.00     | 1.00     | 106.00   |
| Department of Justice Compliance                         | 32.00    | 36.00    | 27.50    | 26.00    |
| <b>Public Health Services</b>                            | 118.00   | 139.50   | 138.50   | 127.50   |
| <b>Leisure Time Activities</b>                           |          |          |          |          |
| Parks, Recreation and Property Administration            |          |          |          |          |
| Research, Planning and Development                       |          |          |          |          |
| Recreation   | 200.00   | 230.50   | 230.00   | 222.00   |
| Public Auditorium, Westside Market and Cleveland Stadium | 59.00    | 64.00    | 61.50    | 53.50    |
| Parking Facilities                                       | 33.00    | 37.50    | 40.50    | 37.50    |
| Property Management                                      | 68.50    | 72.50    | 71.50    | 70.50    |
| Parks Maintenance  | 143.00   | 145.00   | 140.00   | 138.00   |
| <b>Community Development</b>                             | 78.00    | 77.00    | 71.50    | 62.00    |
| <b>Building and Housing</b>                              | 146.00   | 148.00   | 142.00   | 129.00   |
| <b>Economic Development</b>                              | 22.00    | 24.00    | 24.00    | 23.00    |
| <b>Public Works</b>                                      |          |          |          |          |
| Public Works Administration                              | 32.00    | 32.00    | 36.00    | 32.00    |
| Architecture   |          |          |          |          |
| Waste Collection and Disposal                            | 206.50   | 217.50   | 199.50   | 206.50   |
| Engineering and Construction                             |          |          |          |          |
| Motor Vehicle Maintenance                                | 75.00    | 75.00    | 79.00    | 76.00    |
| Streets  | 263.00   | 266.00   | 270.00   | 263.00   |
| Traffic Engineering                                      | 30.00    | 31.00    | 33.00    | 32.00    |
| <b>Port Control</b>                                      | 366.50   | 408.00   | 387.50   | 392.50   |
| <b>Basic Utility Services</b>                            |          |          |          |          |
| Water  | 1,174.00 | 1,150.50 | 1,126.50 | 1,067.50 |
| Cleveland Public Power                                   | 237.00   | 249.00   | 253.00   | 242.00   |
| Water Pollution Control                                  | 134.50   | 140.00   | 133.00   | 116.00   |
| Totals:  | 7,414.00 | 7,720.50 | 7,607.00 | 7,340.00 |

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

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

Source: City Payroll Department.

| 2016            | 2015            | 2014            | 2013            | 2012            | 2011            |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 65.50           | 60.50           | 61.00           | 60.00           | 61.50           | 63.00           |
| 25.00           | 23.00           | 22.50           | 25.50           | 25.50           | 24.50           |
| 49.00           | 55.50           | 50.50           | 49.50           | 46.00 (1)       |                 |
| 3.00            | 3.50            | 4.00            | 5.00            | 5.00            | 5.00            |
| 5.50            | 5.50            | 5.50            | 6.00            | 6.00            | 6.00            |
| 4.50            | 4.00            | 4.50            | 4.50            | 4.50            | 4.50            |
| 8.50            | 8.50            | 9.50            | 10.00           | 10.00           | 9.50            |
| 22.00           | 23.00           | 24.00           | 22.00           | 24.00           | 28.00           |
| 20.50           | 21.50           | 22.50           | 20.50           | 20.50           | 21.50           |
| 6.00            | 8.50            | 10.00           | 8.50            | 8.00            | 8.00            |
| 446.00          | 448.00          | 457.50          | 465.50          | 461.00          | 479.50          |
| 7.00            | 7.00            | 7.00            | 8.00            | 7.00            | 7.00            |
| 19.00           | 23.50           | 21.00           | 22.00           | 22.00           | 25.00           |
| 12.00           | 15.50           | 17.00           | 19.00           | 18.00           | 16.00           |
|                 |                 |                 |                 | (1)             | 4.00            |
| 73.50           | 71.50           | 76.50           | 77.00           | 72.50           | 76.00           |
| 239.50          | 238.50          | 226.00          | 222.50          | 232.00          | 234.00          |
| 37.00           | 35.00           | 48.50           | 42.50           | 36.50           | 36.50           |
| 1,826.50        | 1,903.00        | 1,901.00        | 1,913.50        | 1,873.00        | 1,869.50        |
| 696.00          | 705.00          | 707.00          | 730.00          | 729.00          | 803.00          |
| 244.00          | 238.00          | 224.00          | 232.00          | 232.00          | 214.00          |
| 18.00           | 18.00           | 17.00           | 17.00           | 14.50           | 15.00           |
| 117.50          | 117.50          | 127.00          | 131.50          | 133.00          | 153.00          |
| 13.50           | 8.50            |                 |                 |                 |                 |
| 135.00          | 139.00          | 138.00          | 133.00          | 125.50          | 140.50          |
|                 |                 |                 |                 | (1)             | 8.00            |
|                 |                 |                 |                 | (1)             | 5.00            |
| 203.00          | 202.50          | 200.50          | 191.50          | 190.50          | 189.00          |
| 53.00           | 55.00           | 54.50           | 54.00           | 42.50           | 29.50           |
| 40.00           | 42.50           | 40.00           | 40.50           | 39.50           | 42.50           |
| 64.50           | 67.50           | 73.50           | 72.50           | 70.50           | 73.50           |
| 132.00          | 128.00          | 133.00          | 130.00          | 119.00          | 126.00          |
| 61.50           | 63.00           | 74.00           | 76.00           | 78.50           | 76.50           |
| 119.00          | 109.00          | 115.00          | 117.00          | 113.00          | 120.00          |
| 26.00           | 26.00           | 25.00           | 29.00           | 26.00           | 28.00           |
| 34.00           | 36.00           | 38.00           | 37.00           | 34.00           | 5.50            |
|                 |                 |                 |                 | (1)             | 5.00            |
| 179.50          | 171.00          | 192.50          | 199.50          | 206.50          | 212.50          |
|                 |                 |                 |                 | (1)             | 31.50           |
| 70.00           | 72.00           | 66.00           | 68.00           | 68.00           | 75.00           |
| 252.00          | 257.00          | 249.00          | 248.00          | 260.00          | 285.00          |
| 29.00           | 30.00           | 29.00           | 29.00           | 29.00           | 36.00           |
| 393.50          | 410.00          | 383.00          | 392.00          | 404.50          | 418.00          |
| 980.00          | 1,013.00        | 1,008.00        | 1,042.50        | 1,093.00        | 1,157.00        |
| 248.00          | 244.00          | 266.00          | 316.00          | 335.00          | 358.00          |
| 123.00          | 121.00          | 134.50          | 135.00          | 136.00          | 148.50          |
| <u>7,102.00</u> | <u>7,229.00</u> | <u>7,263.00</u> | <u>7,402.50</u> | <u>7,412.50</u> | <u>7,673.00</u> |

**City of Cleveland, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

| Function/Program   | 2020             | 2019             | 2018             | 2017             | 2016             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>General Government</b>  |                  |                  |                  |                  |                  |
| <i>Council and Clerk</i>   |                  |                  |                  |                  |                  |
| Number of ordinances passed  | 451              | 573              | 573              | 621              | 526              |
| Number of resolutions adopted                                      | 293              | 575              | 543              | 554              | 587              |
| Number of other actions (communications, tabled legislation, etc.) | 242              | 313              | 365              | 330              | 353              |
| Number of planning commission docket items                         | 326              | 544              | 344              | 283              | 310              |
| Zoning board of appeals docket items                               | 207              | 324              | 290              | 379              | 325              |
| <i>Finance Department</i>  |                  |                  |                  |                  |                  |
| Number of payments issued  | 32,463           | 39,486           | 40,932           | 37,683           | 37,602           |
| Total amount of payments   | \$ 1,736,678,895 | \$ 1,791,913,475 | \$ 1,712,667,992 | \$ 1,645,342,974 | \$ 1,526,411,690 |
| Interest earnings for fiscal year (cash basis)                     | \$ 9,479,564     | \$ 34,234,237    | \$ 26,062,457    | \$ 11,609,282    | \$ 4,638,092     |
| Number of receiving warrants (6)                                   | 26,342           | 31,786           | 37,061           | 35,563           | 33,848           |
| Number of journal entries issued (6)                               | 154,009          | 194,878          | 206,659          | 201,067          | 189,424          |
| Number of budget adjustments issued                                | 2                | 2                | 3                | 5                | 2                |
| Agency ratings - S&P Global (1)                                    | AA+              | AA+              | AA+              | AA+              | AA               |
| Agency ratings - Moody's Financial Services (1)                    | A1               | A1               | A1               | A1               | A1               |
| Health insurance costs vs. General Fund expenditures %             | 19%              | 16%              | 16%              | 17%              | 18%              |
| General Fund receipts (cash basis in thousands)                    | \$ 581,864       | \$ 648,273       | \$ 623,090       | \$ 591,969       | \$ 513,561       |
| General Fund expenditures (cash basis in thousands)                | \$ 514,770       | \$ 564,761       | \$ 533,048       | \$ 508,535       | \$ 483,971       |
| General Fund cash balances (in thousands)                          | \$ 203,399       | \$ 190,621       | \$ 173,275       | \$ 117,631       | \$ 61,405        |
| <i>Income Tax Department</i>                                       |                  |                  |                  |                  |                  |
| Number of individual returns                                       | 102,387          | 134,391          | 131,908          | 158,124          | 174,471          |
| Number of business returns   | 16,381           | 23,373           | 28,396           | 24,982           | 22,352           |
| Number of business withholding accounts                            | 14,730           | 14,599           | 15,015           | 14,640           | 13,867           |
| Amount of penalties and interest collected                         | \$ 1,598,475     | \$ 2,366,212     | \$ 2,169,049     | \$ 2,357,037     | \$ 1,980,758     |
| Annual number of corporate withholding forms processed             | 147,777          | 168,213          | 166,191          | 159,442          | 156,603          |
| Annual number of balance due statements forms processed            | 14,451           | 24,247           | 26,382           | 31,261           | 41,688           |
| Annual number of estimated payment forms processed                 | 22,317           | 28,329           | 28,448           | 35,319           | 40,598           |
| Annual number of reconciliations of withholdings processed         | 2,429            | 12,461           | 12,898           | 11,494           | 11,728           |
| <i>Engineer Contracted Services</i>                                |                  |                  |                  |                  |                  |
| Dollar amount of construction overseen by engineer (2)             | \$ 40,005,457    | \$ 26,128,469    | \$ 18,489,204    | \$ 26,721,178    | \$ 59,585,941    |
| <i>Municipal Court</i>   |                  |                  |                  |                  |                  |
| Number of civil cases (8)  | 11,868           | 20,360           | 19,599           | 19,146           | 18,646           |
| Number of criminal cases (8)                                       | 37,722           | 59,535           | 60,525           | 64,371           | 64,050           |
| <i>Vital Statistics</i>  |                  |                  |                  |                  |                  |
| <i>Certificates filed (3)</i>                                      |                  |                  |                  |                  |                  |
| Number of births   | 18,406           | 18,993           | 18,765           | 19,878           | 18,607           |
| Number of deaths   | 16,505           | 15,077           | 15,302           | 15,158           | 14,832           |
| Number of fetal deaths   | 109              | 150              | 308              | 348              | 385              |
| <i>Certificates issued (3)</i>                                     |                  |                  |                  |                  |                  |
| Number of births   | 30,449           | 55,464           | 56,102           | 58,805           | 58,611           |
| Number of deaths   | 32,805           | 63,979           | 65,338           | 64,265           | 63,348           |
| <i>Civil Service</i>   |                  |                  |                  |                  |                  |
| Number of police entry tests administered                          | 1                | 2                | 3                | 1                | 1                |
| Number of fire entry tests administered                            |                  |                  | 1                | 1                |                  |
| Number of police promotional tests administered                    |                  |                  | 1                |                  |                  |
| Number of fire promotional tests administered                      |                  |                  |                  | 1                |                  |
| Number of hires of police officers from certified lists            | 86               | 40               | 248              | 52               | 56               |
| Number of hires of fire/medics from certified lists                |                  | 55               | 40               |                  | 29               |
| Number of promotions from police certified lists                   | 40               | 35               | 24               | 44               | 30               |
| Number of promotions from fire certified lists                     | 11               | 22               | 52               |                  | 33               |

| 2015             | 2014             | 2013             | 2012             | 2011             |
|------------------|------------------|------------------|------------------|------------------|
| 621              | 582              | 642              | 631              | 723              |
| 564              | 696              | 686              | 739              | 647              |
| 399              |                  |                  |                  |                  |
| 127              | 232              | 267              | 359              | 262              |
| 274              | 256              | 276              | 237              | 241              |
| 37,931           | 37,689           | 37,257           | 38,010           | 38,501           |
| \$ 1,463,635,524 | \$ 1,423,313,034 | \$ 1,454,825,245 | \$ 1,236,189,641 | \$ 1,311,830,974 |
| \$ 1,669,023     | \$ 2,004,466     | \$ 2,922,320     | \$ 3,283,638     | \$ 4,061,090     |
| 34,912           | 36,245           | 33,006           | 32,087           | 30,433           |
| 260,377          | 206,253          | 176,343          | 190,554          | 179,546          |
| 2                | 4                | 5                | 4                | 6                |
| AA               | AA               | AA               | AA               | AA               |
| A1               | A1               | A1               | A1               | A1               |
| 17%              | 15%              | 15%              | 15%              | 18%              |
| \$ 495,331       | \$ 502,860       | \$ 511,253       | \$ 501,018       | \$ 496,086       |
| \$ 481,730       | \$ 487,584       | \$ 485,912       | \$ 468,543       | \$ 472,883       |
| \$ 79,239        | \$ 92,693        | \$ 89,988        | \$ 84,869        | \$ 54,888        |
| 181,382          | 181,811          | 188,767          | 192,362          | 196,457          |
| 28,502           | 29,866           | 22,601           | 25,140           | 26,240           |
| 13,863           | 13,857           | 13,914           | 14,414           | 14,338           |
| \$ 2,010,333     | \$ 1,848,347     | \$ 1,880,485     | \$ 1,771,088     | \$ 2,059,203     |
| 153,640          | 149,291          | 143,976          | 147,175          | 149,537          |
| 41,837           | 38,059           | 39,012           | 37,642           | 38,152           |
| 39,577           | 42,027           | 40,932           | 41,813           | 41,636           |
| 12,248           | 11,851           | 10,737           | 11,416           | 11,376           |
| \$ 104,493,079   | \$ 52,004,000    | \$ 30,424,253    | \$ 25,400,000    | \$ 30,760,000    |
| 19,411           | 18,910           | 7,534            | 9,451            | 11,513           |
| 78,238           | 103,098          | 109,740          | 110,754          | 107,711          |
| 18,524           | 17,061           | 16,448           | 17,264           | 16,616           |
| 14,349           | 13,509           | 13,460           | 13,016           | 12,958           |
| 407              | 337              | 380              | 384              | 459              |
| 58,513           | 55,753           | 57,935           | 57,297           | 57,542           |
| 63,930           | 60,897           | 61,717           | 60,173           | 61,147           |
| 1                | 1                | 1                |                  |                  |
|                  | 1                |                  |                  |                  |
|                  | 3                |                  |                  | 1                |
|                  | 4                | 4                |                  | 1                |
| 45               | 103              | 47               | 50               | 42               |
| 40               | 37               | 33               |                  |                  |
| 48               | 4                | 36               | 33               |                  |
| 16               | 49               | 29               | 42               |                  |

(Continued)

**City of Cleveland, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

| Function/Program                            | 2020           | 2019             | 2018             | 2017             | 2016             |
|---|----------------|------------------|------------------|------------------|------------------|
| <b>Building Department Indicators</b>       |                |                  |                  |                  |                  |
| Construction permits issued                 | 13,533         | 19,947           | 17,173           | 17,865           | 16,125           |
| Estimated value of construction             | \$ 873,031,083 | \$ 1,194,734,824 | \$ 1,461,758,104 | \$ 1,338,571,317 | \$ 1,468,917,169 |
| Number of other permits issued              | 1,134          | 2,026            | 2,235            | 2,871            | 2,820            |
| Amount of revenue generated from permits    | \$ 8,329,511   | \$ 13,146,280    | \$ 12,550,454    | \$ 10,985,010    | \$ 12,799,847    |
| Number of contract registrations issued     | 2,502          | 2,441            | 3,330            | 3,261            | 3,202            |
| Annual apartment/rooming house license fees | \$ 4,293,764   | \$ 2,339,748     | \$ 2,307,275     | \$ 2,144,227     | \$ 1,582,496     |
| <b>Security of Persons and Property</b>     |                |                  |                  |                  |                  |
| <i>Police</i>                               |                |                  |                  |                  |                  |
| Number of traffic citations issued          | 28,042         | 41,747           | 41,095           | 45,734           | 49,084           |
| Number of parking citations issued          | 17,075         | 24,017           | 26,970           | 30,966           | 32,516           |
| Number of criminal arrests                  | 9,217          | 12,790           | 15,584           | 18,975           | 19,670           |
| Number of accident reports completed        | 15,237         | 17,282           | 17,982           | 17,876           | 18,256           |
| Part 1 offenses (major offenses)            | 24,291         | 23,229           | 24,557           | 31,163           | 34,158           |
| OVI arrests (12)                            | 44             | 318              | 472              | 505              | 491              |
| Prisoners                                   | 5,723          | 12,299           | 13,025           | 12,536           | 14,214           |
| Motor vehicle accidents                     | 15,237         | 17,282           | 17,982           | 17,876           | 18,256           |
| Fatalities from motor vehicle accidents     | 74             | 54               | 46               | 61               | 56               |
| Community diversion program youths          | 83             | 104              | 82               | 141              | 119              |
| <i>Fire</i>                                 |                |                  |                  |                  |                  |
| Fire calls - incoming for services          | 65,724         | 70,005           | 70,213           | 71,663           | 70,988           |
| Fires                                       | 2,228          | 1,896            | 2,078            | 2,732            | 2,752            |
| Fires with loss                             | 519            | 518              | 935              | 1,489            | 1,035            |
| Fires with losses exceeding \$10K           | 200            | 168              | 284              | 323              | 344              |
| Fire losses \$                              | \$ 8,664,535   | \$ 8,541,535     | \$ 14,374,870    | \$ 19,714,210    | \$ 15,495,855    |
| Fire safety inspections                     | 2,706          | 2,988            | 7,900            | 20,660           | 9,059            |
| Number of times mutual aid given to fire    |                | 3                |                  |                  |                  |
| <i>EMS</i>                                  |                |                  |                  |                  |                  |
| EMS calls - incoming for service            | 119,272        | 123,364          | 120,487          | 116,751          | 116,056          |
| Ambulance billing collections (net)         | \$ 13,189,469  | \$ 16,250,754    | \$ 14,470,837    | \$ 14,633,032    | \$ 13,157,301    |
| <b>Public Health and Welfare</b>            |                |                  |                  |                  |                  |
| Number of health inspections                |                |                  |                  |                  |                  |
| Barber shops                                | 168            | 109              | 165              | 156              | 124              |
| Food  | 4,029          | 7,800            | 7,800            | 7,200            | 7,041            |
| Hotels/motels                               | 44             | 38               | 40               | 43               | 42               |
| Marinas                                     |                |                  |                  |                  |                  |
| Mobile home parks                           |                |                  |                  |                  |                  |
| Laundries                                   | 32             | 30               | 30               | 38               | 77               |
| Nuisance                                    | 4,030          | 12,000           | 1,909            | 1,186            | 1,176            |
| Pools                                       | 40             | 130              | 125              | 127              | 114              |
| Schools                                     | 397            | 330              | 235              | 330              | 293              |
| Day care inspections                        | 186            | 183              | 181              | 180              | 181              |
| Maternity inspections                       |                | 1                | 1                | 1                | 1                |
| Abortion inspections                        | 4              | 3                | 3                | 4                | 4                |
| Cemetery burials                            |                |                  |                  |                  |                  |
| Cemetery cremations                         | 204            | 268              | 259              | 279              | 263              |

|    | 2015          | 2014           | 2013           | 2012             | 2011             |
|----|---------------|----------------|----------------|------------------|------------------|
|    | 15,038        | 14,002         | 15,760         | 16,245           | 15,082           |
| \$ | 1,430,231,410 | \$ 951,833,168 | \$ 898,217,589 | \$ 1,033,330,550 | \$ 1,556,000,000 |
|    | 3,274         | 4,560          | 4,632          | 4,854            | 4,164            |
| \$ | 11,580,333    | \$ 8,318,937   | \$ 8,727,385   | \$ 7,867,168     | \$ 8,306,423     |
|    | 3,262         | 2,395          | 2,357          | 2,802            | 2,822            |
| \$ | 1,515,849     | \$ 1,340,845   | \$ 1,382,001   | \$ 1,305,182     | \$ 1,343,457     |
|    | 64,565        | 89,835         | 111,271        | 121,474          | 119,371          |
|    | 39,862        | 37,569         | 36,678         | 42,404           | 42,763           |
|    | 24,308        | 31,633         | 33,742         | 35,730           | 37,531           |
|    | 17,712        | 15,575         | 15,806         | 14,549           | 15,444           |
|    | 29,048        | 33,975         | 37,125         | 39,028           | 40,554           |
|    | 387           | 693            | 779            | 790              | 679              |
|    | 17,284        | 21,201         | 23,935         | 35,251           | 37,235           |
|    | 17,712        | 15,575         | 15,806         | 14,549           | 15,412           |
|    | 48            | 21             | 32             | 31               | 29               |
|    | 108           | 105            | 98             | 152              | 188              |
|    | 68,983        | 64,357         | 61,728         | 65,040           | 65,132           |
|    | 2,469         | 2,431          | 2,478          | 2,846            | 2,714            |
|    | 1,591         | 1,441          | 1,403          | 1,372            | 1,398            |
|    | 346           | 310            | 247            | 259              | 256              |
| \$ | 18,625,607    | \$ 16,936,874  | \$ 9,634,925   | \$ 13,128,848    | \$ 14,747,291    |
|    | 12,963        | 12,730         | 10,110         | 13,380           | 10,898           |
|    |               | 5              | 2              | 30               | 21               |
|    | 115,303       | 109,045        | 106,385        | 96,359           | 94,307           |
| \$ | 10,348,422    | \$ 12,214,724  | \$ 11,589,324  | \$ 12,051,964    | \$ 11,594,178    |
|    | 211           | 360            | 303            | 333              | 400              |
|    | 7,356         | 7,187          | 7,796          | 7,674            | 7,369            |
|    | 36            | 35             | 22             | 38               | 42               |
|    |               |                |                |                  | 11               |
|    |               |                |                | 5                | 12               |
|    | 54            | 68             | 81             | 62               | 87               |
|    | 2,450         | 17,117         | 22,375         | 21,118           | 19,136           |
|    | 165           | 147            | 132            | 161              | 204              |
|    | 398           | 417            | 547            | 419              | 480              |
|    | 187           | 194            | 188            | 161              | 229              |
|    |               | 1              | 2              |                  | 4                |
|    | 4             | 4              | 5              | 5                | 6                |
|    | 260           | 249            | 179            | 196              | 177              |

(Continued)

**City of Cleveland, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

| Function/Program   | 2020           | 2019           | 2018           | 2017           | 2016           |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Leisure Time Activities</b>                               |                |                |                |                |                |
| Recreation men and women leagues receipts                    | \$             | \$ 14,585      | \$ 13,318      | \$ 795         | \$ 1,305       |
| <b>Economic Development</b>                                  |                |                |                |                |                |
| Grant amounts received (Amounts in Thousands) (11)           | \$ 1,692       | \$ 3,180       | \$ 3,238       | \$ 4,310       | \$ 10,107      |
| <b>Public Works</b>  |                |                |                |                |                |
| Street improvements - asphalt overlay (square yards) (7)     | 406,698        | 401,772        | 422,485        | 476,296        | 279,170        |
| Crackseal coating program (linear feet) (7)                  | 302,000        | 422,097        | 476,296        | 318,415        | 252,160        |
| Street repair (curbs, aprons, berms, asphalt) (hours)        | 34,043         | 102,400        | 183,040        | 106,080        | 118,560        |
| Guardrail repair (hours) (9)                                 | 1,244          | 1,093          | 1,320          | 1,061          | 380            |
| Paint striping   |                |                |                |                |                |
| Lane line (miles)  | 345            | 455            | 526            | 630            | 629            |
| Crosswalks (each)  | 4,211          | 4,800          | 5,476          | 5,356          | 6,007          |
| Arrows (each)  | 4,000          | 3,650          | 3,528          | 3,695          | 3,853          |
| Street sweeper (hours) (9)                                   | 11,310         | 1,904          | 1,120          | 1,257          | 672            |
| Cold patch (hours)   | 5,893          | 10,693         | 5,760          | 7,680          | 6,400          |
| Snow and ice removal regular hours                           | 72,453         | 76,834         | 75,564         | 72,015         | 70,137         |
| Snow and ice removal overtime hours                          | 12,303         | 12,152         | 13,342         | 7,843          | 16,244         |
| Leaf collection (hours) (10)                                 | 4,720          | 432            | 1,200          | 240            |                |
| Holiday lights setup (hours) (5)                             |                |                | 120            | 220            | 240            |
| Equipment repair/body shop (hours)                           | 4,200          | 4,421          | 3,960          | 1,643          | 2,060          |
| Tons of snow melting salt purchased November-March           | 50,779         | 54,000         | 61,089         | 31,422         | 57,424         |
| Cost of salt purchased                                       | \$ 3,706,873   | \$ 3,957,120   | \$ 1,778,889   | \$ 918,490     | \$ 3,037,155   |
| Refuse disposal per year (in tons) (13)                      | 266,793        | 243,825        | 222,559        | 241,250        | 241,911        |
| Refuse disposal costs per year (13)                          | \$ 6,988,485   | \$ 6,542,835   | \$ 5,612,889   | \$ 5,660,667   | \$ 5,552,840   |
| Annual recycling tonnage (excluding leaf, and compost items) |                | 23,743         | 19,152         | 26,915         | 25,600         |
| Percentage of waste recycled                                 |                | 8.87%          | 7.90%          | 10.04%         | 9.45%          |
| <b>Port Control</b>  |                |                |                |                |                |
| Cleveland Hopkins Airport                                    |                |                |                |                |                |
| Landed weight (in thousands of pounds)                       | 3,514,736      | 5,928,580      | 5,686,461      | 5,455,096      | 5,117,105      |
| Total operations   | 71,141         | 126,999        | 116,333        | 122,392        | 118,653        |
| Total passengers   | 4,122,517      | 10,040,817     | 9,642,729      | 9,140,445      | 8,422,676      |
| Total enplaned passengers                                    | 2,059,668      | 5,023,316      | 4,836,580      | 4,562,740      | 4,205,739      |
| Burke Lakefront Airport                                      |                |                |                |                |                |
| Total operations   | 39,000         | 50,022         | 46,765         | 50,789         | 53,495         |
| Total passengers   | 105,453        | 174,382        | 229,172        | 178,521        | 163,696        |
| Total enplaned passengers                                    | 53,598         | 86,408         | 113,843        | 89,051         | 81,934         |
| <b>Water Department</b>                                      |                |                |                |                |                |
| Water rates per 1st 600 cubic feet of water used (4)         | \$ 21.85       | \$ 20.57       | \$ 19.26       | \$ 19.26       | \$ 19.26       |
| Average number of water accounts billed monthly (14)         | 432,372        | 433,000        | 428,778        | 430,478        | 438,816        |
| Total water collections annually (including P&I)             | \$ 287,016,260 | \$ 283,912,463 | \$ 273,421,178 | \$ 295,099,937 | \$ 282,194,878 |
| Payments to Cleveland for bulk water purchases               | \$ 9,919,477   | \$ 9,519,525   | \$ 9,489,107   | \$ 9,979,059   | \$ 21,309,226  |
| <b>Wastewater Department</b>                                 |                |                |                |                |                |
| Sewer and sanitary calls for service                         | 5,193          | 3,906          | 4,810          | 5,342          | 4,537          |
| After hours sewer calls (hours)                              | 499            | 306            | 358            | 270            | 180            |
| <b>Electric Power</b>  |                |                |                |                |                |
| KWH Sold   | 1,528,489,824  | 1,589,109,934  | 1,657,523,780  | 1,588,113,898  | 1,612,905,829  |
| Average accounts billed per month                            | 73,998         | 75,064         | 75,287         | 73,363         | 73,340         |
| Receipts   | \$ 188,350,724 | \$ 208,987,691 | \$ 212,797,846 | \$ 190,495,223 | \$ 191,759,714 |

- (1) General obligation bond rating.
- (2) Amounts are new construction starts. The majority of engineering and construction projects are multi-year projects.
- (3) Includes entire area serviced by the Division of Vital Statistics (i.e., Cleveland + suburbs).
- (4) This is the rate for the City of Cleveland residents only. In 2012 rates changed from per 1000 cubic feet to per 600 cubic feet.
- (5) Holiday light setup was contracted to an outside agency in 2010 and 2011.
- (6) The City went "live" on a new financial system in January 2010. The new system creates journal entries at the transaction level instead of at the summary level like the prior financial system.
- (7) No program was available for asphalt overlay in 2010 and a new program was implemented for crackseal coating. In 2011, this program ended due to state budget cuts and the asphalt overlay program was again funded.
- (8) 2010 data has been changed. Figures included cases from prior years.
- (9) Street sweeping was limited in 2011 and 2012 due to state imposed budget cuts.
- (10) During various years the City provided no organized leaf collection program.
- (11) Economic Development grants received were restated in 2011 for all years shown. They include Neighborhood Development Investment Fund, Supplemental Empowerment Zone, Economic Development Funds, Urban Development Action Funds, WIA Grants and Core City Program Funds. Beginning in 2011 WIA Grants were moved to General Government.
- (12) In 2013, OVI arrests, operating a vehicle impaired, is formerly known as DUI arrests, driving under the influence. They are both counted using the same measures; however, the State of Ohio now refers to them as OVI as does the City of Cleveland.
- (13) Prior to 2015, Public Works reported the refuse disposal and it's cost as of August through July. Public Works provides calculations base on the calendar year.
- (14) Beginning in 2017, the Water Department switched to monthly billing for its customers.

|    | 2015          | 2014           | 2013           | 2012           | 2011           |
|----|---------------|----------------|----------------|----------------|----------------|
| \$ | 1,425         | \$ 2,940       | \$ 3,407       | \$ 9,862       | \$ 5,280       |
| \$ | 8,244         | \$ 12,856      | \$ 3,045       | \$ 5,856       | \$ 2,154       |
|    | 244,774       | 244,500        | 297,183        | 212,032        | 224,361        |
|    | 320,785       | 662,225        |                |                | 3,263          |
|    | 136,993       | 152,214        | 138,034        | 117,239        | 83,212         |
|    | 765           | 114            | 131            | 100            | 40             |
|    | 485           | 640            | 672            | 661            | 651            |
|    | 3,783         | 4,476          | 4,227          | 4,952          | 5,260          |
|    | 3,664         | 3,684          | 3,928          | 4,273          | 4,706          |
|    | 744           | 992            | 1,132          | 2,176          | 3,840          |
|    | 12,960        | 11,376         | 9,143          | 19,271         | 31,345         |
|    | 88,865        | 89,234         | 86,978         | 87,369         | 128,000        |
|    | 14,876        | 18,791         | 19,212         | 18,912         | 23,117         |
|    | 240           | 275            | 300            | 500            |                |
|    | 2,110         | 2,200          | 2,215          | 4,196          | 5,000          |
|    | 61,447        | 73,888         | 57,966         | 40,236         | 74,679         |
| \$ | 3,147,313     | \$ 2,538,951   | \$ 1,972,003   | \$ 1,834,359   | \$ 3,348,606   |
|    | 217,083       | 209,410        | 214,561        | 212,367        | 240,603        |
| \$ | 5,729,541     | \$ 5,466,793   | \$ 5,258,741   | \$ 5,723,227   | \$ 6,556,260   |
|    | 21,809        | 17,900         | 15,893         | 14,146         | 10,938         |
|    | 9.54%         | 11.00%         | 13.00%         | 10.06%         | 3.68%          |
|    | 5,118,972     | 4,773,831      | 5,732,142      | 5,732,148      | 5,912,394      |
|    | 117,773       | 137,363        | 181,340        | 180,944        | 188,286        |
|    | 8,100,073     | 7,609,404      | 9,072,045      | 9,010,077      | 9,203,740      |
|    | 4,046,634     | 3,797,261      | 4,525,612      | 4,495,353      | 4,597,697      |
|    | 63,603        | 66,862         | 68,665         | 72,916         | 65,664         |
|    | 161,006       | 155,583        | 148,294        | 184,427        | 176,096        |
|    | 80,724        | 77,984         | 74,385         | 92,160         | 87,695         |
| \$ | 19.26         | \$ 17.34       | \$ 15.51       | \$ 13.76       | \$ 12.58       |
|    | 139,823       | 139,460        | 139,201        | 139,023        | 138,002        |
| \$ | 273,223,067   | \$ 261,928,659 | \$ 250,250,867 | \$ 246,046,531 | \$ 211,302,881 |
| \$ | 21,889,987    | \$ 21,810,862  | \$ 20,194,830  | \$ 21,271,504  | \$ 19,101,723  |
|    | 3,919         | 5,859          | 4,856          | 4,035          | 5,489          |
|    | 438           | 381            | 227            | 167            | 204            |
|    | 1,616,459,441 | 1,618,081,248  | 1,620,996,815  | 1,617,569,577  | 1,650,142,435  |
|    | 73,661        | 73,746         | 74,208         | 74,238         | 74,092         |
| \$ | 194,358,017   | \$ 183,571,523 | \$ 170,397,373 | \$ 170,009,696 | \$ 171,895,176 |

(Concluded)



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

| Function/Program                           | 2020      | 2019      | 2018      | 2017      | 2016      |
|--|-----------|-----------|-----------|-----------|-----------|
| <b>General Government</b>                  |           |           |           |           |           |
| Square footage occupied (4)                | 3,874,685 | 3,177,900 | 3,177,900 | 3,177,900 | 3,075,124 |
| Administrative vehicles                    | 35        | 35        | 35        | 35        | 36        |
| <b>Police</b>                              |           |           |           |           |           |
| Stations                                   | 5         | 5         | 5         | 5         | 5         |
| Square footage of buildings (1)            | 770,169   | 770,169   | 756,846   | 756,846   | 783,546   |
| Vehicles                                   | 945       | 921       | 924       | 899       | 805       |
| <b>Fire</b>                                |           |           |           |           |           |
| Stations                                   | 26        | 26        | 26        | 26        | 26        |
| Square footage of buildings                | 311,655   | 311,655   | 311,655   | 311,655   | 311,655   |
| Vehicles                                   | 132       | 126       | 126       | 113       | 135       |
| <b>EMS</b>                                 |           |           |           |           |           |
| Stations (headquarters)                    | 1         | 1         | 1         | 1         | 1         |
| Square footage of buildings                | 52,776    | 52,776    | 52,776    | 52,776    | 52,776    |
| Vehicles                                   | 69        | 68        | 66        | 52        | 56        |
| <b>Port Control (Hopkins)</b>              |           |           |           |           |           |
| Runways                                    | 3         | 3         | 3         | 3         | 3         |
| Terminal area (approximate square footage) | 1,142,810 | 1,142,810 | 1,142,810 | 935,000   | 935,000   |
| Gates (7)                                  | 58        | 58        | 58        | 58        | 65        |
| Parking spaces (approximately)             |           |           |           |           |           |
| CLE Smart Park Garage (6)                  |           |           |           |           |           |
| Long-term                                  |           |           |           |           |           |
| Short-term                                 |           |           |           |           |           |
| Surface                                    | 1,680     | 2,095     | 2,095     | 2,095     | 2,095     |
| Total parking spaces                       | 5,739     | 5,769     | 5,906     | 5,906     | 5,906     |
| Vehicles                                   | 364       | 355       | 362       | 358       | 329       |
| <b>Other Public Works</b>                  |           |           |           |           |           |
| Streets (miles)                            | 1,300     | 1,300     | 1,300     | 1,300     | 1,300     |
| Service vehicles (5)                       | 2,428     | 2,433     | 2,249     | 2,179     | 1,686     |

| 2015      | 2014      | 2013      | 2012      | 2011      |
|-----------|-----------|-----------|-----------|-----------|
| 3,659,100 | 3,659,100 | 3,659,100 | 3,690,000 | 3,690,000 |
| 35        | 41        | 38        | 37        | 36        |
| 5         | 5         | 5         | 5         | 5         |
| 614,500   | 553,100   | 553,100   | 553,100   | 553,100   |
| 842       | 867       | 823       | 825       | 796       |
| 26        | 26        | 26        | 26        | 26        |
| 313,224   | 313,224   | 313,224   | 313,224   | 313,224   |
| 92        | 95        | 91        | 104       | 104       |
| 1         | 1         | 1         | 1         | 1         |
| 33,000    | 33,000    | 33,000    | 33,000    | 33,000    |
| 46        | 47        | 47        | 45        | 45        |
| 3         | 3         | 3         | 3         | 3         |
| 935,000   | 935,000   | 935,000   | 935,000   | 935,000   |
| 65        | 65        | 96        | 96        | 96        |
| 3,811     | 3,997     | 3,959     |           |           |
|           |           |           | 2,600     | 2,600     |
|           |           |           | 3,900     | 3,900     |
| 2,055     | 1,544     | 1,100     | 640       | 640       |
| 5,866     | 5,541     | 5,059     | 7,140     | 7,500     |
| 313       | 320       | 315       | 335       | 353       |
| 1,300     | 1,300     | 1,300     | 1,300     | 1,290     |
| 1,646     | 1,500     | 1,539     | 1,906     | 868       |

(Continued)

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

| Function/Program                    | 2020  | 2019  | 2018  | 2017  | 2016  |
|-------------------------------------|-------|-------|-------|-------|-------|
| <b>Recreation</b>                   |       |       |       |       |       |
| Number of parks                     | 168   | 168   | 168   | 168   | 168   |
| Number of playgrounds               | 108   | 108   | 108   | 108   | 108   |
| Number of baseball diamonds         | 130   | 130   | 130   | 130   | 130   |
| Number of tennis courts             | 92    | 92    | 92    | 92    | 92    |
| Number of basketball courts         |       |       |       |       |       |
| Full                                | 96    | 96    | 96    | 96    | 96    |
| Half                                | 11    | 11    | 11    | 11    | 11    |
| Number of soccer fields             | 5     | 5     | 4     | 4     | 4     |
| Number of recreation centers        | 21    | 21    | 21    | 21    | 21    |
| Number of pools                     |       |       |       |       |       |
| Indoor                              | 19    | 19    | 19    | 19    | 19    |
| Outdoor                             | 20    | 20    | 22    | 22    | 22    |
| Number of aquatic playgrounds       | 25    | 25    | 25    | 25    | 25    |
| Number of golf courses (3)          | 2     | 2     | 2     | 2     | 2     |
| Number of ice rinks                 | 1     | 1     | 1     | 1     | 1     |
| Number of roller rinks              | 1     | 1     | 1     | 1     | 1     |
| Number of fine arts centers         | 1     | 1     | 1     | 1     | 1     |
| Number of greenhouses               | 1     | 1     | 1     | 1     | 1     |
| Number of camps                     | 1     | 1     | 1     | 1     | 1     |
| Number of Historical Baseball Parks | 1     | 1     | 1     | 1     | 1     |
| Total park acreage                  | 1,863 | 1,863 | 1,863 | 1,863 | 1,863 |
| Vehicles                            | 88    | 77    | 74    | 80    | 91    |
| <b>Wastewater</b>                   |       |       |       |       |       |
| Sanitary sewers (miles)             | 173   | 170   | 170   | 170   | 170   |
| Storm sewers (miles)                | 214   | 199   | 199   | 199   | 199   |
| Combined sewers (miles)             | 1,057 | 1,066 | 1,065 | 1,065 | 1,065 |
| Vehicles                            | 137   | 179   | 139   | 152   | 117   |
| <b>Electric Power</b>               |       |       |       |       |       |
| Total Distribution lines (miles)    | 900   | 900   | 900   | 900   | 900   |
| Total Transmission lines (miles)    | 50    | 50    | 50    | 50    | 50    |
| Vehicles                            | 80    | 78    | 43    | 79    | 265   |
| <b>Water Department</b>             |       |       |       |       |       |
| Water lines (miles) (2)             | 3,933 | 3,945 | 3,878 | 3,544 | 3,315 |
| Vehicles                            | 761   | 722   | 719   | 748   | 740   |

- (1) Includes Dog Kennels and Inspection Garage.
- (2) These are calculated totals of all trunk mains [20" diameter and larger] (433 miles), distribution mains [16" and smaller] within the City of Cleveland (1,284 miles) plus distribution mains within certain suburbs with updated service agreements (2,161 miles) which transferred ownership of the distribution mains within those suburban boundaries to the City of Cleveland. Not included in these totals are the distribution mains in all master meter communities and any direct service suburban community who has not entered into a new service agreement.
- (3) In 2011, the City leased Seneca golf course. In 2012, the City leased both golf courses. In 2018, the City took back the operations of Highland Park Golf Course.
- (4) Closed Platt Station and Luke Easter Station in 2011. In 2013, square footage occupied decreased due to the demolition of the Miles Broadway building (21,900 sq ft) and the Highland Park Maintenance building (9,000 sq ft).
- (5) In 2012, a departmental reorganization occurred that merged the departments of Public Service with Parks, Recreation and Properties becoming the Department of Public Works. The Office of Capital Projects was created from the Divisions of Architecture, Engineering and Construction and Research, Planning and Development and is reported under General Government. In addition, the Division of Consumer Affairs was merged with Community Development and was moved from General Government.
- (6) In 2013, Cleveland Hopkins demolished their long-term parking area and created a surface lot. They also changed their short-term parking area into the CLE Smart Park Garage which is for both short and long-term parking.
- (7) In 2014, the number of gates reflects physical gates. All prior years totals are the number of aircrafts that can be accommodated at any one time, including physical gates and parking positions.

| 2015  | 2014  | 2013  | 2012  | 2011  |
|-------|-------|-------|-------|-------|
| 168   | 168   | 154   | 154   | 154   |
| 109   | 109   | 110   | 110   | 109   |
| 133   | 133   | 138   | 138   | 132   |
| 90    | 90    | 119   | 119   | 111   |
| 110   | 110   | 103   | 103   | 110   |
| 10    | 10    | 10    | 10    | 10    |
| 4     | 4     | 4     | 3     | 9     |
| 21    | 21    | 21    | 21    | 20    |
| 19    | 19    | 19    | 19    | 19    |
| 22    | 22    | 21    | 20    | 23    |
| 25    | 25    | 22    | 10    | 10    |
| 2     | 2     | 2     | 2     | 2     |
| 1     | 1     | 1     | 1     | 1     |
| 1     | 1     | 1     | 1     | 1     |
| 1     | 1     | 1     | 1     | 1     |
| 1     | 1     | 1     | 1     | 1     |
| 1     | 1     | 1     | 1     | 1     |
| 1,863 | 1,863 | 1,489 | 1,489 | 1,495 |
| 85    | 86    | 91    | 97    | 99    |
| 170   | 170   | 170   | 170   | 170   |
| 199   | 199   | 199   | 199   | 199   |
| 1,065 | 1,065 | 1,065 | 1,065 | 1,065 |
| 110   | 104   | 108   | 116   | 115   |
| 900   |       |       |       |       |
| 50    |       |       |       |       |
| 217   | 221   | 216   | 284   | 266   |
| 3,300 | 3,139 | 3,051 | 2,839 | 2,709 |
| 596   | 675   | 658   | 736   | 708   |

(Concluded)

# CITY OF CLEVELAND, OHIO

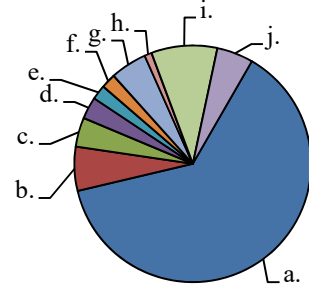
## SCHEDULE OF STATISTICS-GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2020

### OPERATING RATIOS: GENERAL FUND-BUDGET BASIS

#### REVENUE DOLLAR BY SOURCE

Where the money came from

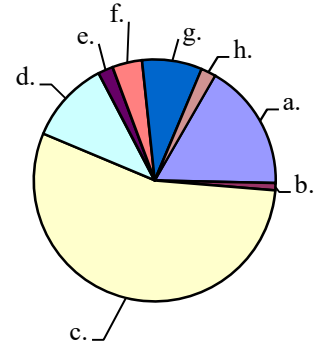
|                                    |           |
|------------------------------------|-----------|
| a. Income taxes                    | a. \$0.63 |
| b. Property taxes                  | b. 0.06   |
| c. State local government funds    | c. 0.04   |
| d. Other taxes                     | d. 0.03   |
| e. Other shared revenues           | e. 0.02   |
| f. Licenses and permits            | f. 0.02   |
| g. Charges for services            | g. 0.05   |
| h. Fines, forfeits and settlements | h. 0.01   |
| i. Grant Revenue                   | i. 0.09   |
| j. Miscellaneous                   | j. 0.05   |
|                                    | \$1.00    |



#### EXPENDITURE DOLLAR BY FUNCTION

Where the money was spent

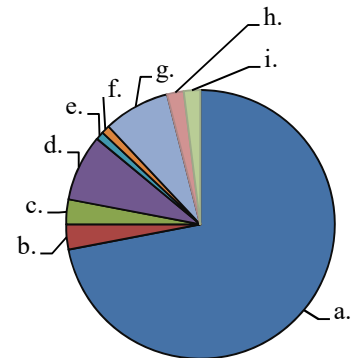
|   |           |
|---|-----------|
| a. General Government                           | a. \$0.17 |
| b. Public Health                                | b. 0.01   |
| c. Public Safety                                | c. 0.55   |
| d. Public Works                                 | d. 0.11   |
| e. Building and Housing                         | e. 0.02   |
| f. Economic and Community Development and other | f. 0.04   |
| g. Transfers out                                | g. 0.08   |
| h. Capital outlay                               | h. 0.02   |
|   | \$1.00    |



#### EXPENDITURE DOLLAR BY OBJECT

What the money was spent on

|   |           |
|---|-----------|
| a. Salaries, wages and related benefits | a. \$0.72 |
| b. Interdepartmental charges            | b. 0.03   |
| c. Utilities                            | c. 0.03   |
| d. Contractual services                 | d. 0.08   |
| e. Materials and supplies               | e. 0.01   |
| f. Maintenance                          | f. 0.01   |
| g. Transfers out                        | g. 0.08   |
| h. Capital outlay                       | h. 0.02   |
| i. Claim refunds                        | i. 0.02   |
|   | \$1.00    |



# **SPECIAL THANKS TO:**

The Division of Financial Reporting and Control

---

## **Accounting and Administrative**

Arlindo Ahmetaj  
Adam Badalamenti  
Poljona Basho, CPA  
Robert Carpenter  
Shelfie Carter  
Camille Copeland  
Aaron Dippong  
Jeremy Gotch

Maryam Hussain  
Samantha Jura  
Elizabeth Loszak  
Lisa Royal  
Sharon Teter  
Bathsheba Williamson  
Kathleen Woidke  
Lan Zheng, CPA

## **Photography**

City of Cleveland  
Bureau of Photographic Services

## **Cover color separations and printing**

City of Cleveland  
Division of Printing and Reproduction

Lesly Camargo, CPA  
Acting City Controller  
Department of Finance  
Room 18 – City Hall  
Cleveland, Ohio 44114  
(216) 664-3881