

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2018**

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

OHIO AUDITOR OF STATE
KEITH FABER



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Members of Council
City of Cleveland Heights
40 Severance Circle
Cleveland Heights, Ohio 44118

We have reviewed the *Independent Auditor's Report* of the City of Cleveland Heights, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 10, 2020

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Comprehensive Annual Financial Report	Under Separate Cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2-3
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	6-8
Schedule of Findings and Questioned Costs	9-18
Status of Prior Findings and Recommendations	19

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Amount Passed Through to Subrecipient	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Programs</i>				
CDBG-Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 240,881	\$ 1,590,171
Total CDBG-Entitlement Grants Cluster			<u>240,881</u>	<u>1,590,171</u>
<i>Total Direct Programs</i>			<u>240,881</u>	<u>1,590,171</u>
<i>Pass-Through Cuyahoga County Housing Consortium:</i>				
HOME Investment Partnerships Program	14.239	M-05-DC-390216	<u>0</u>	<u>142,532</u>
<i>Pass-Through Cuyahoga County Department of Development</i>				
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	LHC-OHLHB0373-07	<u>0</u>	<u>216,754</u>
<i>Total Pass-Through Programs</i>			<u>0</u>	<u>359,286</u>
Total U.S. Department of Housing and Urban Development			<u>240,881</u>	<u>1,949,457</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Pass-Through from State Department of Aging and the Western Reserve Area Agency on Aging</i>				
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	N/A	<u>0</u>	<u>11,530</u>
Total U.S. Department of Health and Human Services			<u>0</u>	<u>11,530</u>
<u>U.S. Department of Homeland Security</u>				
<i>Direct Program</i>				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	<u>0</u>	<u>215,685</u>
Total U.S. Department of Homeland Security			<u>0</u>	<u>215,685</u>
<u>U.S. Department of Transportation</u>				
<i>Passed Through the Ohio Department of Transportation (ODOT)</i>				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	PID 97322	0	26,575
Highway Planning and Construction	20.205	PID 95106	0	929,007
Highway Planning and Construction - Safe Routes to Schools	20.205	PID 101112	0	28,145
Highway Planning and Construction - Safe Routes to Schools	20.205	PID 106001	<u>0</u>	<u>19,852</u>
Total Highway Planning and Construction Cluster			<u>0</u>	<u>1,003,579</u>
Total U.S. Department of Transportation			<u>0</u>	<u>1,003,579</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 240,881</u>	<u>\$ 3,180,251</u>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Cleveland Heights, Ohio, under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Cleveland Heights, Ohio, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Cleveland Heights, Ohio.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

NOTE 4: MATCHING REQUIREMENTS

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

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

NOTE 5: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the Schedule of Federal Awards Expenditures. Loans repaid, including interest, are used to make additional loans. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans; and therefore, are reported as federal expenditures in the year of disbursement. Prior year outstanding balances are reported in the schedule below.

These loans are collateralized by equipment and mortgages.

Activity in the CDBG revolving loan fund during 2018 is as follows:

Beginning Loans Receivable balance as of January 1, 2018	\$ 1,365,954
Write offs	0
Loans made	30,350
Loan Principal Repaid	<u>(252,637)</u>
Ending Loans Receivable balance as of December 31, 2018	1,143,667
Cash Balance on hand in the Revolving Loan Fund as of December 31, 2018	<u>954,584</u>
Total value of Revolving Loan Fund portion of the CDBG 14.218 Program	2,098,251
Other grants administered through the 14.218 Program	<u>1,590,171</u>
Total CDBG 14.218 Program	<u><u>\$ 3,688,422</u></u>

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

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

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 25, 2019, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and the City restated its net position and fund balance at December 31, 2017 for governmental activities, business-type activities, General Fund, General Bond Retirement Fund, Water Fund, and Sewer Fund due to the transfer of water operations.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we considered a material weakness as items **2018-001, 2018-002, 2018-005**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items **2018-003, 2018-004, 2018-005**.

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Purpose of This Report

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



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

November 25, 2019

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

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

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

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Cleveland Heights, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Cleveland Heights complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 25, 2019, which contained unmodified opinions on those financial statements, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and the City restated its net position and fund balance at December 31, 2017 for governmental activities, business-type activities, General Fund, General Bond Retirement Fund, Water Fund, and Sewer Fund due to the transfer of water operations. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

November 25, 2019

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**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

2018(i)	Type of Financial Statement Opinion	Unmodified
2018(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
2018(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2018(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
2018(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2018(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2018(v)	Type of Major Programs' Compliance Opinions	Unmodified
2018(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2018(vii)	Major Programs (list): CDBG Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants - CFDA #14.218	
2018(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2018(ix)	Low Risk Auditee?	No

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

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

Finding No. 2018-001 – Material Weakness – Cash Reconciliation

Condition/Criteria

During our testing of the City’s bank reconciliations, we noted that checks were entered in the system and appear on the check register, but not on the expense ledger. This resulted in multiple adjustments to the City’s financial records at year end. In addition, during our audit of the cash function for the City, we noted the following:

- The City did not perform bank reconciliations timely or accurately and the reconciliations, when completed, were not approved by the Finance Director or reviewed by the City Manager and City Council, as past practice of the City.
- We noted various errors in recording of revenues and disbursements, which resulted in multiple cash adjustments, such as:
 - checks cleared for amounts different than amounts recorded on the books; wire transfers per bank activity were not recorded in the individual funds;
 - various payroll transactions, including bi-weekly payroll and various payroll withholdings, were not recorded on the books timely, and amounts recorded on the books did not agree with amounts cleared by the bank.
- During our testing of the outstanding checks list, the following errors were noted:
 - checks issued subsequent to 2018 year end were recorded in the City’s books in December 2018;
 - amounts of the actual checks issued exceeded the amounts recorded;
 - out-of-sequence check numbers or no check numbers on the outstanding checks list.

As a result of the aforementioned errors, the total difference identified of \$343,309 was subsequently recorded through the GAAP conversion process and is reflected in the financial statements.

Cause/Effect

The bank reconciliations were not prepared or reviewed timely by the City. Posting errors were occurring and not timely corrected.

Recommendation

We recommend the City reconcile cash on a timely basis and accurately with proper supervision and approvals by the Finance Director and/or City Manager and City Council, as required per City procedures in prior years. By not reconciling cash on a monthly basis, there are more possibilities that errors or other problems might not be recognized or resolved on a timely basis. We also recommend obtaining training in using the software to assist in ensuring checks and receipts posting is performed correctly and timely.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS** (Continued)

Finding No. 2018-001 – Material Weakness – Cash Reconciliation (Continued)

City's Response

The City is aware of the deficiencies in the cash reconciliation process. The Finance Department experienced multiple transitions over the last two years comprising of the turnover of half of its personnel, including the Finance Director, Payroll Administrator, and Accountant positions. The Department also implemented a new accounting software system and experienced significant complications in the process, which further delayed the reconciliation process. The deficiencies can be attributed to staffing capacity and performance, errors in the accounting software conversion process, and lack of training. Following the 2017 audit findings, staff was replaced, system configuration errors were addressed, the staff engaged in intensive training and monitoring, and oversight was increased. The rigorous oversight uncovered several additional deficiencies which led to more staff departures, further setting back the reconciliation process. In light of the multitude of staff transitions, the City has contracted with an outside consultant to complete a full review of the City's internal practices and financial reporting protocols and make recommendations for improvement. The City also contracted with Local Government Services of the Auditor of State's Office to reconcile the 2018 book to bank activity and that agreement will continue for the following fiscal year. The City has an agreement in place with the software vendor to address residual system configuration issues and to provide ongoing training and support to new and interim staff members.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS** (Continued)

Finding No. 2018-002 – Material Weakness – Payroll

Condition/Criteria

During our testing of payroll, we noted the following deficiencies:

- There were several adjustments to the accrued and/or used portion of compensated absences in the accrual history report that could not be supported. In addition, the City had one payroll in which we noted sick time accrual was doubled for all employees.
- The City records payroll activity into two bank accounts and makes multiple entries and deposits.
- The City’s financial system operates on an accrual basis and payroll is booked into an agency holding account as a liability. The City did not properly reduce the liabilities within this account when payroll related deductions were paid out. As a result, the books had a material unreconciled cash balance.
- The City did not post activity to the payroll agency account timely. In addition, payroll withholdings and deductions, including pension and deferred compensation, were posted to the financial system with differences between the bank and book balances, and were not paid timely. It was noted that late fees and penalties were incurred for late payments made to the pension system.
- The salary range for several non-union employees falls within the range approved through ordinance, but the individual personnel files for these employees did not identify salary notifications in the personnel files, as required per City procedures. In addition, many employees did not have all the required payroll documents (i.e., W-4 forms, I-9 forms, and Deferred Compensation).
- Employer portion of Medicare premiums were not being paid during 2018 to the IRS. This resulted in numerous penalties and fees being added to the outstanding balances already owed. The City made a couple of lump sum payments during 2018 to catch up on payments, but the City still had a substantial outstanding balance at year-end.

Cause/Effect

Not posting, reconciling, or paying payroll withholdings and deductions timely. Employees were not properly trained and did not have adequate knowledge of how to perform the required financial duties. The City has had a large turnover within the Finance Department over the last several years.

Recommendation

We recommend the following to strengthen controls over payroll:

Compensated absences activity should be supported and adjustments be reviewed to ensure proper balances at year end. In addition, training should be obtained in using the software to properly ensure payroll is posted completely and accurately. We also recommend the City consider simplifying the payroll banking process and include all payroll activity into one bank account to reduce the complexity of the process. Also, procedures should be followed for disbursing amounts due to vendors timely and overall monitoring implemented to verify complete and accurate payments and postings. Individual employee files should include pay rate supporting documentation to verify the proper amount is being paid and all other pertinent payroll documentation (i.e., W-4 forms, I-9 forms, and deferred compensation).

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED
IN ACCORDANCE WITH GAGAS** (Continued)

Finding No. 2018-002 – Material Weakness – Payroll (Continued)

City's Response

Personnel transitions, complications related to the new accounting software conversion, and inadequate legacy practices for personnel file maintenance contributed to this finding. The City engaged the accounting system vendor to simplify the current cumbersome payroll posting process by eliminating legacy due to/due from accounts and instead using appropriate account defaults in the chart of accounts to credit the correct cash accounts. This practice became effective for fiscal year 2019. New staff members have been trained on year-end procedures, including the processing of leave balances. The City has also instituted a payroll validation process which became effective for the 2019 fiscal year to ensure proper documentation is provided by the Payroll Administrator to the Assistant Finance Director for payroll related vendor disbursements, and notification is provided to the Finance Director to verify timely payments.

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED
 IN ACCORDANCE WITH GAGAS (Continued)**

Finding No. 2018-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances

Condition/Criteria

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unit from making expenditures unless it has been properly appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by the Council may not exceed appropriations at the legal level for all funds. The City’s legal level of control has been established by Council at the department level for personal services, capital outlay, other than personal services, and non-governmental expenditures for all funds.

Several funds had expenditures plus encumbrances in excess of appropriations plus prior year encumbrances at the legal level of control at December 31, 2018. Negative variances resulted from posting of numerous adjustments identified by the City at year end.

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<u>General Fund</u>			
General Government:			
Management Information System:			
Capital Outlay	\$ 3,405	\$ 7,496	\$ (4,091)
Law Department:			
Other Than Personal Services	302,550	320,614	(18,064)
Public Properties and Park Maintenance:			
Other Than Personal Services	1,011,350	1,024,900	(13,550)
Non-Governmental	0	12,563	(12,563)
Hospitalization:			
Personal Services	5,107,375	5,262,342	(154,967)
Public Safety:			
Police Motor Vehicle Maintenance:			
Other Than Personal Services	0	7,014	(7,014)
Fire Prevention Bureau:			
Other Than Personal Services	4,850	6,755	(1,905)
Transportation:			
Off Street Parking:			
Personal Services	0	3,281	(3,281)
Community Development:			
Planning Department:			
Other Than Personal Services	23,075	24,552	(1,477)

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding No. 2018-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances (Continued)

Condition/Criteria (Continued)

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<u>General Fund</u> (Continued)			
Culture and Recreation:			
Swimming Pools:			
Personal Services	267,721	281,126	(13,405)
Ice Programs:			
Other Than Personal Services	23,850	24,793	(943)
General Recreation Programs:			
Other Than Personal Services	36,500	39,570	(3,070)
<u>Administration</u>			
Water Administration:			
Capital	55,000	146,584	(91,584)
<u>Street, Construction, Maintenance, and Repair</u>			
Debt Service:			
Principal Retirement	0	54,801	(54,801)
Interest and Fiscal Charges	0	7,974	(7,974)
<u>Communications System</u>			
Public Safety:			
Communications System Operating:			
Other Than Personal Services	0	1,346,496	(1,346,496)
<u>Cain Park Operating</u>			
Culture and Recreation:			
Cain Park Administration:			
Personal Services	174,900	183,695	(8,795)
Other Than Personal Services	714,017	715,380	(1,363)
<u>Police Pension</u>			
Public Safety:			
Police Pension:			
Personal Services	1,140,830	1,156,171	(15,341)
<u>Fire Pension</u>			
Public Safety:			
Fire Pension:			
Personal Services	1,571,259	1,633,234	(61,975)

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS** (Continued)

Finding No. 2018-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances (Continued)

Cause/Effect

Failure to limit expenditures to appropriations could allow expenditures to exceed available resources, further resulting in negative cash fund balances.

Recommendation

We recommend that the City exercise due care to ensure expenditures plus encumbrances do not exceed appropriations plus prior year encumbrances. This will assist the City in avoiding negative fund balances and also ensure the City is in compliance with Ohio Revised Code Section 5705.41(B).

The City Manager or Finance Director is authorized to transfer budgeted amounts within each fund (between departments), as long as the total appropriation for each fund does not exceed that of the Council approved appropriations. We recommend the City exercise this right to avoid noncompliance with Ohio Revised Code Section 5705.41(B).

City's Response

Negative variances were influenced by the untimely bank reconciliation process which resulted in numerous adjustments at year end, as well as failure to follow up established year-end procedures regarding encumbrances. The adjustments were done after the appropriations amendment was approved, which led to several instances of expenditures exceeding appropriations and encumbrances that were not properly cleared. As noted in Finding 2018-001, the City has taken steps to improve the cash reconciliation process and shore up its financial practices with the assistance of Local Government Services of the Auditor of State's Office and a secondary consultant to prevent future issues, and the City will continue to closely monitor funds at the legal level to prevent future violations.

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 (CONTINUED)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding No. 2018-004 – Material Noncompliance – Negative Cash Fund Balances

Condition/Criteria

Ohio Revised Code Section 5705.10(H) provides money paid into any fund shall be used only for the purposes for which such fund is established. A fund with a negative cash balance signifies that monies from other funds were used to meet their obligations. During our review of the City’s general ledger, we noted that five funds had negative cash balances at December 31, 2018.

Fund	Amount
<i>Special Revenue Funds:</i>	
Communications System	\$ 78,295
Cain Park Operating	13,755
Fire Pension	63,053
Municipal Court Clerk Computerization	6,159
 <i>Capital Projects Fund:</i>	
Capital Improvements	311,654

Cause/Effect

Negative cash balances infer revenues from other sources were borrowed to pay obligations of these funds. For reporting purposes, the deficit cash balances were reported as part of the “interfund payable” liability and the funds with positive cash balances offsetting these deficits reported an “interfund receivable” asset.

Recommendation

We recommend that the City ensure its fund appropriations and expenditures are consistent with the purposes for which the funds were established. We also recommend that the City monitor its cash balances on a regular basis in order to ensure that sufficient cash is on hand to pay for obligations and that the City utilize advances when necessary.

City’s Response

This finding was also influenced by late adjustments that resulted from the untimely bank reconciliations as well as a failure to follow year-end processes. The City will implement controls and procedures going forward to guard against future instances of negative balances.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(CONTINUED)**

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS** (Continued)

Finding No. 2018-005 – Material Weakness/Non-Compliance – Financial Reporting

Condition/Criteria

Financial reporting is the responsibility of the City’s Finance Department and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Per Auditor of State Bulletin 2015-007, auditors will inspect the Hinkle filing system to determine whether amounts reported agree with the entity’s underlying accounting records and include all the required components.

The following errors to the financial statements in the Hinkle system were identified:

- Cash was overstated and expenses were understated by \$685,484 for governmental activities. Cash was understated and expenses were overstated by \$342,175 for the Sewer Fund.
- Intergovernmental payables and expenses were understated by \$109,871 and \$3,368 for governmental activities and the Sewer Fund, respectively.
- A material reclassification of depreciation expense for governmental activities was subsequently made to the financial statements.
- Restatement of Transfer of Water Operations and Related Debt due to the transfer of water operations during 2017 that was not reported.

As a result, audit adjustments have been proposed and made to correct the financial statements for fiscal year 2018.

Cause/Effect

The lack of controls over financial reporting can result in errors and irregularities that may go undetected and decrease the reliability of financial data at year end.

Recommendation

We recommend that the City implement controls and procedures related to financial reporting that enables management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

City’s Response

The City is working with Local Government Services of the Auditor of State’s Office and an outside consultant to implement sound financial reporting procedures to conduct bank reconciliations and other good practices in a timely manner and improve functionality of the City’s financial systems and the accuracy of financial statements.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

The prior audit report, as of December 31, 2017, included instances of material weaknesses and non-compliance.

Finding Number	Finding Summary	Status	Additional Information
2017-001	Cash Reconciliations	Not corrected.	Repeated as Finding 2018-001.
2017-002	Payroll	Not corrected.	Repeated as Finding 2018-002.
2017-003	Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances	Not corrected.	Repeated as Finding 2018-003.
2017-004	Negative Cash Fund Balance	Not Corrected.	Repeated as Finding 2018-004.
2017-005	Financial Reporting	Partially Corrected.	Repeated as Finding 2018-005.

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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2018
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CLEVELAND HEIGHTS, OHIO
for the fiscal year ended
December 31, 2018



beautiful parks
beautiful community





Cleveland Heights, Ohio beautiful parks
beautiful community

On the cover:
Residents enjoy the annual Safety Forces Night;
Cleveland Heights is a walkable friendly community;
Another magical evening during Music Hop;
Firefighters help children cool off on a hot summer day.

Cleveland Heights beautiful parks
beautiful community



Activity
fills
Lee Road
in the
summer



Cleveland Heights, Ohio beautiful parks
beautiful community

2018
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CLEVELAND HEIGHTS, OHIO
for the fiscal year ended
December 31, 2018



Fall
at
City
Hall

Prepared by The Department of Finance
Laurie Sabin, Director
Sharron McMichael, Assistant Director



Cleveland Heights, Ohio beautiful parks
beautiful community

City of Cleveland Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2018
Table of Contents

	<i>Page</i>
I. Introductory Section	
Title Page	i
Table of Contents	ii
Letter of Transmittal	vi
List of Principal Officials.....	xiii
Organizational Chart - City.....	xiv
Organizational Chart - Department of Finance.....	xv
GFOA Certificate of Achievement	xvi
 II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual:	
General Fund	24
Street Construction, Maintenance and Repair Fund.....	25
Statement of Fund Net Position - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	27
Statement of Cash Flows - Proprietary Fund	28
Statement of Fiduciary Assets and Liabilities – Agency Funds	30

Notes to the Basic Financial Statements	31
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Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Five Years	82
Schedule of the City’s Proportionate Share of the Net Pension Asset – Ohio Public Employees Retirement System – Combined Plan – 2018	84
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Public Employees Retirement System – OPEB Plan – Last Two Years	85
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Five Years	86
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Two Years	88
Schedule of City Contributions – Ohio Public Employees Retirement System – Last Six Years	90
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years	92
Notes to the Required Supplementary Information	94

Combining Statements and Individual Fund Statements and Schedules:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions	96
Combining Balance Sheet - Nonmajor Governmental Funds	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	100
Combining Balance Sheet - Nonmajor Special Revenue Funds	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	107
Combining Balance Sheet - Nonmajor Capital Projects Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	114

Combining Statement - Fiduciary Funds:

Fund Descriptions	116
Combining Statement of Changes in Assets and Liabilities Agency Funds	117

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

Major Funds:

General Fund	119
Street Construction, Maintenance and Repair Fund	126
General Bond Retirement Fund	127
Sewer Fund	128

Nonmajor Funds:

Foundation Grants Fund	129
Communications System Fund	130
Law Enforcement Trust Fund	131
Drug Law Enforcement Fund	132
Community Development Block Grant Fund	133
Home Program Fund	135
Federal Emergency Management Agency (FEMA) Grant Fund	136
Cain Park Operating Fund	137
Public Right of Way Fund	138
Indigent Driver's Alcohol Treatment Fund	139
Municipal Court Clerk Computerization Fund	140
DUI Enforcement and Education Fund	141
Municipal Court Special Projects Fund	142
Lead Safe Cuyahoga Fund	143
Neighborhood Stabilization Program Fund	144
Street Lighting Fund	145
Tree Fund	146
Police Pension Fund	147
Fire Pension Fund	148
First Suburbs Development Council Fund	149
Parking Fund	150
Ambulance Services Fund	154
Office on Aging Donations Fund	152
Youth Recreation Donation Fund	153
Police Memorial Trust Fund	154
Youth Advisory Commission Fund	155
Juvenile Diversion Program Fund	156
Water Improvement Grants Fund	157
Earned Benefits Fund	158
Police Facility Improvement Fund	159
Recreation Facility Improvement Fund	160
Capital Improvements Fund	161
Energy Improvements Fund	162
Economic Development Fund	163
City Hall Maintenance Fund	164
Ring Road Construction Fund	165

III. Statistical Section

Contents	S1
Net Position by Component - Last Ten Years	S2
Changes in Net Position - Last Ten Years	S4
Fund Balances, Governmental Funds - Last Ten Years	S8

Changes in Fund Balances, Governmental Funds - Last Ten Years	S10
Property Tax Rates – Direct and Overlapping Governments - Last Ten Collection Years	S12
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years	S14
Property Tax Levies and Collections – Last Ten Years.....	S16
Principal Taxpayers – 2018 and 2009.....	S17
Income Tax Revenue Base and Collections - Last Ten Years	S18
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Ten Years.....	S19
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years	S20
Legal Debt Margin - Last Ten Years	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S24
Principal Employers - 2018 and 2009.....	S25
Demographic and Economic Statistics - Last Ten Years	S26
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Years.....	S28
Operating Indicators by Function/Program - Last Ten Years	S30
Capital Asset Statistics by Function/Program - Last Ten Years	S34



November 25, 2019

Dear Members of Council and Residents of the City of Cleveland Heights:

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2018. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believe the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

Management's discussion and analysis may be referenced to gain a better understanding of the City's financial activities. The management discussion and analysis serve to introduce the City's basic financial statements and gives the reader, management's analysis and explanation of the City's financial position for 2018. This discussion follows the Independent Auditor's Report.

CITY ORGANIZATION

The City of Cleveland Heights, located in northeastern Ohio immediately east of Cleveland, is a residential community, which covers 8.11 square miles. The City's population according to the 2010 Federal Census is 46,121. The City, incorporated under Ohio law in February 1921, operates under its own charter, which was adopted in August 1921. The Charter provides that the City operate under the council/manager form of government. The City Manager, appointed by the seven members of City Council, is the chief Administrative Officer of the City.

The City Manager, under authority granted by the City Charter, has the power to appoint and to remove all administrative officers and employees. Her appointment of the Directors of Law, Finance and Planning requires the approval of a majority of the members of Council.

The City has ten major operating departments, including the following;

- Public Works Department that oversees various divisions including refuse, street maintenance and utilities;
- Public Safety that includes police, fire, building and housing;
- Community Services Department
- Parks and Recreation Department that oversees Cain Park;
- Finance Department that includes general accounting and treasury management as well as preparation of the Comprehensive Annual Financial Report.

City Council holds its regular Council meetings on the first and third Mondays of each month. The Charter provides procedures for special or emergency meetings, if the need arises. The City Manager and her administrative staff, together with the various department directors, attend all regular Council meetings. City Council generally meets in committee or as a Committee of the Whole on those Mondays when there is no regularly scheduled meeting.

ECONOMIC CONDITIONS

The City continues to benefit from its proximity to the major cultural, educational and medical facilities in northeastern Ohio. These facilities include the University Circle area comprised of Case Western Reserve University and its associated University Hospitals, Severance Hall for the Performing Arts which also serves as resident base to the internationally-acclaimed Cleveland Symphony Orchestra, and the Cleveland Clinic, a world-renowned medical research and treatment facility. In addition, the City is strategically located to facilitate efficient and quick access to the downtown Cleveland business district, sports facilities for the Cleveland Indians major league baseball team, the Cleveland Cavaliers professional basketball team, the Cleveland Browns professional football team, the Great Lakes Science Center, and the National Rock and Roll Hall of Fame.

While the City of Cleveland Heights has felt the effects of the same economic downturn that stalled the economy of the State of Ohio and the nation as a whole in the earlier years of this decade, the City is optimistic that more recent positive trends will continue in the areas of residential and commercial development. The City's housing market has stabilized and has seen property value increases in recent years. The City also has a variety of commercial districts primarily anchored by locally-owned small businesses, insulating the City from the impacts of the downsizing occurring in the national big box retail market. The City budgeted 2019 using the same conservative approach of the past few years. Revenues are being scrutinized for opportunities to create new revenue sources or to maximize the revenue from existing sources. Expenditures are being closely monitored at the department level as well as the City Manager level. City Council reviews the budget and financial status of the City on a regular basis.

MAJOR INITIATIVES

Through a variety of municipal services and programs together with citizen cooperation, there have been continued efforts to maintain and improve the exceptional environmental, economic and social quality of life to which the residents of the City of Cleveland Heights have become accustomed.

Cain Park, the municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater. Orchestral, dance and theatrical performances produced during 2018 included: Memphis: The Musical, Verb Ballets, Caleb Teicher Dance, The Monkees, Big Bad Voodoo Daddy, Susan Werner, Janis Ian, Black Violin, Dave Koz, Arlo Guthrie, The O'Jays, Morris Day and the Time, The Ohio Players, Livingston Taylor, The Punch Brothers, Michael Franks and Najee. The Cain Park Arts Festival was again well attended in 2018 all three days in July, and is recognized as one of the best such events in the United States.

This is the fifth year of the newly implemented five-year capital improvement program. This process is undertaken in correlation to the operating budget process. The following projects were included in the 2018 capital improvement program:

- Annual Street Resurfacing and Surface Treatment programs
- Cedar-Fairmount Commercial District Streetscape was completed
- New Police Vehicles
- New ambulance for the Fire Department
- City-wide Desktop Computer Replacement program.
- New Sewer Equipment including a vac truck and televising equipment and vehicle.
- A water main replacement on Selwyn Road
- New playground equipment at the rededicated Barbara Boyd Park

- New fitness equipment to build out the new personal training facilities at the Community Center
- New Zamboni and Refrigeration Unity to help maintain the City's two indoor ice rinks
- Continuation of the \$6 million energy efficiency project
- Continuation of the \$2.8 million Mayfield Signalization program

The City is committed to advancing the 2017 Master Plan's economic and community development goals. Several initiatives being completed in 2018 and many more planned for 2019. A planned \$80 million mixed-use development project in the Cedar-Fairmount district, one of the City's major commercial districts, is in the early development stages. Work on this project will continue into 2019 with a planned ground breaking in late 2019 or early 2020. The City also partnered with a developer to redevelop vacant City-owned land in its Cedar-Lee commercial district into another mixed-used project. Cleveland Heights launched a new community wide community investment area (CRA) program to encourage investment in home construction and renovation with tax abatement. The City also executed an agreement with a new community development corporation (CDC) partner, FutureHeights to help further its housing and neighborhood revitalization efforts. FutureHeights will renovate twelve homes throughout the City and sell them to new owner-occupants. The City also welcomed several new businesses to the community in 2018.

CITY UTILITIES

In 2016, City Council approved an agreement with the City of Cleveland to transition from a master meter community to a direct service community. Pursuant to this agreement, the City of Cleveland is to distribute water to City residents while maintaining and owning the water mains. This agreement went into effect on January 1, 2017 and remains active.

The City collects sewage through its own sewage system; the Northeast Ohio Regional Sewer District handles the treatment of sewage. To maintain its local sewer infrastructure, the City charges sewer fee based on water consumption. A five-year rate schedule with planned increases was adopted in 2017 and customers are collected on a quarterly basis. The quarterly bills contain a message section which allows the utilities division to communicate with its customers about the billing, as well as other City activities. For convenience, customers can pay online with a credit card or ACH debit from their checking account. Customers can also pay in person at City Hall.

The Cleveland Electric Illuminating Company and the Dominion East Ohio Gas Company, both independent, publicly-owned utilities provide City residents with electricity and natural gas. The City had placed issues of government aggregation of electricity supplies and natural gas supplies on the ballots in 2000 and 2001, respectively. Both issues were approved by the voters. The City proceeded with the aggregation plans and has now offered its residents City-wide aggregation plans with special rates for the supply of electricity and natural gas. In 2018 the City joined NOPEC, a non-profit organization of over 220 local governments in Northeast Ohio working cooperatively together, to provide electric and gas aggregation savings for individuals and small businesses.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2018, the City received \$1.4 million in CDBG dollars which were allocated to an array of projects including housing preservation, commercial district improvements, youth programs, senior services and fair housing.

The City received CDBG funding in 2018 to continue the new Geographic Information Systems (GIS) program which has been instrumental in programs across all City departments. The City also used CDBG funds to introduce a new program called the Strategic Impact Opportunity which is used in to implement initiatives in targeted areas outlined in the City's Master Plan.

CITY SERVICES

The City provides the following services for its citizens: Police and Fire Protection, Emergency Medical Services, Refuse, Recyclable and Yard Waste Collection, Street Maintenance, Recreation Programs, Municipal Court, Community Development, Public Improvements, Sewer Services, and General Administrative Services.

In addition to the services above, the City continues to offer superior recreational facilities for its residents. The City operates a total of seven municipal parks, which include one swimming pool and a variety of sports, playground and picnic facilities. Other features of the Community Center are a Senior Activity Center, a field house, ice rinks and fitness center. A new roof was installed on the North Rink in 2017. The field house has two high school-size side-by-side courts with wooden floors, bleachers, scoreboards, glass backboards and the flexibility to accommodate basketball and volleyball as well as other programs. It also includes a four-lane elevated track with a rubberized surface and length of 180 yards. The fitness center features Nautilus exercise machines, aerobic, elliptical and step machines along with a variety of bikes. There is also a cardio theater system and an aerobics room. The Community Center also contains child care facilities and meeting and general recreation rooms.

The curbside recycling program continued to be successful due to the cooperation and commitment of the residents. Included in the recycling collection are newspapers, magazines and catalogs, mixed paper (including cereal and dry good boxes), corrugated cardboard, metal, glass and #1 and #2 plastic containers, special styrofoam and electronics. In addition, the City diverted most of its yard waste from the landfill to composting facilities. Cleveland Heights promotes the use of products made from recycled material whenever possible.

In keeping with its primarily residential character, the City operates an Urban Forestry Division which is funded mainly through an annual special assessment on all properties. This division handles all aspects of tree care to the City's trees including, pruning, removing, stump grinding, and planting. Work is prioritized and recorded through an online tree inventory database. The City received its 41st Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters and the National League of Cities.

The annual street resurfacing program involves the milling asphalt streets to a depth of two inches, making structural repairs as needed and repaving with new hot mix asphalt. The City also performs a surface treatment of streets which is most commonly referred to as "chip sealing." The process involves the application of hot coal tar to the road surface as a binder along with compacting finely crushed stone into the binder with large pavement rollers. When the tar fully cures, the surface is sprayed with a bituminous polymer fog seal to keep the stone in place and provide a uniform appearance. The primary funding source for the City's street resurfacing and surface treating programs comes from motor vehicle licensing fees and gasoline excise taxes collected by the State and remitted to the City on a monthly basis.

FINANCIAL CONDITION

The City of Cleveland Heights has prepared these financial statements in accordance with GASB Statement 34, “*Basic Financial Statements – Management’s Discussion and Analysis – For State and Local Governments*”. GASB 34 created new basic financial statements for reporting on the City’s financial activities as follows:

Government-Wide Financial Statements

These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses.

Fund Financial Statements

These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statement of Budgetary Comparisons

These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The City maintains its legal level of budgetary control at the department level for personal services, capital outlay, other than personal services, and non-governmental expenditures for each fund. Management control is exercised at the department level (Public Safety, Public Health, Culture and Recreation, Community Development, Sanitation, Transportation, and General Government). The City Manager or Finance Director is authorized to transfer amounts between objects of expenditure within and between departments so long as the total appropriation for each department does not exceed that of the Council approved appropriation. The City’s fully automated financial system maintains this budgetary control through its purchase order/encumbrance feature. The purchase order, required before making any purchase, creates the encumbrance against the current budget. No purchase order will be generated unless there is sufficient unobligated budget to accept the encumbrance without a budget overrun.

INTERNAL ACCOUNTING AND REPORTING CONTROL

As part of its continuing commitment to excellence in financial reporting, the City utilizes a fully integrated, financial accounting, budgeting and reporting system. Because the system is integrated, the financial and budgetary information maintained by the system is immediately available to the City’s management. The timeliness and accuracy of the information provided by the City’s accounting, budgeting and reporting system provides each member of the City’s management with a solid, informed financial basis for daily decision-making, performance evaluation and planning.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss resulting from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City’s system were developed within the framework of the concept of reasonable assurance. This concept recognizes that the cost of control should not exceed the benefits likely to be derived and

that the evaluation of costs and benefits requires estimates and judgments by management. Regular reviews of internal control occur within this policy framework. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2018, have been audited by James G. Zupka, CPA, Inc. The auditor's unqualified opinion has been included in this report.

In addition, the City is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1997 in accordance with U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Based upon prior experience, management believes that no material weakness in internal controls exist or questioned costs, if any, will have an adverse material effect on the financial condition of the City.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland Heights, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2017. 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 government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last thirty-four (34) consecutive years (fiscal years ended December 31, 1984 through December 31, 2017). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

Successful preparation of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors, but especially to those employees in the Departments of Finance, Planning, and Public Relations who have spent their time and energy on various parts of the project. Finally, City Staff wants to extend its appreciation to the Mayor and City Council for their support and commitment to responsible fiscal reporting.

POSTSCRIPT

All of the programs and offerings noted in this letter of transmittal are aimed at supporting the City's mission:

“Cleveland Heights is a mature residential community with a racially and culturally diverse population. We recognize this diversity as a primary strength and seek to retain our current population mix which contributes to a wholesome integrated community. In order to accomplish these objectives, we commit ourselves not only to traditional mandated services but to the following actions:

To maintain our housing stock at optimum value.

To maintain a high quality of life through recreational and cultural opportunities.

To maintain and support our commercial districts to ensure access to goods and services.

To actively engage in an on-going dialogue with neighborhood groups and residents so that changing needs of our community shape our services.

To remain competitive in relation to other surrounding communities in attracting new residents through developing new housing, controlling taxes and enhancing the quality of our community life through new and existing programs.

To assure a high return to our residents on every tax dollar.”

As employees of the City of Cleveland Heights, we are proud of the community in which we work and live. We pledge our continued dedication to providing the highest possible level of service to the citizens of the City, and we commit ourselves to helping enhance the quality of life which our residents, our greatest asset, enjoy.

Respectfully submitted,



Tanisha K. Briley
City Manager



Sharron McMichael
Assistant Director of Finance



CITY OF CLEVELAND HEIGHTS, OHIO

PRINCIPAL OFFICIALS December 31, 2018

ELECTED OFFICIALS

Mayor.....	Carol Roe
Vice Mayor.....	Melissa Yasinow
Council Member.....	Mary Dunbar
Council Member.....	Kahlil Seren
Council Member.....	Jason Stein
Council Member.....	Cheryl L. Stephens(4)
Council Member.....	Michael N. Ungar
Municipal Judge.....	James Costello

APPOINTED OFFICIALS

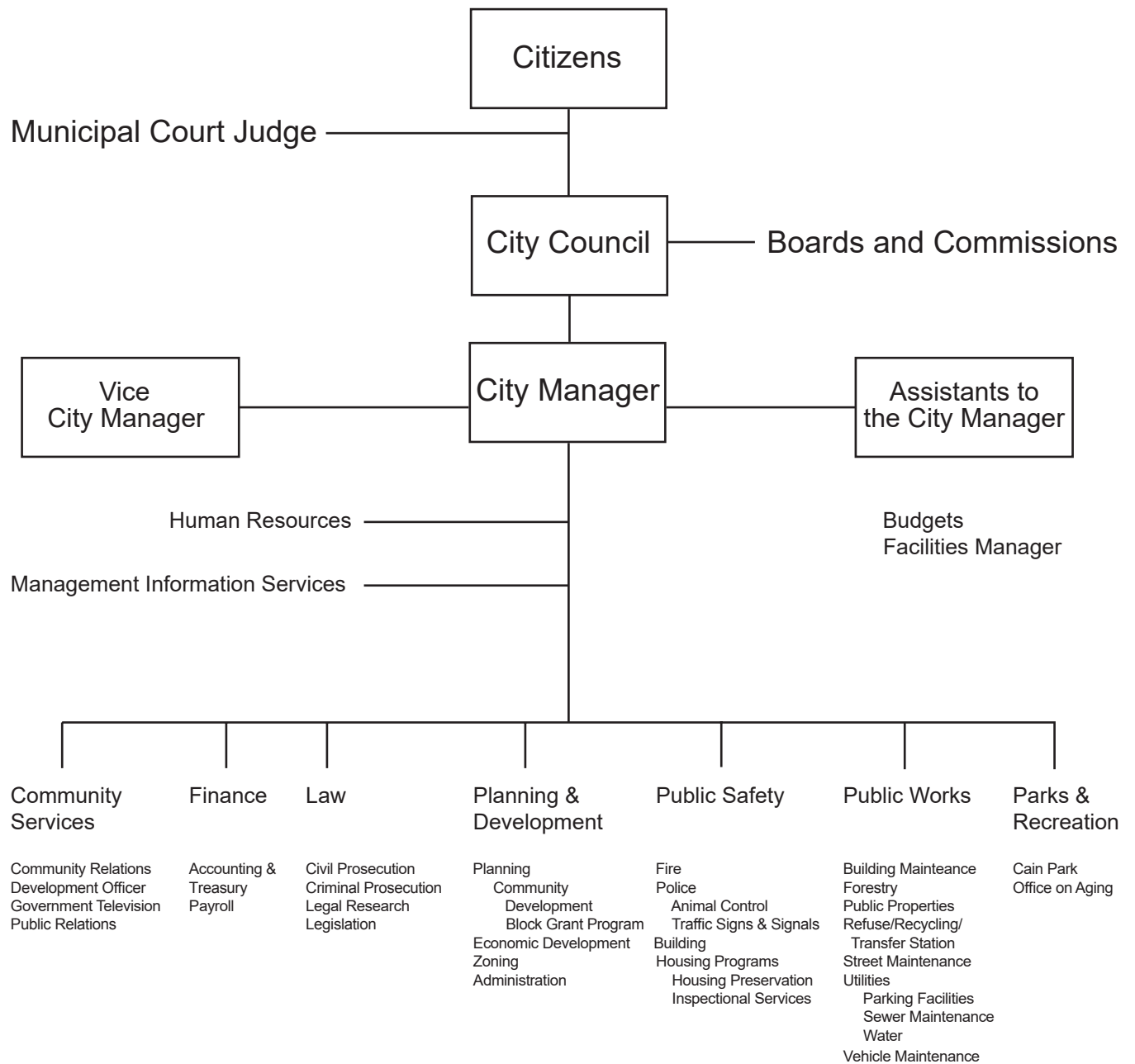
City Manager.....	Tanisha R. Briley
Vice City Manager/Director of Community Services.....	Susanna Niermann O'Neil
Director of Finance.....	Laurie Sabin(1)
Assistant Director of Finance.....	Sharron McMichael
Director of Law.....	L. James Juliano, Jr.(5)
Assistant Director of Law.....	Alix Nouredine
Assistant Director of Law.....	Kevin Roberts(3)
Assistant Director of Law.....	Tiffany Hill
Director of Planning.....	Richard E. Wong
Director of Public Safety.....	Tanisha R. Briley
Director of Public Works.....	Alex Mannarino(2)
Chief of Fire.....	Dave Freeman
Chief of Police.....	Annette Mecklenburg

- (1) Sharron McMichael was named Interim Director of Finance in July 2019
- (2) Collette Clinkscale was named Director of Public Works in January 2019
- (3) Natalie Thomas was named Assistant Director of Law in February 2019
- (4) Craig Cobb was appointed to Council in April 2019
- (5) William Hanna was named Director of Law in August 2019



CITY OF CLEVELAND HEIGHTS, OHIO

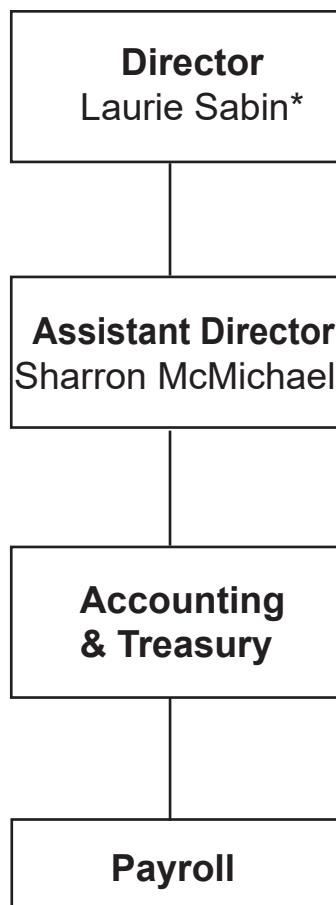
City Organization as of December 31, 2018





CITY OF CLEVELAND HEIGHTS, OHIO

Department of Finance Organizational Chart as of December 31, 2018



*Sharron McMichael replaced Laurie Sabin
as Interim Finance Director in July 2019

Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Cleveland Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

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Cleveland Heights beautiful parks
beautiful community

FINANCIAL SECTION



Summer
On A
Quiet
Street



Cleveland Heights, Ohio beautiful parks
beautiful community

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Street Construction, Maintenance and Repair Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the basic financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, as discussed in Note 3 to the basic financial statements, the City restated its net position and fund balance at December 31, 2017 for governmental activities, business-type activities, General Fund, General Bond Retirement Fund, Water Fund, and Sewer Fund due to the transfer of water operations. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

November 25, 2019

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City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The discussion and analysis of the City of Cleveland Heights's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key Financial highlights for 2018 are as follows:

- Overall, the City's total expenses of \$69,585,843 exceeded total revenues of \$66,766,300, thereby decreasing total net position by \$2,819,543 for the year 2018. The total net position is \$32,804,719 compared to \$35,624,262 for the previous year.
- During 2018, the City's governmental fund's balance decreased \$325,739 from 2017. This is largely due to a decrease in property tax collections.
- The City complies with GASB 68 and GASB 75, which establish standards for measuring and recognizing pension and OPEB liabilities, deferred outflows/inflows of resources and expense/expenditure. The implementation of these GASB statements resulted in a significant change to the financial statements presentation of the City.
- In 2018, the City issued \$635,000 in vehicle acquisition general obligation bonds for the purpose of purchasing new sewer vehicles. The bonds have an interest rate of 2.85 percent. The bonds were issued for a 10 year period, with a final maturity in 2027.
- The City is committed to providing the Citizens of Cleveland Heights with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Cleveland Heights's basic financial statements. The City of Cleveland Heights's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Cleveland Heights's finances, in a manner similar to private-sector businesses. The statement of net position and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also looks at the City's most significant funds with all other funds presented in total in one column.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The *statement of net position* presents information on all of the City of Cleveland Heights's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between all elements 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 of Cleveland Heights is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the recent fiscal 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 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 of Cleveland Heights 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 of Cleveland Heights include general government, public safety, public health services, transportation, community development, sanitation, culture and recreation, and interest and fiscal charges. The business-type activities include water and sewer.

The government-wide financial statements can be found starting on page 17 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 of Cleveland Heights, 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 of Cleveland Heights 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 funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the 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 government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund, street construction, maintenance and repair special revenue fund and general bond retirement fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The City of Cleveland Heights adopts an annual appropriated budget for each of its funds. A budgetary comparison statement and schedules (non-GAAP basis) have been provided for each governmental and enterprise fund to demonstrate budgetary compliance.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Proprietary Funds The City of Cleveland Heights maintains one type of the proprietary funds. Enterprise funds 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 sewer operations.

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 water and sewer operations which are both considered major funds.

The basic proprietary fund financial statements can be found on pages 26 through 29 of this report.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 31 of this report.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the required supplementary information and the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The City of Cleveland Heights as a Whole

Recall that the Statement of Net Position looks at the City as a whole. The following table 1 provides a summary of the City's net position for 2018 compared to 2017.

NET POSITION
TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Assets						
Current and Other Assets	\$65,045,657	\$62,610,252	\$4,737,336	\$2,696,217	\$69,782,993	\$65,306,469
Capital Assets, Net	86,099,254	87,973,320	7,602,376	7,215,606	93,701,630	95,188,926
<i>Total Assets</i>	<u>151,144,911</u>	<u>150,583,572</u>	<u>12,339,712</u>	<u>9,911,823</u>	<u>163,484,623</u>	<u>160,495,395</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	450,637	494,560	0	0	450,637	494,560
Pension	12,762,386	17,933,725	152,458	608,203	12,914,844	18,541,928
OPEB	5,750,327	199,917	31,191	9,110	5,781,518	209,027
<i>Total Deferred Outflows of Resources</i>	<u>18,963,350</u>	<u>18,628,202</u>	<u>183,649</u>	<u>617,313</u>	<u>19,146,999</u>	<u>19,245,515</u>
Liabilities						
Current and Other Liabilities	3,810,055	3,389,776	504,186	491,221	4,314,241	3,880,997
Long-Term Liabilities:						
Due within One Year	4,883,341	5,384,324	319,454	339,681	5,202,795	5,724,005
Due in More than One Year						
Net Pension Liability	52,179,121	58,808,646	632,668	1,582,913	52,811,789	60,391,559
Net OPEB Liability	44,229,145	36,632,616	419,863	632,504	44,649,008	37,265,120
Other Amounts	22,441,041	23,568,413	907,228	395,515	23,348,269	23,963,928
<i>Total Liabilities</i>	<u>127,542,703</u>	<u>127,783,775</u>	<u>2,783,399</u>	<u>3,441,834</u>	<u>130,326,102</u>	<u>131,225,609</u>
Deferred Inflows of Resources						
Property Taxes	8,618,441	8,011,245	0	0	8,618,441	8,011,245
Pension	8,734,141	4,802,174	442,389	77,620	9,176,530	4,879,794
OPEB	1,510,840	0	194,990	0	1,705,830	0
<i>Total Deferred Inflows of Resources</i>	<u>18,863,422</u>	<u>12,813,419</u>	<u>637,379</u>	<u>77,620</u>	<u>19,500,801</u>	<u>12,891,039</u>
Net Investment in Capital Assets	65,914,958	66,649,264	6,712,319	6,363,409	72,627,277	73,012,673
Restricted for:						
Capital Projects	485,940	558,852	0	0	485,940	558,852
Debt Service	2,477,764	4,084,344	0	0	2,477,764	4,084,344
Other Purposes	12,499,284	10,680,227	0	0	12,499,284	10,680,227
Unrestricted (Deficit)	(57,675,810)	(53,358,107)	2,390,264	646,273	(55,285,546)	(52,711,834)
<i>Total Net Position</i>	<u>\$23,702,136</u>	<u>\$28,614,580</u>	<u>\$9,102,583</u>	<u>\$7,009,682</u>	<u>\$32,804,719</u>	<u>\$35,624,262</u>

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

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

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

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation combined with the City transfer of water operations also had the effect of restating net position at December 31, 2017, from \$62,786,068 to \$28,614,580 for governmental activities and \$9,859,301 to \$7,009,682 for business-type activities.

The total net position of the City decreased \$2,819,543 (7.91 percent) during the current year due primarily to an increase in current obligations owed at the end of the year. In order to further understand what makes up the changes in net position for the current year, the following table 2 gives readers further details regarding the results of activities for the current year. The net OPEB liability increase represents the City's proportionate share of the pension plan's unfunded benefits. As indicated earlier, changes in pension benefits, contributions rates and return on investments affect the balance of the net pension/OPEB liability.

CHANGES IN NET POSITION

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services and Operating Assessments	\$13,864,038	\$12,928,730	\$4,502,792	\$3,477,934	\$18,366,830	\$16,406,664
Operating Grants and Contributions	5,614,681	9,116,678	0	0	5,614,681	9,116,678
Capital Grants and Contributions	71,438	87,378	0	915,719	71,438	1,003,097
Total Program Revenues	19,550,157	22,132,786	4,502,792	4,393,653	24,052,949	26,526,439
General Revenues:						
Property Taxes	8,512,315	9,680,033	0	0	8,512,315	9,680,033
Municipal Income Taxes	29,088,986	28,288,722	0	0	29,088,986	28,288,722
Admissions Taxes	51,930	53,976	0	0	51,930	53,976
Grants and Entitlements	2,783,621	3,311,536	0	0	2,783,621	3,311,536
Franchise Taxes	545,814	502,577	0	0	545,814	502,577
Investment Income	391,208	222,634	0	0	391,208	222,634
Miscellaneous	1,333,977	945,402	5,500	391,198	1,339,477	1,336,600
Total General Revenues	42,707,851	43,004,880	5,500	391,198	42,713,351	43,396,078
Total Revenues	\$62,258,008	\$65,137,666	\$4,508,292	\$4,784,851	\$66,766,300	\$69,922,517

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

CHANGES IN NET POSITION

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program Expenses						
General Government	\$17,535,489	\$16,331,347	\$0	\$0	\$17,535,489	\$16,331,347
Public Safety	28,171,172	26,341,709	0	0	28,171,172	26,341,709
Public Health Services	385,738	360,285	0	0	385,738	360,285
Transportation	8,201,178	8,527,689	0	0	8,201,178	8,527,689
Community Development	5,778,337	5,613,479	0	0	5,778,337	5,613,479
Sanitation	2,655,695	2,678,313	0	0	2,655,695	2,678,313
Culture and Recreation	3,732,443	4,381,740	0	0	3,732,443	4,381,740
Interest and Fiscal Charges	624,516	451,277	0	0	624,516	451,277
Water	0	0	0	15,810,884	0	15,810,884
Sewer	0	0	2,501,275	2,646,476	2,501,275	2,646,476
<i>Total Program Expenses</i>	<u>67,084,568</u>	<u>64,685,839</u>	<u>2,501,275</u>	<u>18,457,360</u>	<u>69,585,843</u>	<u>83,143,199</u>
<i>Increase (Decrease) in Net Position Before Transfers</i>	(4,826,560)	451,827	2,007,017	(13,672,509)	(2,819,543)	(13,220,682)
Transfers	(85,884)	(48,445)	85,884	48,445	0	0
<i>Change in Net Position</i>	<u>(4,912,444)</u>	<u>403,382</u>	<u>2,092,901</u>	<u>(13,624,064)</u>	<u>(2,819,543)</u>	<u>(13,220,682)</u>
<i>Net Position Beginning of Year - Restated</i>	<u>28,614,580</u>	N/A	<u>7,009,682</u>	N/A	<u>35,624,262</u>	N/A
<i>Net Position End of Year</i>	<u>\$23,702,136</u>	<u>\$28,614,580</u>	<u>\$9,102,583</u>	<u>\$7,009,682</u>	<u>\$32,804,719</u>	<u>\$35,624,262</u>

The information necessary to restate the 2017 beginning balances for the transfer of water operations and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include the water fund expenses as well as OPEB expense of \$39,880 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$3,588,700. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2018 program expenses under GASB 75	\$67,084,568	\$2,501,275	\$69,585,843
Negative OPEB expense under GASB 75	(3,628,138)	39,438	(3,588,700)
2018 contractually required contribution	71,179	294	71,473
Adjusted 2018 program expenses	<u>63,527,609</u>	<u>2,541,007</u>	<u>66,068,616</u>
Total 2017 program expenses under GASB 45	<u>64,685,839</u>	<u>18,457,360</u>	<u>83,143,199</u>
Decrease in program expenses not related to OPEB	<u>(\$1,158,230)</u>	<u>(\$15,916,353)</u>	<u>(\$17,074,583)</u>

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Governmental Activities

Governmental activities decreased the City's net position by \$4,912,444 during 2018, as compared to an increase of \$403,382 during 2017.

Several types of revenues fund the governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2.25 percent for 2018. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 50 percent credit to a maximum of one-half of one percent of income earned outside the City.

The income tax revenue for 2018 was \$29,088,986, an increase of \$800,264 or 2.83 percent from 2017. Of the \$42,707,851 in total general revenues, income tax accounted for 68.11 percent, as compared to 65.78 percent of the total during 2017. Property taxes for 2018 were \$8,512,315, a \$1,167,718 decrease from 2017.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations. This amount decreased from the prior year due to a decrease in intergovernmental revenue. Operating grants and contributions decreased due to grants that were not applied for during 2018 as well as reduced State funded projects requiring reimbursement.

The largest program function for the City for 2018 is public safety, with program expenses of \$28,171,172. This is an increase of \$1,829,463 or 6.9 percent, as compared to expenses of \$26,341,709 in 2017. The next largest program is general government, which accounts for the basic operations of the City including council, city manager, finance, income tax department, law, service administration, municipal court, among other services. General government expenses of \$17,535,489 increased by \$1,204,142, as compared to expenses of \$16,331,347 for 2017.

The next largest program expense for 2018 is transportation with expenses of \$8,201,178. Transportation expenses decreased by \$326,511 or 3.8 percent due to few State and Federal road projects completed that required reimbursement.

Community development expenses of \$5,778,337 increased from \$5,613,479 in 2017 due to an increase in charges for services and grants received for community development projects.

As can be seen in table 2, all programs have a heavy reliance on general revenues, with 68.60 percent of total 2018 revenues coming from general revenues.

While public safety is a large program expense, only a small portion of the total program expense is offset by program revenues. The primary program revenue is from police fines and forfeitures.

Transportation program expense is only partially funded through operating grants and contributions, which are the State-collected gasoline and motor vehicle license taxes. The remaining program expense must be funded through City general revenues. With the City's aggressive infrastructure program in place, transportation program expense will continue to make up a large portion of the City's overall expenses as the roadways are capitalized and depreciated over time.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Business-Type Activities and Enterprise Funds

The business-type activities of the City, which include the City's sewer operations, increased the City's net position by \$2,092,901 during 2018, as compared to a decrease of net position of \$13,624,064 during 2017. The increase in net position in business-type activities is due to an increase in the sewer rate charged to residents as well as the transfer of the City's water operations in the prior year.

Program revenues exceeded program expenses in the amount of \$2,007,017 (before transfers) for the sewer operations in 2018. This is due to careful monitoring of the City's revenue and expenses during the year.

Financial Analysis of the Government's Funds

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

Governmental Funds

Funds are created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Resources that are not restricted, committed, or assigned are accounted for in the general fund.

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 balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins with the balance sheet. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of the current year, the City of Cleveland Heights's governmental funds reported combined ending fund balances of \$29,093,006. This is a decrease of \$325,739 from the prior year with expenditures outpacing revenues. This decrease is mainly due to a decrease in property and income tax collections. The City is monitoring their expenses to work on maintaining efficiency throughout the departments.

Nonspendable fund balance of \$779,628 includes inventory. Fund balance in the amount of \$9,082,917 is restricted for debt service payments, street maintenance, police and fire department operations and community development operations. Fund balance in the amount of \$1,813,440 is committed to public building maintenance, Cain Park operations, ambulance services, police facility improvements and Ring Road construction. Assigned fund balance includes \$1,755,848 for capital improvements, economic development, City Hall maintenance and earned benefits. Unassigned fund balances of \$15,661,173 represents all balances not previously classified.

All governmental funds had total revenues of \$60,587,041 and expenditures of \$61,856,097. Revenues decreased from the previous year. The decrease in revenues was attributable to a decrease in property taxes, municipal income tax collections, charges for services and intergovernmental revenue received during the year. The decrease in expenditures was primarily due to a decrease in capital outlay as there were fewer road improvements made during the year.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

General Fund

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$17,355,484, of which \$721,773 was nonspendable because of inventory, \$67,126 was assigned to earned benefits and \$16,566,585 was unassigned for financial reporting purposes. During 2018, there was a decrease in revenues due to municipal income tax collections coming in lower than the previous year. The City's local government allocation from the County was also reduced for 2018. General fund expenditures saw an increase during 2018 due to increases in premium payments on insurance coverage. Total fund balance of the City's general fund increased by \$361,104 as revenues continue to exceed expenditures. The City's management monitors the budget on a monthly basis to keep it in line with current expenditures.

Street Construction, Maintenance and Repair

The street construction, maintenance and repair special revenue fund accounts for resources used for the maintenance of the City's streets. Total fund balance increased by \$545,318 as a result of an increase in revenues due to an increase in gas tax receipts for the year.

General Bond Retirement Fund

The bond retirement debt service fund accounts for resources used for the retirement of long-term debt. At the end of the current year, total fund balance was \$1,182,631, which was a decrease from the prior year mainly due to increased principal retirement payments in 2018.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of 2018, the City amended its general fund budget on various occasions. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (salaries and other expenses). The general fund supports many of the City's major activities such as police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original and final budgeted revenues (including other financing sources) were \$43,564,838, while actual revenues were at \$47,128,537. Original general fund budgeted expenditures (including other financing uses) were \$46,025,137, and the final amended budget (including other financing uses) was \$48,791,932. Actual general fund expenditures (including other financing uses) were \$45,648,331, or \$3,143,601 less than final budgeted expenditures (including other financing uses).

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Capital Assets and Debt Administration

Capital Assets

At December 31, 2018, governmental capital assets amounted to \$86,099,254. This is a decrease of \$1,874,066 from the prior year mainly due to another year of depreciation. The most significant additions to governmental capital assets came in streets and sidewalks, which included \$3,918,279 of additions during 2018. The City also made improvements specific to the building improvements and improvement of machinery and equipment. Total capital assets for business-type activities increased from \$7,215,606 in 2017 to \$7,602,376 in 2018 due to a new camera sewer truck and sewer vacuum truck.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. The City has a five-year capital plan in place that provides for street improvements and adding additional facilities to complement our current structures. For additional information see Note 10 to the basic financial statements.

Long-Term Obligations

The City's outstanding long-term obligations are comprised of general obligation bonds, special assessment bonds, SIB Loans, OPWC and OWDA loans, and notes payable.

The general obligation bonds in the amount of \$16,618,278 are composed of (1) 2014 Various Purpose Bonds; (2) 2015 Various Purpose Bonds; (3) 2016 Various Purpose Bonds; (4) 2017 Various Purpose Bonds; (5) 2015 Cedar Lee Parking Deck Refunding Bonds; (6) 2017 Building Improvement Bonds and (7) 2018 Vehicle Acquisition Bonds.

The special assessment bonds in the amount of \$2,015,000 consist of the 2014 Ring Road improvements Refunding Bonds. The principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer from the specific property owners who primarily benefited from the project.

The State Infrastructure Bank (SIB) loan in the amount of \$226,371 is financed through the Ohio Department of Transportation for the purposes of capital improvement.

The Ohio Public Works Commission loans in the amount of \$1,152,775 and the Ohio Water Development Authority loans in the amount of \$310,001 are being paid semi-annually from the several projects: 2001 Taylor Road rehabilitation, 2005 Coventry Road rehabilitation, 2006 Lee Road rehabilitation, 2006 Meadowbrook Boulevard rehabilitation, 2010 Monticello Boulevard rehabilitation, 2012 Monticello Boulevard rehabilitation, 2000 Cedar Road water and sewer and 2006 Meadowbrook Boulevard water and sewer and 2007 sewer rehabilitation and 2010 waterline replacement projects. These programs are funded by property taxes and user fees for various infrastructure projects being financed through the Ohio Public Works and Ohio Water Development Authority programs.

The notes payable of \$582,000 are notes issued in the anticipation of the issuance of bonds to pay costs related to the improvement of streets and computer and motorized equipment.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$69,916,541 at December 31, 2018. Additional information concerning the City's debt can be found in Notes 19 and 20 to the basic financial statements.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Current Financial Related Activities

The Administration and City Council developed a five year capital improvement plan for the acquisition of equipment and the building or upgrading of City facilities. This plan includes an investment of approximately \$12 million to control the sewer overflow and improve the efficiency of the sewer. In order to offset these costs, the City has set up a sewer rate increase plan over the next five years.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional information contact the Finance Department, City of Cleveland Heights, 40 Severance Circle, Cleveland Heights, Ohio 44118, telephone 216-291-3900.

City of Cleveland Heights, Ohio

Statement of Net Position

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$24,478,853	\$2,499,677	\$26,978,530
Materials and Supplies Inventory	779,628	0	779,628
Accrued Interest Receivable	3,227	0	3,227
Accounts Receivable	3,331,472	2,231,883	5,563,355
Internal Balances	(3,648)	3,648	0
Intergovernmental Receivable	2,397,107	0	2,397,107
Municipal Income Taxes Receivable	15,264,594	0	15,264,594
Property Taxes Receivable	11,009,055	0	11,009,055
Notes Receivable	1,246,038	0	1,246,038
Special Assessments Receivable	5,883,592	0	5,883,592
Net Pension Asset	51,052	2,128	53,180
Assets Held For Resale	604,687	0	604,687
Nondepreciable Capital Assets	8,302,618	0	8,302,618
Depreciable Capital Assets, Net	77,796,636	7,602,376	85,399,012
<i>Total Assets</i>	<u>151,144,911</u>	<u>12,339,712</u>	<u>163,484,623</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	450,637	0	450,637
Pension	12,762,386	152,458	12,914,844
OPEB	5,750,327	31,191	5,781,518
<i>Total Deferred Outflows of Resources</i>	<u>18,963,350</u>	<u>183,649</u>	<u>19,146,999</u>
Liabilities			
Accounts Payable	1,181,101	333,529	1,514,630
Contracts Payable	227,155	119,972	347,127
Accrued Wages	1,029,484	31,392	1,060,876
Retainage Payable	39,076	6,443	45,519
Matured Compensated Absences	97,834	0	97,834
Accrued Interest Payable	56,564	1,766	58,330
Intergovernmental Payable	1,038,841	11,084	1,049,925
Notes Payable	140,000	0	140,000
Long-Term Liabilities:			
Due Within One Year	4,883,341	319,454	5,202,795
Net Pension Liability (See Note 13)	52,179,121	632,668	52,811,789
Net OPEB Liability (See Note 14)	44,229,145	419,863	44,649,008
Other Amounts Due In More Than One Year	22,441,041	907,228	23,348,269
<i>Total Liabilities</i>	<u>127,542,703</u>	<u>2,783,399</u>	<u>130,326,102</u>
Deferred Inflows of Resources			
Property Taxes	8,618,441	0	8,618,441
Pension	8,734,141	442,389	9,176,530
OPEB	1,510,840	194,990	1,705,830
<i>Total Deferred Inflows of Resources</i>	<u>18,863,422</u>	<u>637,379</u>	<u>19,500,801</u>
Net Position			
Net Investment in Capital Assets	65,914,958	6,712,319	72,627,277
Restricted for:			
Capital Projects	485,940	0	485,940
Debt Service	2,477,764	0	2,477,764
Road Improvements	1,253,193	0	1,253,193
Community Development	4,715,353	0	4,715,353
Municipal Court Special Projects	2,040,179	0	2,040,179
Street Lighting	3,255,600	0	3,255,600
Public Safety	587,170	0	587,170
Drug and Law Enforcement	487,077	0	487,077
Other Purposes	160,712	0	160,712
Unrestricted (Deficit)	<u>(57,675,810)</u>	<u>2,390,264</u>	<u>(55,285,546)</u>
<i>Total Net Position</i>	<u>\$23,702,136</u>	<u>\$9,102,583</u>	<u>\$32,804,719</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2018

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$17,535,489	\$4,218,129	\$378,499	\$0
Public Safety	28,171,172	5,621,987	343,065	0
Public Health Services	385,738	74,153	6,408	0
Transportation	8,201,178	682,738	2,601,002	0
Community Development	5,778,337	1,709,836	2,284,707	0
Sanitation	2,655,695	435,889	0	0
Culture and Recreation	3,732,443	1,121,306	1,000	71,438
Interest and Fiscal Charges	624,516	0	0	0
<i>Total Governmental Activities</i>	<u>67,084,568</u>	<u>13,864,038</u>	<u>5,614,681</u>	<u>71,438</u>
Business-Type Activities				
Sewer	<u>2,501,275</u>	<u>4,502,792</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$69,585,843</u>	<u>\$18,366,830</u>	<u>\$5,614,681</u>	<u>\$71,438</u>

General Revenues

Property Taxes Levied for:

General Purposes

Police Pension

Fire Pension

Debt Service

Capital Outlay

Municipal Income Taxes Levied for:

General Purposes

Admissions Taxes

Grants and Entitlements not Restricted
to Specific Programs

Franchise Taxes

Investment Earnings

Miscellaneous

Total General Revenues Before Transfers

Transfers

Total General Revenues and Transfers

Change in Net Position

*Net Position Beginning of Year -
Restated (See Note 3)*

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$12,938,861)	\$0	(\$12,938,861)
(22,206,120)	0	(22,206,120)
(305,177)	0	(305,177)
(4,917,438)	0	(4,917,438)
(1,783,794)	0	(1,783,794)
(2,219,806)	0	(2,219,806)
(2,538,699)	0	(2,538,699)
(624,516)	0	(624,516)
(47,534,411)	0	(47,534,411)
0	2,001,517	2,001,517
(47,534,411)	2,001,517	(45,532,894)
6,811,660	0	6,811,660
222,132	0	222,132
210,115	0	210,115
778,168	0	778,168
490,240	0	490,240
29,088,986	0	29,088,986
51,930	0	51,930
2,783,621	0	2,783,621
545,814	0	545,814
391,208	0	391,208
1,333,977	5,500	1,339,477
42,707,851	5,500	42,713,351
(85,884)	85,884	0
42,621,967	91,384	42,713,351
(4,912,444)	2,092,901	(2,819,543)
28,614,580	7,009,682	35,624,262
\$23,702,136	\$9,102,583	\$32,804,719

City of Cleveland Heights, Ohio

Balance Sheet

Governmental Funds

December 31, 2018

	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$12,772,159	\$476,033	\$1,323,969	\$9,906,692	\$24,478,853
Materials and Supplies Inventory	721,773	0	0	57,855	779,628
Accrued Interest Receivable	3,227	0	0	0	3,227
Accounts Receivable	1,368,038	0	0	1,963,434	3,331,472
Interfund Receivable	1,336,963	0	0	0	1,336,963
Intergovernmental Receivable	1,129,212	759,796	76,721	431,378	2,397,107
Municipal Income Taxes Receivable	15,264,594	0	0	0	15,264,594
Property Taxes Receivable	8,548,172	0	1,318,327	1,142,556	11,009,055
Special Assessments Receivable	0	0	1,460,000	4,423,592	5,883,592
Notes Receivable	0	0	0	1,246,038	1,246,038
Assets Held For Resale	0	0	0	604,687	604,687
<i>Total Assets</i>	<u>\$41,144,138</u>	<u>\$1,235,829</u>	<u>\$4,179,017</u>	<u>\$19,776,232</u>	<u>\$66,335,216</u>
Liabilities					
Accounts Payable	\$809,356	\$0	\$0	\$371,745	\$1,181,101
Contracts Payable	124,499	9,206	0	93,450	227,155
Accrued Wages	965,790	2,726	0	60,968	1,029,484
Retainage Payable	0	39,076	0	0	39,076
Interfund Payable	3,648	125,578	0	1,211,385	1,340,611
Intergovernmental Payable	448,202	873	0	589,766	1,038,841
Matured Compensated Absences Payable	97,834	0	0	0	97,834
Accrued Interest Payable	0	0	1,338	0	1,338
Notes Payable	0	0	140,000	0	140,000
<i>Total Liabilities</i>	<u>2,449,329</u>	<u>177,459</u>	<u>141,338</u>	<u>2,327,314</u>	<u>5,095,440</u>
Deferred Inflows of Resources					
Property Taxes	6,691,921	0	1,032,064	894,456	8,618,441
Unavailable Revenue	14,647,404	507,731	1,822,984	6,550,210	23,528,329
<i>Total Deferred Inflows of Resources</i>	<u>21,339,325</u>	<u>507,731</u>	<u>2,855,048</u>	<u>7,444,666</u>	<u>32,146,770</u>
Fund Balances					
Nonspendable	721,773	0	0	57,855	779,628
Restricted	0	550,639	1,182,631	7,349,647	9,082,917
Committed	0	0	0	1,813,440	1,813,440
Assigned	67,126	0	0	1,688,722	1,755,848
Unassigned (Deficit)	16,566,585	0	0	(905,412)	15,661,173
<i>Total Fund Balances</i>	<u>17,355,484</u>	<u>550,639</u>	<u>1,182,631</u>	<u>10,004,252</u>	<u>29,093,006</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$41,144,138</u>	<u>\$1,235,829</u>	<u>\$4,179,017</u>	<u>\$19,776,232</u>	<u>\$66,335,216</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2018*

Total Governmental Fund Balances		\$29,093,006
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		86,099,254
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Charges for Services	3,033,051	
Delinquent Property Taxes	2,390,614	
Municipal Income Tax	10,686,262	
Intergovernmental	1,534,810	
Special Assessments	5,883,592	
Total	23,528,329	23,528,329
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(55,226)
Deferred Outflows of Resources represent deferred charges on refunding which are not reported in the funds.		450,637
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(16,048,278)	
Special Assessment Bonds	(2,015,000)	
OPWC Loans	(1,332,284)	
OWDA Loans	(186,435)	
State Infrastructure Bank Loan	(226,371)	
Notes	(582,000)	
Compensated Absences Payable	(5,197,425)	
Retrospective Workers' Compensation	(702,431)	
Solid Waste	(170,737)	
Capital Lease Obligation Payable	(863,421)	
Total	(27,324,382)	(27,324,382)
The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	51,052	
Deferred Outflows - Pension	12,762,386	
Deferred Inflows - Pension	(8,734,141)	
Net Pension Liability	(52,179,121)	
Deferred Outflows - OPEB	5,750,327	
Deferred Inflows - OPEB	(1,510,840)	
Net OPEB Liability	(44,229,145)	
Total	(88,089,482)	(88,089,482)
<i>Net Position of Governmental Activities</i>		\$23,702,136

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$6,721,818	\$0	\$1,036,610	\$910,434	\$8,668,862
Municipal Income Taxes	27,664,058	0	0	0	27,664,058
Admissions Taxes	51,930	0	0	0	51,930
Charges for Services	3,762,501	0	0	2,743,487	6,505,988
Licenses, Permits and Fees	2,131,410	0	0	60,119	2,191,529
Fines and Forfeitures	1,967,610	0	0	271,322	2,238,932
Intergovernmental	2,706,716	2,602,127	153,441	3,060,921	8,523,205
Special Assessments	0	0	121,175	2,061,821	2,182,996
Interest	391,083	125	0	0	391,208
Rentals	236,264	0	0	27,657	263,921
Contributions and Donations	0	0	0	24,621	24,621
Franchise Taxes	545,814	0	0	0	545,814
Miscellaneous	962,967	20,850	0	350,160	1,333,977
<i>Total Revenues</i>	<u>47,142,171</u>	<u>2,623,102</u>	<u>1,311,226</u>	<u>9,510,542</u>	<u>60,587,041</u>
Expenditures					
Current:					
General Government	14,932,377	0	1,200	1,697,777	16,631,354
Public Safety	16,390,825	0	0	6,363,954	22,754,779
Public Health Services	378,397	0	0	6,815	385,212
Transportation	3,554,015	2,017,780	0	0	5,571,795
Community Development	2,657,303	0	0	2,994,209	5,651,512
Sanitation	2,304,250	0	0	0	2,304,250
Culture and Recreation	1,768,674	0	0	1,212,448	2,981,122
Capital Outlay	0	0	0	2,599,053	2,599,053
Debt Service:					
Principal Retirement	0	110,225	2,180,551	90,841	2,381,617
Interest and Fiscal Charges	0	7,974	570,912	16,517	595,403
<i>Total Expenditures</i>	<u>41,985,841</u>	<u>2,135,979</u>	<u>2,752,663</u>	<u>14,981,614</u>	<u>61,856,097</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,156,330</u>	<u>487,123</u>	<u>(1,441,437)</u>	<u>(5,471,072)</u>	<u>(1,269,056)</u>
Other Financing Sources (Uses)					
General Obligation Notes Issued	0	0	582,000	0	582,000
Inception of Capital Lease	0	0	0	447,201	447,201
Transfers In	0	69,677	39,185	4,802,049	4,910,911
Transfers Out	(4,795,226)	(11,482)	(74,402)	(115,685)	(4,996,795)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,795,226)</u>	<u>58,195</u>	<u>546,783</u>	<u>5,133,565</u>	<u>943,317</u>
<i>Net Change in Fund Balances</i>	361,104	545,318	(894,654)	(337,507)	(325,739)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>16,994,380</u>	<u>5,321</u>	<u>2,077,285</u>	<u>10,341,759</u>	<u>29,418,745</u>
<i>Fund Balances End of Year</i>	<u>\$17,355,484</u>	<u>\$550,639</u>	<u>\$1,182,631</u>	<u>\$10,004,252</u>	<u>\$29,093,006</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, 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, 2018*

Net Change in Fund Balances - Total Governmental Funds		(\$325,739)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
This is the amount by which capital outlay exceeded depreciation in the current period:		
Capital Outlay	3,740,206	
Current Year Depreciation	<u>(5,614,272)</u>	
Total		(1,874,066)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:		
Delinquent Property Taxes	(156,547)	
Municipal Income Taxes	1,424,928	
Intergovernmental	(78,086)	
Special Assessments	453,816	
Charges for Services	<u>26,856</u>	
Total		1,670,967
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
General Obligation Bonds	1,282,000	
Special Assessment Bonds	125,000	
Notes	722,000	
OPWC Loans Payable	90,429	
OWDA Loans Payable	18,843	
SIB Loan Payable	52,504	
Capital Leases	<u>90,841</u>	
Total		2,381,617
Other financing sources and uses in the governmental funds increased long-term liabilities in the statement of net position:		
Inception of Capital Lease	(447,201)	
Notes Issued	<u>(582,000)</u>	
Total		(1,029,201)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Accrued Interest	11,630	
Amortization of Premium	5,562	
Amortization of Discount	(2,382)	
Amortization of Loss on Refunding	<u>(43,923)</u>	
Total		(29,113)
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:		
Compensated Absences	253,198	
Retrospective Workers' Compensation	22,600	
Solid Waste	<u>(3,019)</u>	
Total		272,779
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	4,509,246	
OPEB	<u>71,179</u>	
Total		4,580,425
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
Pension	(6,931,975)	
OPEB	<u>(3,628,138)</u>	
Total		<u>(10,560,113)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>(\$4,912,444)</u></u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$5,980,765	\$5,980,765	\$6,721,818	\$741,053
Municipal Income Taxes	24,560,695	24,560,695	27,660,650	3,099,955
Admissions Taxes	46,982	46,982	52,912	5,930
Charges for Services	4,832,829	4,832,829	3,762,501	(1,070,328)
Licenses, Permits and Fees	1,886,887	1,886,887	2,132,312	245,425
Fines and Forfeitures	1,758,218	1,758,218	1,980,325	222,107
Intergovernmental	2,595,073	2,595,073	2,711,670	116,597
Interest	326,469	326,469	379,301	52,832
Rentals	209,391	209,391	236,264	26,873
Franchise Taxes	478,112	478,112	538,458	60,346
Miscellaneous	889,417	889,417	952,326	62,909
<i>Total Revenues</i>	<u>43,564,838</u>	<u>43,564,838</u>	<u>47,128,537</u>	<u>3,563,699</u>
Expenditures				
Current:				
General Government	16,988,118	15,689,619	14,460,348	1,229,271
Public Safety	16,162,928	16,585,467	15,215,736	1,369,731
Public Health Services	358,565	387,994	377,569	10,425
Transportation	3,358,834	3,773,834	3,307,389	466,445
Community Development	2,464,197	3,135,580	2,676,277	459,303
Sanitation	2,035,231	2,202,723	2,060,491	142,232
Culture and Recreation	2,142,844	2,286,844	2,007,688	279,156
<i>Total Expenditures</i>	<u>43,510,717</u>	<u>44,062,061</u>	<u>40,105,498</u>	<u>3,956,563</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	54,121	(497,223)	7,023,039	7,520,262
Other Financing Sources (Uses)				
Transfers Out	(2,514,420)	(4,729,871)	(5,542,833)	(812,962)
<i>Net Change in Fund Balance</i>	(2,460,299)	(5,227,094)	1,480,206	6,707,300
<i>Fund Balance Beginning of Year</i>	11,300,441	11,300,441	11,300,441	0
Prior Year Encumbrances Appropriated	44,844	44,844	44,844	0
<i>Fund Balance End of Year</i>	<u>\$8,884,986</u>	<u>\$6,118,191</u>	<u>\$12,825,491</u>	<u>\$6,707,300</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,518,921	\$2,912,135	\$2,624,416	(\$287,719)
Interest	112	146	125	(21)
Miscellaneous	18,648	24,381	20,850	(3,531)
<i>Total Revenues</i>	<u>1,537,681</u>	<u>2,936,662</u>	<u>2,645,391</u>	<u>(291,271)</u>
Expenditures				
Current:				
Transportation	1,514,904	2,894,561	2,557,144	337,417
Debt Service:				
Principal Retirement	0	0	54,801	(54,801)
Interest and Fiscal Charges	0	0	7,974	(7,974)
<i>Total Expenditures</i>	<u>1,514,904</u>	<u>2,894,561</u>	<u>2,619,919</u>	<u>274,642</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>22,777</u>	<u>42,101</u>	<u>25,472</u>	<u>(16,629)</u>
Other Financing Sources (Uses)				
Advances Out	0	(125,578)	0	125,578
Transfers In	62,319	81,481	69,677	(11,804)
<i>Total Other Financing Sources (Uses)</i>	<u>62,319</u>	<u>(44,097)</u>	<u>69,677</u>	<u>113,774</u>
<i>Net Change in Fund Balance</i>	85,096	(1,996)	95,149	97,145
<i>Fund Balance Beginning of Year</i>	2,088	2,088	2,088	0
Prior Year Encumbrances Appropriated	139,763	139,763	139,763	0
<i>Fund Balance End of Year</i>	<u>\$226,947</u>	<u>\$139,855</u>	<u>\$237,000</u>	<u>\$97,145</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio

Statement of Fund Net Position

Proprietary Fund

December 31, 2018

	Business Type Activities Enterprise Fund
	Sewer
Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$2,499,677
Accounts Receivable	2,231,883
Interfund Receivable	3,648
<i>Total Current Assets</i>	<u>4,735,208</u>
<i>Noncurrent Assets</i>	
Net Pension Asset	2,128
Capital Assets:	
Depreciable Capital Assets, Net	7,602,376
<i>Total Noncurrent Assets</i>	<u>7,604,504</u>
<i>Total Assets</i>	<u>12,339,712</u>
Deferred Outflows of Resources	
Pension	152,458
OPEB	31,191
<i>Total Deferred Outflows of Resources</i>	<u>183,649</u>
Liabilities	
<i>Current Liabilities</i>	
Accounts Payable	333,529
Contracts Payable	119,972
Accrued Wages	31,392
Retainage Payable	6,443
Accrued Interest Payable	1,766
Intergovernmental Payable	11,084
Compensated Absences Payable	199,446
General Obligation Bonds	55,000
OPWC Loans	31,484
OWDA Loans	33,524
<i>Total Current Liabilities</i>	<u>823,640</u>
<i>Long-Term Liabilities (Net of Current Portion)</i>	
Compensated Absences Payable	137,179
General Obligation Bonds	515,000
OPWC Loan Payable	165,007
OWDA Loan Payable	90,042
Net Pension Liability (See Note 13)	632,668
Net OPEB Liability (See Note 14)	419,863
<i>Total Long-Term Liabilities</i>	<u>1,959,759</u>
<i>Total Liabilities</i>	<u>2,783,399</u>
Deferred Inflows of Resources	
Pension	442,389
OPEB	194,990
<i>Total Deferred Inflows of Resources</i>	<u>637,379</u>
Net Position	
Net Investment in Capital Assets	6,712,319
Unrestricted	2,390,264
<i>Total Net Position</i>	<u>\$9,102,583</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2018*

	Business Type Activities Enterprise Fund
	Sewer
Operating Revenues	
Charges for Services	\$4,502,792
Miscellaneous	5,500
	4,508,292
<i>Total Operating Revenues</i>	<i>4,508,292</i>
Operating Expenses	
Personal Services	629,227
Other Than Personal Services	382,426
Depreciation	264,102
Other	1,195,892
	2,471,647
<i>Total Operating Expenses</i>	<i>2,471,647</i>
<i>Operating Income</i>	<i>2,036,645</i>
Non-Operating Revenues (Expenses)	
Interest and Fiscal Charges	(17,128)
Issuance Costs	(12,500)
	(29,628)
<i>Total Non Operating Revenues (Expenses)</i>	<i>(29,628)</i>
<i>Income Before Transfers</i>	<i>2,007,017</i>
Transfers In	85,884
	2,092,901
<i>Change in Net Position</i>	<i>2,092,901</i>
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<i>7,009,682</i>
	\$9,102,583
<i>Net Position End of Year</i>	<i>\$9,102,583</i>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business Type Activities Enterprise Fund
	Sewer
<i>Increase (Decrease) In Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Customers	\$4,545,491
Cash Received from Other Operating Sources	5,500
Cash Payments to Suppliers for Goods and Services	(1,582,664)
Cash Payments for Employee Services and Benefits	(792,744)
	2,175,583
<i>Net Cash Provided by (Used for) Operating Activities</i>	
Cash Flows from Capital and Related Financing Activities	
Proceeds of Bonds	635,000
Issuances Costs on Bonds Issued	(12,500)
Principal Paid on OPWC Loans	(4,260)
Principal Paid on OWDA Loans	(47,790)
Interest Paid on OWDA Loans	(9,387)
Acquisition of Capital Assets	(650,872)
	(89,809)
<i>Net Cash Provided by (Used for)</i> <i>Capital and Related Financing Activities</i>	(89,809)
<i>Cash and Cash Equivalents Beginning of Year</i>	413,903
<i>Cash and Cash Equivalents End of Year</i>	\$2,499,677

City of Cleveland Heights, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2018

	Business Type Activities Enterprise Fund
	Sewer
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
<i>Operating Income (Loss)</i>	\$2,036,645
Adjustments:	
Depreciation	264,102
(Increase)/Decrease in Assets:	
Accounts Receivable	46,347
Materials and Supplies Inventory	4,084
Interfund Receivable	(3,648)
Net Pension Asset	(1,937)
Deferred Outflows - Pension	159,790
Deferred Outflows - OPEB	23,588
Increase/(Decrease) in Liabilities:	
Accounts Payable	199,815
Contracts Payable	(187,400)
Accrued Wages	31,392
Compensated Absences	(14,982)
Retainage Payable	(26,452)
Intergovernmental Payable	(2,729)
Net Pension Liability	(40,824)
Net OPEB Liability	22,770
Deferred Inflows - Pension	(248,888)
Deferred Inflows - OPEB	(86,090)
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$2,175,583

Non-Cash Capital Transactions

During 2018, the general bond retirement fund paid \$65,000 in principal and \$9,402 interest on vehicle acquisition bonds for the sewer enterprise funds.

During 2018, the street construction, maintenance and repair special revenue fund paid \$11,482 in principal on an Ohio Public Works Commission loan for the sewer enterprise fund.

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2018

Assets	
Equity in Pooled Cash and Cash Equivalents	\$564,357
Cash and Cash Equivalents in Segregated Accounts	<u>404,780</u>
<i>Total Assets</i>	<u><u>\$969,137</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$969,137</u></u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The City of Cleveland Heights (the City) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter since August 9, 1921. The current Charter provides for a Council/Manager form of government.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The City of Cleveland Heights's primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a firefighting force, and a street maintenance and sanitation force, refuse collection, recreation programs, municipal court, public health, community development, public improvements, water and sewer services, and general administrative services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific burden on, the primary government. The reporting entity of the City does not include any component units.

The Cleveland Heights Municipal Court has been included in the City's financial statements as an agency fund. The Clerk of Courts is an appointed City official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

The City is associated with two jointly governed organizations, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Northeast Ohio Public Energy Council. Information about these organizations is presented in Note 18 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

Fund Accounting

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

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

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Cleveland Heights and/or the general laws of Ohio.

Street Construction, Maintenance and Repair Fund The street construction, maintenance and repair fund accounts for and reports the portion of the State gasoline tax and motor vehicle registration fees restricted for the maintenance and repair of dedicated streets within the City.

General Bond Retirement Fund The general bond retirement fund accounts for property taxes and special assessments restricted for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the City's major enterprise fund.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own program. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City only utilizes the agency fund type. The City's primary agency funds account for the municipal court, payroll, NEORSD, First Suburbs Consortium, sales tax and construction deposits and miscellaneous receipts.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

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

Basis of Accounting

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlement and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 9). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, special assessments, charges for services and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 21. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. Budgetary information for the public building maintenance special revenue fund is not reported because the fund did not have any budgetary activity in 2018. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations resolution is City Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by Council at the department level for personal services, capital outlay, other than personal services, and non-governmental expenditures for all funds. The City Manager or Finance Director is authorized to transfer amounts between objects of expenditure within and between departments so long as the total appropriation for each department does not exceed that of the Council approved appropriation.

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

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

Pooled Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During 2018, investments were limited to STAR Ohio, federal farm credit bank bonds, federal national mortgage association bonds and federal home loan bank bonds.

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

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Except for nonparticipating investment contracts investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements, are reported at cost.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the general fund during 2018 was \$391,083, which includes \$212,300 assigned from other City funds.

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

Materials and Supplies Inventory

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

Assets Held for Resale

Assets held for resale represent homes purchased and repaired to be sold under the Neighborhood Stabilization Program for development purposes.

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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

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

Description	Estimated Lives
Land Improvements	30-50 years
Building and Improvements	30-50 years
Machinery and Equipment	3-20 years
Infrastructure	15 -100 years

City's infrastructure consists of streets and sidewalks, off-street parking lots and water, sanitary sewer and storm sewer lines and includes infrastructure acquired prior to December 31, 1980.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as interfund receivables/payables. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future (those employees who will be eligible to receive termination payments in the next twenty years). The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the City's termination policy.

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employee who has accumulated unpaid leave is paid.

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Fund Balance

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

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

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

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

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include street maintenance and repair, municipal court clerk computerization, and public safety.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

Bond Premiums and Discounts

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Deferred Charge on Refunding

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

Estimates

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

Note 3 – Change in Accounting Principle and Restatement of Fund Balance/Net Position

For fiscal year 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For 2018, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expense. The effect of the implementation is listed below.

Restatement of Fund Balances and Net Position

The City entered into an agreement to transfer the water operations of the City to the City of Cleveland, effective January 1, 2017. No consideration was provided in the transfer, although the agreement provided for an arrearage amount of \$5,191,071 that had previously not been reported as a liability by the City of Cleveland Heights to be repaid through a direct user charge assessed on the water customers within Cleveland Heights that will be collected through 2021. Had the transfer of operations been accounted for during 2017, a special item in the amount of (\$8,820,093) would have been reported. After the transfer, pursuant to the agreement, to the City of Cleveland, all remaining water fund assets, including cash, and all liabilities, including loans were assigned to the general bond retirement and general governmental funds and sewer enterprise fund. Upon

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

review of the loan documents pursuant to the transfer, the OWDA and OPWC loans had previously been reported incorrectly as having revenue pledged for repayment. This reporting differs from previous years, where these loans were reported as having revenue pledged for repayment. As result of the transfer as well as the implementation of GASB 75, there was a change in fund balance and net position as reported at December 31, 2017:

	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
Fund Balance at December 31, 2017	\$15,157,566	\$5,321	\$1,564,354	\$10,341,759	\$27,069,000
Adjustments:					
Transfer of Water Operations	<u>1,836,814</u>	<u>0</u>	<u>512,931</u>	<u>0</u>	<u>2,349,745</u>
Restated Fund Balance December 31, 2017	<u>\$16,994,380</u>	<u>\$5,321</u>	<u>\$2,077,285</u>	<u>\$10,341,759</u>	<u>\$29,418,745</u>

	Governmental Activities	Business - Type Activities
Net Position December 31, 2017	<u>\$62,786,068</u>	<u>\$9,859,301</u>
Adjustments:		
Net OPEB Liability	(36,632,616)	(632,504)
Deferred Outflow - Payments Subsequent to Measurement Date	199,917	9,110
Arrearage - Restatement (Component of Special Item)	0	(5,191,071)
Capital Assets - Restatement (Component of Special Item)	0	14,046,150
Restatement of Special Item on Transfer of Water Operations	0	(8,820,093)
Transfer of Water Operations	<u>2,261,211</u>	<u>(2,261,211)</u>
Restated Net Position December 31, 2017	<u>\$28,614,580</u>	<u>\$7,009,682</u>

	Water	Sewer	Total Enterprise
Net Position December 31, 2017	<u>\$1,926,266</u>	<u>\$7,933,035</u>	<u>\$9,859,301</u>
Adjustments:			
Net OPEB Liability	0	(632,504)	(632,504)
Deferred Outflow - Payments Subsequent to Measurement Date	0	9,110	9,110
Arrearage - Restatement (Component of Special Item)	(5,191,071)	0	(5,191,071)
Capital Assets - Restatement (Component of Special Item)	14,046,150	0	14,046,150
Restatement of Special Item on Transfer of Water Operations	(8,820,093)	0	(8,820,093)
Transfer of Water Operations - Transfer to Sewer	299,959	(299,959)	0
Transfer of Water Operations - Transfer to Governmental Activities	<u>(2,261,211)</u>	<u>0</u>	<u>(2,261,211)</u>
Restated Net Position December 31, 2017	<u>\$0</u>	<u>\$7,009,682</u>	<u>\$7,009,682</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 4 - Compliance and Accountability

Compliance

The following accounts had expenditures plus encumbrances in excess of appropriations, contrary to Ohio Revised Code Section 5705.41.

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<i>General</i>			
General Government:			
Management Information System:			
Capital Outlay	\$3,405	\$7,496	(\$4,091)
Law Department:			
Other than Personal Services	302,550	320,614	(18,064)
Public Properties and Park Maintenance:			
Other than Personal Services	1,011,350	1,024,900	(13,550)
Non-Governmental	0	12,563	(12,563)
Hospitalization:			
Personal Services	5,107,375	5,262,342	(154,967)
Water Administration:			
Capital	55,000	146,584	(91,584)
Public Safety:			
Police Motor Vehicle Maintenance:			
Other than Personal Services	0	7,014	(7,014)
Fire Prevention Bureau:			
Other than Personal Services:	4,850	6,755	(1,905)
Transportation:			
Off Street Parking:			
Personal Services	0	3,281	(3,281)
Community Development:			
Planning Department:			
Other than Personal Services	23,075	24,552	(1,477)
Culture and Recreation:			
Swimming Pools:			
Personal Services	267,721	281,126	(13,405)
Ice Programs:			
Other than Personal Services	23,850	24,793	(943)
General Recreation Programs:			
Other than Personal Services	36,500	39,570	(3,070)
<i>Street Construction, Maintenance and Repair</i>			
Debt Service:			
Principal Retirement	0	54,801	(54,801)
Interest and Fiscal Charges	0	7,974	(7,974)

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<i>Communications System</i>			
Public Safety:			
Communications System Operating:			
Other than Personal Services	\$0	\$1,346,496	(\$1,346,496)
<i>Cain Park Operating</i>			
Culture and Recreation:			
Cain Park Administration:			
Personal Services	174,900	183,695	(8,795)
Other than Personal Services	714,017	715,380	(1,363)
<i>Police Pension</i>			
Public Safety:			
Police Pension:			
Personal Services	1,140,830	1,156,171	(15,341)
<i>Fire Pension</i>			
Public Safety:			
Fire Pension:			
Personal Services	1,571,259	1,633,234	(61,975)

The following funds have original appropriations in excess of estimated resources and carryover encumbrances as reported on the Official Certificate of Estimated Resources contrary to Ohio Revised Code Section 5705.39:

Fund	Original Appropriations Plus Prior Year Encumbrance	Original Estimated Resources	Excess
<i>Special Revenue Funds:</i>			
Drug Law Enforcement Trust	\$157,500	\$151,640	(\$5,860)
FEMA Grant	242,260	239,668	(2,592)
Cain Park Operating	894,505	877,085	(17,420)
Police Pension	1,140,830	1,078,450	(62,380)
Fire Pension	1,509,259	1,435,978	(73,281)

The community development block grant and police pension special revenue funds have final appropriations in excess of estimated resources and carryover encumbrances as reported on the Official Certificate of Estimated Resources in the amounts of \$70,056 and \$380, respectively, contrary to Ohio Revised Code Section 5705.39.

The City had negative cash balances in the following funds indicating that revenue from other sources were used to pay obligations of this fund contrary to Ohio Revised Code Section 5705.10:

Fund	Amount
<i>Special Revenue Funds:</i>	
Communications System	\$78,295
Cain Park Operating	13,755
Municipal Court Clerk Computerization	6,159
Fire Pension	63,053
<i>Capital Projects Funds:</i>	
Capital Improvements	311,654

Although these budgetary violations and cash deficits were not corrected by year end, management has indicated that appropriations and cash balances will be closely monitored to prevent future violations.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Accountability

At December 31, 2018, the following funds had deficit fund balances.

Fund	Amounts
Special Revenue Funds:	
Communications System	\$120,741
Cain Park Operating	24,360
Municipal Court Clerk Computerization	23,288
Fire Pension	425,369
Capital Projects Funds:	
Capital Improvements	311,654

The deficit fund balances in the special revenue funds are the result of expenditures on the modified accrual basis of accounting which are substantially greater than expenditures recognized on the cash basis. The general fund is liable for any deficits in these funds and provides transfers when cash is required not when accruals occur.

Note 5 – Fund Balances

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

Fund Balances	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>					
Inventory	\$721,773	\$0	\$0	\$57,855	\$779,628
<i>Restricted for:</i>					
Capital Projects	0	0	0	462,781	462,781
Debt Service	0	0	1,182,631	0	1,182,631
Road Improvements	0	550,639	0	136,968	687,607
Community Development	0	0	0	2,680,501	2,680,501
Municipal Court Special Projects	0	0	0	2,040,179	2,040,179
Street Lighting	0	0	0	866,860	866,860
Public Safety	0	0	0	612,585	612,585
Drug and Law Enforcement	0	0	0	487,077	487,077
Other Purposes:					
Aging and Youth Recreation	0	0	0	58,972	58,972
Juvenile Deversion Program	0	0	0	3,724	3,724
Total Restricted	\$0	\$550,639	\$1,182,631	\$7,349,647	\$9,082,917

(continued)

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Fund Balances	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
<i>Committed to:</i>					
Public Building Maintenance	\$0	\$0	\$0	\$423	\$423
Ambulance Services	0	0	0	1,729,393	1,729,393
Police Facility Improvement	0	0	0	48,579	48,579
Ring Road Construction	0	0	0	35,045	35,045
<i>Total Committed</i>	0	0	0	1,813,440	1,813,440
<i>Assigned to:</i>					
Economic Development	0	0	0	1,610,178	1,610,178
City Hall Maintenance	0	0	0	78,544	78,544
Earned Benefits	67,126	0	0	0	67,126
<i>Total Assigned</i>	67,126	0	0	1,688,722	1,755,848
Unassigned (Deficit)	16,566,585	0	0	(905,412)	15,661,173
Total Fund Balances	\$17,355,484	\$550,639	\$1,182,631	\$10,004,252	\$29,093,006

Note 6 – Budgetary Basis of Accounting

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

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Investments are reported at fair value (GAAP) rather than cost (budget basis).
- (c) Unrecorded cash which consists of cash on hand that is not reported by the City on the operating statements (budget basis), but is reported on the GAAP basis operating statement.
- (d) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (e) Budgetary revenues and expenditures of the earned benefits fund are classified to the general fund for GAAP reporting.
- (f) Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP).

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund.

	General	Street Construction, Maintenance and Repair
GAAP Basis	\$361,104	\$545,318
Net Adjustment for Revenue Accruals	(757,628)	22,289
Beginning Fair Value Adjustment for Investments	(28,750)	0
Ending Fair Value Adjustment for Investments	7,580	0
Beginning Unrecorded Cash	98,761	0
Ending Unrecorded Cash	(85,144)	0
Net Adjustment for Expenditure Accruals	2,133,057	(233,425)
Excess of revenues and other financing sources over expenditures and other uses:		
Earned Benefits	(71,714)	0
Encumbrances	(177,060)	(239,033)
Budget Basis	\$1,480,206	\$95,149

Note 7 – Deposits and Investments

Monies held by the City are classified by State statute into three categories.

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Investments

Investments are reported at fair value. As of December 31, 2018, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value Per Share				
Star Ohio	\$17,643,936	44.9 days	AAAm	N/A
Fair Value - Level Two Inputs				
Federal Farm Credit Bank Bonds	248,005	Less than one year	AA+	1.34
Federal National Mortgage Association Bonds	247,325	Less than one year	AA+	1.33
Federal Home Loan Bank Bonds	396,625	Less than one year	AA+	2.14
Total Fair Value - Level Two Inputs	891,955			
Total	\$18,535,891			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2018. STAR Ohio is measured at net asset value per share. The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

Credit Risk Federal home loan bank bonds, federal farm credit bank bonds and federal national mortgage association bonds are registered and carry a rating of AA+ by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 – Interfund Transfers and Balances

Interfund Transfers

At December 31, 2018 interfund transfers were as follows:

Transfers To	Transfers From				Total
	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	
<i>Major Funds:</i>					
General Bond Retirement	\$0	\$0	\$0	\$39,185	\$39,185
Street Construction, Maintenance and Repair	69,677	0	0	0	69,677
Other Governmental Funds	4,725,549	0	0	76,500	4,802,049
Total Governmental Funds	4,795,226	0	0	115,685	4,910,911
<i>Business-Type:</i>					
Sewer	0	11,482	74,402	0	85,884
Total	\$4,795,226	\$11,482	\$74,402	\$115,685	\$4,996,795

The general fund transfers to the street construction, maintenance and repair special revenue fund and other governmental funds were made to provide additional resources for capital improvements and current operations. The other governmental funds transfers to the general bond retirement fund were made for the portion of 2018 general obligation bond payments related to those funds. The transfers from other governmental funds to other governmental funds were made for fund contributions for pension liabilities. The transfers from the street construction, maintenance and repair special revenue and general bond retirement funds to the sewer enterprise fund were to move the respective OPWC and OWDA principal payments made from the street construction, maintenance and repair and general bond retirement funds.

Interfund Balances

As of December 31, 2018, interfund balances were as follows:

Interfund Payable	Interfund Receivable		
	General	Sewer	Totals
<i>Governmental:</i>			
General Fund	\$0	\$3,648	\$3,648
Street Construction Maintenance and Repair Fund	125,578		125,578
Other Governmental Funds	1,211,385	0	1,211,385
Total	\$1,336,963	\$3,648	\$1,340,611

Interfund balances at December 31, 2018, consisted of general fund advances of \$125,578 to the street construction, maintenance and repair special revenue fund and \$1,211,385 to nonmajor special revenue funds due to deficit cash balances and due to the timing of reimbursement of expenditures. The general fund has an interfund payable to the sewer enterprise funds in the amount of \$3,648, for utilities receivable at December 31, 2018. All advances are expected to be repaid within one year.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 – Receivables

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, notes receivable, accrued interest on investments, and accounts (billings for water and utility services).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. All receivables, except for delinquent property taxes, delinquent water and utility accounts receivable, special assessments and notes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$5,883,592 in the tree and street lighting special revenue funds and the general bond retirement fund. At December 31, 2018, the amount of delinquent special assessments was \$2,384,410.

Notes receivable expected to be collected in more than one year amount to \$1,070,609. At December 31, 2018 there were no delinquent loans.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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

Public utility personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018 was \$12.42 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2018 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	\$678,829,930
Other Real Estate	112,853,640
Public Utility Property	<u>16,785,770</u>
Total Assessed Valuation	<u><u>\$808,469,340</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Cleveland Heights. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2018 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies an income tax of 2.25 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 50 percent of the tax paid to another municipality, to a maximum of one-half of one percent of income earned outside the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of 3 percent. Taxes collected by RITA in one month are remitted to the City between the first and tenth business days of the following month. Income tax revenue is credited to the general fund.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Local Government	\$673,934
Homestead and Rollback	598,491
Gas Excise Tax	554,769
CDBG Grant	355,555
Auto Registration	205,027
Federal Assistance Sharing Grant	<u>9,331</u>
<i>Total Intergovernmental Receivables</i>	<u><u>\$2,397,107</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 10 – Capital Assets

A summary of changes in capital assets during 2018 follows:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$5,288,136	\$0	\$0	\$5,288,136
Construction in Progress	5,678,093	1,860,923	(4,557,241)	2,981,775
Intangible Assets	32,707	0	0	32,707
<i>Total Nondepreciable Capital Assets</i>	<u>10,998,936</u>	<u>1,860,923</u>	<u>(4,557,241)</u>	<u>8,302,618</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	2,184,283	0	0	2,184,283
Building and Improvements	62,524,089	1,430,253	0	63,954,342
Machinery and Equipment	25,640,015	1,087,992	(226,959)	26,501,048
Infrastructure				
Streets and Sidewalks	60,503,859	3,918,279	0	64,422,138
Off-Street Parking	3,275,882	0	0	3,275,882
<i>Total Depreciable Capital Assets</i>	<u>154,128,128</u>	<u>6,436,524</u>	<u>(226,959)</u>	<u>160,337,693</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(1,401,239)	(88,423)	0	(1,489,662)
Building and Improvements	(28,133,927)	(1,607,187)	0	(29,741,114)
Machinery and Equipment	(18,928,367)	(1,405,072)	226,959	(20,106,480)
Infrastructure				
Streets and Sidewalks	(26,766,398)	(2,443,761)	0	(29,210,159)
Off-Street Parking	(1,923,813)	(69,829)	0	(1,993,642)
<i>Total Accumulated Depreciation</i>	<u>(77,153,744)</u>	<u>(5,614,272) *</u>	<u>226,959</u>	<u>(82,541,057)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>76,974,384</u>	<u>822,252</u>	<u>0</u>	<u>77,796,636</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$87,973,320</u>	<u>\$2,683,175</u>	<u>(\$4,557,241)</u>	<u>\$86,099,254</u>

*Depreciation expense was charged to governmental functions as follows:

General Government	\$1,110,707
Public Safety	629,287
Transportation	2,698,953
Community Development	125,194
Sanitation	283,061
Culture and Recreation	767,070
Total	<u>\$5,614,272</u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Business-Type Activities				
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	\$148,238	\$0	\$0	\$148,238
Machinery and Equipment	4,411,953	650,872	0	5,062,825
Infrastructure				
Sanitary Sewer Lines	7,538,699	0	0	7,538,699
Storm Sewer Lines	2,941,631	0	0	2,941,631
<i>Total Depreciable Capital Assets</i>	<u>15,040,521</u>	<u>650,872</u>	<u>0</u>	<u>15,691,393</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(70,203)	(6,385)	0	(76,588)
Machinery and Equipment	(4,282,352)	(60,783)	0	(4,343,135)
Infrastructure				
Sanitary Sewer Lines	(2,303,766)	(125,323)	0	(2,429,089)
Storm Sewer Lines	(1,168,594)	(71,611)	0	(1,240,205)
<i>Total Accumulated Depreciation</i>	<u>(7,824,915)</u>	<u>(264,102)</u>	<u>0</u>	<u>(8,089,017)</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$7,215,606</u>	<u>\$386,770</u>	<u>\$0</u>	<u>\$7,602,376</u>

Note 11 – Significant Commitments

Contractual Commitments

At December 31, 2018, the City had \$2,579,763 in significant contractual commitments which consisted of several construction projects, including the Mayfield Road Signalization, street resurfacing, service garage roof replacement and sanitary sewer overflow. \$402,011 of the remaining commitment amounts were encumbered at year end.

Encumbrances

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

Governmental Funds:		Proprietary Funds:	
General Fund	\$177,060	Sewer	<u>\$259,868</u>
Street Construction, Maintenance and Repair Fund	239,033		
Other Governmental Funds	<u>72,113</u>		
Total Governmental Funds	<u>\$488,206</u>		

Note 12 – Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with Gallagher Bassett Company for all their commercial insurance.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	\$105,547,000	\$50,000
General Liability	15,000,000	100,000
Automobile Liability	10,000,000	50,000
Public Officials Liability	15,000,000	100,000
Police Professional Liability	15,000,000	100,000

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

The City participates in the State Workers' Compensation retrospective rating and payment system. Once the City receives notice of the 2018 claims paid by the Bureau of Workers' Compensation, the City will reimburse the State for claims paid on the City's behalf. The payable is reclassified from claims payable to intergovernmental payable. The maintenance of these benefits is accounted for in the general fund. Claims of \$702,431 have been accrued as a liability at December 31, 2018 based on an estimate provided by Comp Management, Inc., the City's third party administrator. Changes in the claims liability amount for workers' compensation in 2017 and 2018 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2017	\$274,118	1,321,486	870,573	\$725,031
2018	725,031	611,658	634,258	702,431

Note 13 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset) /Net OPEB Liability (Asset)

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2018, The City's contractually required contribution was \$1,859,355 for the traditional plan, \$25,464 for the combined plan and \$25,724 for the member-directed plan. Of these amounts, \$200,208 is reported as an intergovernmental payable for the traditional plan, \$2,701 for the combined plan, and \$2,735 for the member-directed plan.

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

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

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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

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

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,699,820 for 2018. Of this amount, \$289,331 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability (asset) 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 of the City's defined benefit pension plans:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.10082000%	0.03906500%	0.60277600%	
Prior Measurement Date	<u>0.10891600%</u>	<u>0.04750000%</u>	<u>0.56298000%</u>	
Change in Proportionate Share	<u>-0.00809600%</u>	<u>-0.00843500%</u>	<u>0.03979600%</u>	
Proportionate Share of the:				
Net Pension Liability	\$15,816,704	\$0	\$36,995,085	\$52,811,789
Net Pension Asset	0	53,180	0	53,180
Pension Expense	2,354,834	(37,685)	4,558,360	6,875,509

2018 pension expense for the member-directed defined contribution plan was \$25,724.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$16,153	\$4,647	\$561,426	\$582,226
Changes of assumptions	1,890,202	0	1,612,071	3,502,273
Changes in proportion and differences between City contributions and proportionate share of contributions	0	4,091	4,241,615	4,245,706
City contributions subsequent to the measurement date	<u>1,859,355</u>	<u>25,464</u>	<u>2,699,820</u>	<u>4,584,639</u>
Total Deferred Outflows of Resources	<u>\$3,765,710</u>	<u>\$34,202</u>	<u>\$9,114,932</u>	<u>\$12,914,844</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$311,698	\$15,843	\$66,925	\$394,466
Net difference between projected and actual earnings on pension plan investments	3,395,638	8,390	1,279,746	4,683,774
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,366,255</u>	<u>0</u>	<u>2,732,035</u>	<u>4,098,290</u>
Total Deferred Inflows of Resources	<u>\$5,073,591</u>	<u>\$24,233</u>	<u>\$4,078,706</u>	<u>\$9,176,530</u>

\$4,584,639 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 or increase to the net pension asset in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2019	\$501,428	(\$2,175)	\$1,359,328	\$1,858,581
2020	(778,088)	(2,404)	1,022,871	242,379
2021	(1,495,259)	(4,284)	(302,639)	(1,802,182)
2022	(1,395,317)	(4,085)	(642,214)	(2,041,616)
2023	0	(1,141)	712,191	711,050
Thereafter	0	(1,406)	186,869	185,463
Total	<u>(\$3,167,236)</u>	<u>(\$15,495)</u>	<u>\$2,336,406</u>	<u>(\$846,325)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017, are presented below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.5 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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 2017, 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 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 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. 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 (Asset) to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$28,086,436	\$15,816,704	\$5,587,444
OPERS Combined Plan	(28,908)	(53,180)	(69,926)

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net pension liability is not known.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2017, compared with January 1, 2016, are presented below.

	January 1, 2017	January 1, 2016
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

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

For the January 1, 2016 valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed 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 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 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, 2017, are summarized below:

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

Note: Assumptions are geometric.

* levered 2x

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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 For 2017, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2016 was 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$51,284,888	\$36,995,085	\$25,340,443

Note 14 - Postemployment Benefits

See Note 13 for a description of the net OPEB liability

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$7,350 for 2018. Of this amount, \$781 is reported as an intergovernmental payable.

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

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$64,123 for 2018. Of this amount, \$6,758 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, 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, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. 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:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.096660%	0.602776%	
Prior Measurement Date	<u>0.104370%</u>	<u>0.562980%</u>	
Change in Proportionate Share	<u>-0.007710%</u>	<u>0.039796%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,496,564	\$34,152,444	\$44,649,008
OPEB Expense	(\$643,008)	(\$2,945,692)	(\$3,588,700)

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$8,177	\$0	\$8,177
Changes of assumptions	764,261	3,332,552	4,096,813
Changes in proportion and differences between City contributions and proportionate share of contributions	0	1,605,055	1,605,055
City contributions subsequent to the measurement date	<u>7,350</u>	<u>64,123</u>	<u>71,473</u>
Total Deferred Outflows of Resources	<u>\$779,788</u>	<u>\$5,001,730</u>	<u>\$5,781,518</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$172,250	\$172,250
Net difference between projected and actual earnings on OPEB plan investments	781,924	224,807	1,006,731
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>526,849</u>	<u>0</u>	<u>526,849</u>
Total Deferred Inflows of Resources	<u>\$1,308,773</u>	<u>\$397,057</u>	<u>\$1,705,830</u>

\$71,473 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 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Year Ending December 31:	OPERS	OP&F	Total
2019	(\$78,064)	\$640,488	\$562,424
2020	(78,064)	640,488	562,424
2021	(184,726)	640,488	455,762
2022	(195,481)	640,488	445,007
2023	0	696,689	696,689
Thereafter	0	1,281,909	1,281,909
Total	(\$536,335)	\$4,540,550	\$4,004,215

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, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

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 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$13,945,138	\$10,496,564	\$7,706,702

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$10,042,974	\$10,496,564	\$10,965,110

Changes between Measurement Date and Report Date

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change will be effective for the 2018 valuation. The exact amount of the impact to the City's net OPEB liability is not known.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

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 OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Discount Rate The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$42,690,967	\$34,152,444	\$27,582,365

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
Year					
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$26,530,232	\$34,152,444	\$44,424,605

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

Note 15 – Compensated Absences

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

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. An employee with ten or more consecutive years of service is entitled to payment to a maximum of 240 hours for accumulated sick leave.

Note 16 – Solid Waste

In accordance with a notice letter received from the Ohio Environmental Protection Agency, the City of Cleveland Heights executed the final closure financial assurance instrument for the solid waste transfer station by the required September 30, 2003, deadline. The financial test assured that the City could support any amount up to \$200,000 in post-closure costs and that the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17. This location is used for the transfer of solid waste from the City's refuse trucks to a larger loader which is used to transport the waste to a commercial landfill located outside the City. At December 31, 2018, the current final closure cost estimate is \$170,737, and is reported as a liability on the City's books.

Note 17 – Contingent Liabilities

Litigation

The City of Cleveland Heights is a party to legal proceedings seeking damages. The City management is of opinion that ultimate disposition of these claims and legal proceeding will not have a material effect, if any, on the financial condition of the City. The City entered into a partial consent decree with USEPA in connection with discharges from the City's overflow structures. The partial consent decree requires improvements in the maintenance and management of the City's sewer system between 2017 and 2021 that will cost approximately \$12 million. These improvements will be financed by sewer rates.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Federal and State Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2018.

Note 18 – Jointly Governed Organizations

First Suburbs Consortium of Northeast Ohio Council of Governments The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 12 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain, and redevelop mature communities and other matters which affect health, safety, welfare, education economic conditions and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the Council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2018, the City made no contributions to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, OH 44118.

Northeast Ohio Public Energy Council The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City did not contribute to NOPEC during 2018. Financial information can be obtained by contacting Joseph Migliorini, the Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at the website www.nopecinfo.org.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 19 – Notes Payable

Changes in the City’s note activity for the year ended December 31, 2018, were as follows:

	Outstanding 12/31/2017	Additions	(Reductions)	Outstanding 12/31/2018
Governmental Activities:				
<i>General Obligation</i>				
<i>Bond Retirement Fund:</i>				
Street Improvements	\$25,000	\$20,000	(\$25,000)	\$20,000
Motorized Equipment	479,000	120,000	(479,000)	120,000
Computer Equipment	59,000	0	(59,000)	0
Premium	15,202	0	(15,202)	0
<i>Total Governmental Activities</i>	<u>\$578,202</u>	<u>\$140,000</u>	<u>(\$578,202)</u>	<u>\$140,000</u>

In 2018, the City issued \$140,000 in bond anticipation notes to help finance street improvements and for the purchase of motorized equipment and computer equipment with an interest rate of 2.18 percent. At December 31, 2018, the improvements and equipment have been completed and the notes matured on July 23, 2019. See Note 23 for more information.

The notes are backed by the full faith and credit of the City and mature within one year. The note liabilities are reflected in the fund which received the proceeds and have been repaid with general tax revenues collected in the bond retirement fund. The notes are generally issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

Note 20 – Long-term Obligations

The original issue date, maturity date, interest rate and original issuance amount for each of the City’s bonds and notes follows:

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
General Obligation Bonds				
Various Purpose	2014	2028	3.19	\$3,125,000
Various Purpose	2015	2029	1.91	2,322,000
Various Purpose	2016	2030	1.91	1,600,000
Various Purpose	2017	2028	2.26	1,325,000
Cedar Lee Parking Deck Refunding	2015	2028	2.03	4,640,000
Building Improvements	2017	2037	3.0 - 3.125	5,970,000
Special Assessment Bonds				
Ring Road Improvement Refunding	2014	2029	2.93	2,510,000
OPWC Loans				
Cedar Road	2000	2020	0	940,876
Taylor Road Rehabilitation	2001	2021	0	132,780
Coventry Road Rehabilitation	2005	2025	0	369,741
Lee Road Rehabilitation	2006	2029	0	39,852
Meadowbrook Boulevard	2006	2026	0	2,204,524
Monticello Boulevard	2010	2031	0	248,880
Monticello Boulevard	2012	2034	0	640,800

(continued)

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities (continued)				
OWDA Loan				
OWDA Loan - Runnymede Water Line	2010	2030	3.84	\$280,298
Long-term Notes				
Street Improvements	2018	2019	2.18	252,000
Motorized Equipment	2018	2019	2.18	33,000
State Infrastructure Bank Loan				
Taylor Road Rehab	2014	2022	3	427,323
Business-Type Activities				
General Obligation Bonds				
Vehicle Acquisition	2018	2027	2.85	635,000
OPWC Loans				
Cedar Road - Sewer	2000	2020	0	170,407
Meadowbrook Boulevard Rehabilitation - Sewer	2006	2022	0	459,276
OWDA Loans				
OWDA Loan - Demington Sewer	2007	2022	4.12	425,071

Changes in long-term obligations during the year ended December 31, 2018, consisted of the following:

	Restated Balance* 12/31/2017	Increase	Decrease	Balance 12/31/2018	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
2014 Various Purpose Bonds	\$2,170,000	\$0	\$285,000	\$1,885,000	\$245,000
2015 Various Purpose Bonds	1,781,000	0	217,000	1,564,000	217,000
2016 Various Purpose Bonds	1,485,000	0	115,000	1,370,000	120,000
2017 Various Purpose Bonds	1,325,000	0	140,000	1,185,000	140,000
2015 Cedar Lee Parking Deck Refunding Bonds	4,480,000	0	370,000	4,110,000	375,000
2017 Building Improvement Bonds	5,970,000	0	155,000	5,815,000	230,000
Unamortized Premium	214,216	0	5,562	208,654	0
Unamortized Discount	(91,758)	0	(2,382)	(89,376)	0
<i>Total General Obligation Bonds</i>	<u>17,333,458</u>	<u>0</u>	<u>1,285,180</u>	<u>16,048,278</u>	<u>1,327,000</u>
Special Assessment Bonds (with governmental commitment)					
2014 Ring Road Improvement Refunding	2,140,000	0	125,000	2,015,000	125,000
OPWC Loans					
2000 Cedar Road	94,090	0	23,522	70,568	47,044
2001 Taylor Road Rehabilitation	23,236	0	3,320	19,916	6,639
2005 Coventry Road Rehabilitation	129,409	0	9,244	120,165	18,487
2006 Lee Road Rehabilitation	22,915	0	996	21,919	1,993
2006 Meadowbrook Boulevard	585,578	0	34,446	551,132	68,891
2010 Monticello Boulevard	161,772	0	6,222	155,550	12,444
2012 Monticello Boulevard	405,713	0	12,679	393,034	25,357
<i>Total OPWC Loans</i>	<u>1,422,713</u>	<u>0</u>	<u>90,429</u>	<u>1,332,284</u>	<u>180,855</u>

(continued)

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

	Restated Balance* 12/31/2017	Increase	Decrease	Balance 12/31/2018	Amounts Due in One Year
Governmental Activities (continued)					
OWDA Loan					
2010 Runnymede Water Line	\$205,278	\$0	\$18,843	\$186,435	\$13,173
Long-term Notes					
Street Improvements	272,000	252,000	272,000	252,000	0
Motorized Equipment	450,000	330,000	450,000	330,000	0
<i>Total Long-term Notes</i>	<u>722,000</u>	<u>582,000</u>	<u>722,000</u>	<u>582,000</u>	<u>0</u>
Other Long-Term Obligations					
Compensated Absences Payable	5,450,623	2,787,780	3,040,978	5,197,425	2,384,487
Workers' Compensation Liability	725,031	611,658	634,258	702,431	629,563
State Infrastructure Loan Payable	278,875	0	52,504	226,371	54,091
Solid Waste Liability	167,718	3,019	0	170,737	0
Capital Leases	507,061	447,201	90,841	863,421	169,172
<i>Total Other Long-Term Obligations</i>	<u>7,129,308</u>	<u>3,849,658</u>	<u>3,818,581</u>	<u>7,160,385</u>	<u>3,237,313</u>
Net Pension Liability					
OPERS	23,150,058	0	7,966,022	15,184,036	0
OPF	35,658,588	1,336,497	0	36,995,085	0
<i>Total Net Pension Liability</i>	<u>58,808,646</u>	<u>1,336,497</u>	<u>7,966,022</u>	<u>52,179,121</u>	<u>0</u>
Net OPEB Liability					
OPERS	9,909,221	167,480	0	10,076,701	0
OPF	26,723,395	7,429,049	0	34,152,444	0
<i>Total Net OPEB Liability</i>	<u>36,632,616</u>	<u>7,596,529</u>	<u>0</u>	<u>44,229,145</u>	<u>0</u>
Total Governmental Long-Term Liabilities	<u>\$124,394,019</u>	<u>\$13,364,684</u>	<u>\$14,026,055</u>	<u>\$123,732,648</u>	<u>\$4,883,341</u>
Business-Type Activities					
General Obligation Bonds					
2018 Vehicle Acquisition Bonds	\$0	\$635,000	\$65,000	\$570,000	\$55,000
OPWC Loans					
Cedar Road - Sewer	17,041	0	4,260	12,781	8,520
Meadowbrook Boulevard Rehabilitation - Sewer	195,192	0	11,482	183,710	22,964
<i>Total OPWC Loans</i>	<u>212,233</u>	<u>0</u>	<u>15,742</u>	<u>196,491</u>	<u>31,484</u>
OWDA Loans					
OWDA Loan - Demington Sewer	171,356	0	47,790	123,566	33,524
Other Long-Term Obligations					
Compensated Absences Payable	351,607	302,114	317,096	336,625	199,446
Net Pension Liability					
OPERS	1,582,913	0	950,245	632,668	0
Net OPEB Liability					
OPERS	632,504	0	212,641	419,863	0
Total Business-Type Activities Long-term Liabilities	<u>\$2,950,613</u>	<u>\$937,114</u>	<u>\$1,608,514</u>	<u>\$2,279,213</u>	<u>\$319,454</u>

*Restated due to transfer of water operations agreement. See Note 3.

General Obligation Bonds General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City as well as municipal income taxes. Tax monies will be received in and the debt will be retired from the general bond retirement debt service fund.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

In 2014, the City issued \$3,125,000 in various purpose general obligation bonds. The bonds were issued with a fixed interest rate of 3.19 percent. The bonds were issued for a 15 year period with final maturity during fiscal year 2028. The bonds will be retired through the general bond retirement fund.

In 2015, the City issued \$2,322,000 in various purpose general obligation bonds. The bonds were issued with a fixed interest rate of 1.91 percent. The bonds were issued for a 15 year period with final maturity during fiscal year 2029. The bonds will be retired through the general bond retirement fund.

In 2016, the City issued \$1,600,000 in various purpose general obligation bonds. The bonds were issued with a fixed interest rate of 1.91 percent. The bonds were issued for a 15 year period with a final maturity during fiscal year 2030. The bonds will be retired through the general bond retirement fund.

In 2017, the City issued \$1,325,000 in various purpose general obligation bonds. The bonds were issued with a fixed interest rate of 2.26 percent. The bonds were issued for a 10 year period with a final maturity during fiscal year 2028. The bonds will be retired through the general bond retirement fund.

In 2018, the City issued general obligation bonds in the amount of \$635,000 for the purpose of vehicle acquisition. The bonds were issued with a fixed interest rate of 2.85 percent. The bonds were issued for a 10 year period with a final maturity during fiscal year 2027. The bonds will be retired through the sewer enterprise fund.

In 2008, the City defeased the 1997 Recreational Facilities Improvement bonds in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

In 2008, the City issued general obligation in the amount of \$6,355,000 for the purpose of improvements to the Cedar-Lee parking deck. The bonds were issued for a 20 year period with final maturity at December 1, 2028. The bonds were fully retired from the general bond retirement fund.

In 2015, the City issued general obligation bonds, in the amount of \$4,640,000, to partially refund bonds previously issued in 2008 for Cedar Lee parking deck. The bonds were issued with a fixed interest rate of 2.03 percent. The bonds were issued for a 15 year period with final maturity during fiscal year 2028. The bonds will be retired through the general bond retirement fund. As of December 31, 2018, \$3,835,000 of these bonds are considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

In 2017, the City issued \$5,970,000 in building improvement general obligation bonds. The bonds were issued with interest rates ranging from 3.00 to 3.125 percent. The bonds were issued for a 20 year period with a final maturity during fiscal year 2037. The bonds will be retired through the general bond retirement fund. As of December 31, 2018 \$146,231 of the proceeds remain unspent.

Special Assessment Bonds Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the general bond retirement debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

In 2014, the City issued special assessment bonds, in the amount of \$2,510,000, to refund bonds previously issued in 2004 for improvements to Ring Road. The bonds were issued with a fixed interest rate of 2.93 percent. The bonds were issued for a 15 year period with final maturity during 2029. The bonds will be retired through the general bond retirement fund. The outstanding balance of the refunded bonds were called and fully repaid.

Long-term Notes During 2018, the City issued \$722,000 in bond anticipation notes for street improvements and the purchase of motorized equipment which were used to retire previously issued bond anticipation notes. \$140,000 of these notes are considered short-term and the remaining \$582,000 are considered long-term. The notes have an interest rate of 2.18 percent and matured on July 23, 2019 and were refinanced. See Note 23 for more information.

Other Long-Term Obligations Capital leases will be paid from the ambulance services special revenue fund and the recreation facility improvement capital projects fund. Compensated absences will be paid from the general and sewer funds. The workers' compensation liability will be paid from the general fund. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension/OPEB contributions are made from the general fund, street construction and maintenance repair, communications system, community development, municipal court special projects, tree, first suburbs development council, parking, police pension and fire pension special revenue funds and the sewer enterprise fund. See Notes 13 and 14 for additional information regarding the net pension liability and net OPEB liability. The solid waste liability will be paid from the general fund. During 2018, the EPA required a final closure cost estimate from the City. The State infrastructure bank and OPWC and OWDA loans in the governmental activities will be paid semiannually from street construction and maintenance special revenue fund and bond retirement debt service fund. The OPWC loans are interest free.

The OPWC and OWDA loans in business-type activities will be paid semi-annually from the sewer fund. In the event that the sewer fund would fail to pay the OPWC and OWDA loans, payment would be made by any general tax revenues collected in the general, bond retirement or capital projects funds. The Cedar Road and Meadowbrook Boulevard OPWC loans and the Runnymede Waterline OWDA loans related to water improvements are non-capital related now that transfer of operations is complete. The City no longer owns the water lines.

The City's overall legal debt margin was \$69,916,541 and the unvoted legal debt margin was \$29,306,639 at December 31, 2018. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2018, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Special Assesment Bonds	
	Principal	Interest	Principal	Interest
2019	\$1,327,000	\$401,810	\$125,000	\$59,040
2020	1,308,000	369,881	130,000	55,377
2021	1,378,000	338,183	130,000	51,568
2022	1,348,000	304,918	135,000	47,759
2023	1,389,000	272,146	140,000	43,804
2024-2028	5,774,000	906,512	770,000	154,557
2029-2033	1,895,000	388,987	585,000	17,140
2034-2037	1,510,000	118,625	0	0
Total	<u>\$15,929,000</u>	<u>\$3,101,062</u>	<u>\$2,015,000</u>	<u>\$429,245</u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Governmental Activities					
Year	OPWC	OWDA Loan		State Infrastructure Bank Loan Payable	
	Loans	Principal	Interest	Principal	Interest
2019	\$180,855	\$13,173	\$7,034	\$54,091	\$6,388
2020	\$157,335	13,683	6,523	55,725	4,754
2021	\$133,811	14,214	5,993	57,410	3,069
2022	\$133,811	14,765	5,442	59,145	1,334
2023	\$133,811	15,337	4,869	0	0
2024-2028	420,095	86,081	14,952	0	0
2029-2033	159,888	29,182	1,128	0	0
2034-2037	12,678	0	0	0	0
Total	\$1,332,284	\$186,435	\$45,941	\$226,371	\$15,545

Business-Type Activities					
Year	General Obligation Bonds		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Loans
2019	\$55,000	\$16,245	\$33,524	\$4,611	\$31,484
2020	60,000	14,678	34,919	3,256	27,225
2021	60,000	12,967	36,372	1,845	22,964
2022	60,000	11,258	18,751	375	22,964
2023	65,000	9,547	0	0	22,964
2024-2028	270,000	19,523	0	0	68,890
2029-2033	0	0	0	0	0
Total	\$570,000	\$84,218	\$123,566	\$10,087	\$196,491

Note 21 – Capital Leases

During 2018 and previous years, the City entered into several lease agreements for machinery and equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital asset acquired by lease currently being paid have been capitalized and depreciated as follows as of December 31, 2018:

	Amounts
Equipment	\$1,177,334
Less Accumulated Depreciation	(673,547)
Current Book Value	\$503,787

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2018.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Year Ending December 31, 2018	Governmental Activities
2019	\$197,925
2020	197,926
2021	179,651
2022	139,171
2023	94,764
2024-2027	145,814
Total	955,251
Less: Amount Representing Interest	(91,830)
Present Value of Net Minimum Lease Payments	\$863,421

Note 22 – Assets Held For Resale

Assets held for resale represents land purchased by the City which will be sold for development purposes under the Community Development Block Grant Program (CDBG) and Neighborhood Stabilization Program.

Note 23 – Subsequent Events

On July 22, 2019, the City paid \$722,000 in various purpose notes and reissued \$582,000. The notes have an interest rate of 2.65 percent and a maturity date of July 21, 2020. All note proceeds have been fully expended.

On July 22, 2019, the City issued \$631,000 in various purpose notes for the purchase of a sewer vehicle and equipment, forestry vehicle and equipment and police radios. The notes have an interest rate of 2.65 percent and a maturity date of July 21, 2020.

On November 5, 2019, the citizens of the City elected to make an amendment to their current City Charter. The amendment changes the City’s form of governance to a mayor-council-administrator form, with the voters electing a Mayor to serve full time as the City’s chief executive officer for a four-year term, and the Mayor appointing, subject to Council approval, a qualified City Administrator to assist the Mayor in the administration of City operations. The amendment will commence with the initial election of the Mayor to occur at the regular municipal election occurring in the year 2021 and will eliminate the position of City Manager.

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

	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.100820%	0.108916%	0.119499%	0.127743%
City's Proportionate Share of the Net Pension Liability	\$15,816,704	\$24,732,971	\$20,698,733	\$15,407,233
City's Covered Payroll	\$14,333,754	\$14,087,875	\$14,666,438	\$15,189,233
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	110.35%	175.56%	141.13%	101.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%

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

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

See accompanying notes to the required supplementary information.

2014

0.127743%

\$15,059,235

\$13,602,627

110.71%

86.36%

City of Cleveland Heights, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Asset
Ohio Public Employees Retirement System - Combined Plan
2018 (1)

	2018
City's Proportion of the Net Pension Asset	0.039065%
City's Proportionate Share of the Net Pension Asset	\$53,180
City's Covered Payroll	\$159,992
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.28%

(1) Although this schedule is intended to reflect information for ten years, amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

City of Cleveland Heights, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net OPEB Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.096660%	0.104370%
City's Proportionate Share of the Net OPEB Liability	\$10,496,564	\$10,541,725
City's Covered Payroll	\$14,666,179	\$14,087,875
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	71.57%	74.83%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.6027760%	0.5629800%	0.6381960%	0.5471273%
City's Proportionate Share of the Net Pension Liability	\$36,995,085	\$35,658,588	\$41,055,597	\$28,343,475
City's Covered Payroll	\$11,438,528	\$11,929,672	\$11,915,147	\$10,740,721
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	323.43%	298.91%	344.57%	263.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	71.71%

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

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

See accompanying notes to the required supplementary information.

2014

0.5471273%

\$26,646,816

\$11,100,872

240.04%

73.00%

City of Cleveland Heights, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

	2018	2017
City's Proportion of the Net OPEB Liability	0.6027760%	0.5629800%
City's Proportionate Share of the Net OPEB Liability	\$34,152,444	\$26,723,395
City's Covered Payroll	\$10,905,976	\$10,820,729
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	313.15%	246.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year

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

See accompanying notes to the required supplementary information.

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City of Cleveland Heights, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Six Years (1) (2)

	2018	2017	2016	2015
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$1,859,355	\$1,863,388	\$1,690,545	\$1,826,707
Contributions in Relation to the Contractually Required Contribution	<u>(1,859,355)</u>	<u>(1,863,388)</u>	<u>(1,690,545)</u>	<u>(1,826,707)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$13,281,107	\$14,333,754	\$14,087,875	\$14,666,438
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.46%</u>
Net Pension Liability - Combined Plan (4)				
Contractually Required Contribution	\$25,464	\$20,799		
Contributions in Relation to the Contractually Required Contribution	<u>(25,464)</u>	<u>(20,799)</u>		
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>		
City Covered Payroll	\$181,886	\$159,992		
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.00%</u>		
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$7,350	\$151,835	\$281,758	
Contributions in Relation to the Contractually Required Contribution	<u>(7,350)</u>	<u>(151,835)</u>	<u>(281,758)</u>	
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
City Covered Payroll (3)	\$13,646,743	\$14,666,179	\$14,087,875	
OPEB Contributions as a Percentage of Covered Payroll	<u>0.05%</u>	<u>1.04%</u>	<u>2.00%</u>	

- (1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.
- (2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
- (3) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.
- (4) Information prior to 2017 is not available.

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>
\$1,892,517	\$1,840,602
<u>(1,892,517)</u>	<u>(1,840,602)</u>
<u>\$0</u>	<u>\$0</u>
\$15,189,233	\$13,602,627
<u>12.46%</u>	<u>13.53%</u>

City of Cleveland Heights, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	\$2,699,820	\$2,505,231	\$2,547,007	\$2,542,641
Contributions in Relation to the Contractually Required Contribution	<u>(2,699,820)</u>	<u>(2,505,231)</u>	<u>(2,547,007)</u>	<u>(2,542,641)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$12,824,566	\$11,438,528	\$11,929,672	\$11,915,147
Pension Contributions as a Percentage of Covered Payroll	<u>21.05%</u>	<u>21.90%</u>	<u>21.35%</u>	<u>21.34%</u>
Net OPEB Liability				
Contractually Required Contribution	\$64,123	\$57,193	\$59,648	\$59,576
Contributions in Relation to the Contractually Required Contribution	<u>(64,123)</u>	<u>(57,193)</u>	<u>(59,648)</u>	<u>(59,576)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.55%</u>	<u>22.40%</u>	<u>21.85%</u>	<u>21.84%</u>

(1) The City's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information.

2014	2013	2012	2011	2010	2009
\$2,289,692	\$2,022,363	\$1,642,143	\$1,637,957	\$2,377,764	\$2,325,122
<u>(2,289,692)</u>	<u>(2,022,363)</u>	<u>(1,642,143)</u>	<u>(1,637,957)</u>	<u>(2,377,764)</u>	<u>(2,325,122)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,740,721	\$11,100,872	\$10,905,975	\$10,820,729	\$15,898,541	\$15,465,278
<u>21.32%</u>	<u>18.22%</u>	<u>15.06%</u>	<u>15.14%</u>	<u>14.96%</u>	<u>15.03%</u>
\$53,704	\$401,482	\$736,154	\$730,399	\$1,073,152	\$1,043,907
<u>(53,704)</u>	<u>(401,482)</u>	<u>(736,154)</u>	<u>(730,399)</u>	<u>(1,073,152)</u>	<u>(1,043,907)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.82%</u>	<u>21.84%</u>	<u>21.81%</u>	<u>21.89%</u>	<u>21.71%</u>	<u>21.78%</u>

City of Cleveland Heights, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2018

Changes in Assumptions – OPERS Pension

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

	2017	2016 and prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

Changes in Assumptions – OP&F Pension

Amounts reported for 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

City of Cleveland Heights, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2018

	2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Amounts reported for 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Amounts reported for 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

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

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

Changes in Assumptions – OPERS OPEB

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions – OP&F OPEB

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Combining and Individual Fund Statements and Schedules
Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Foundation Grants Fund - To account for and report grants received from various non-profit organizations restricted for community development and public health purposes.

Communications System Fund - To account for and report charges for services committed to the operations of the fire department dispatch office serving Cleveland Heights and neighboring communities.

Public Building Maintenance Fund - To account for and report committed rental income for placement of communication towers. The fund did not have any budgetary activity in 2018; therefore, budgetary information is not provided.

Law Enforcement Trust Fund - To account for and report fines from seizures from criminals by law enforcement officials in the course of their work restricted for expenditures that would enhance the police department.

Drug Law Enforcement Fund - To account for and report fines obtained from confiscated property from criminal offenses restricted for drug law enforcement purposes.

Community Development Block Grant Fund - To account for and report restricted Federal grant monies for expenditures as prescribed under the Community Development Block Grant Program.

Home Program Fund - To account for and report restricted grants available through the Cuyahoga Housing Consortium restricted for the Home Investment Partnership Program.

FEMA Grant Fund - To account for and report Federal and State monies restricted for the restoration of areas hit by natural disaster.

Cain Park Operating Fund - To account for and report charges for services committed to the operation and maintenance of the Cain Park Summer Theater.

Public Right of Way Fund - To account for and report restricted fees received from public or private service providers restricted for the use of the public right of way.

Indigent Driver's Alcohol Treatment Fund - To account for and report the City's portion of fines collected by the State of Ohio restricted for the cost of an alcohol and other drug addiction treatment program for those unable to pay for such attendance.

Municipal Court Clerk Computerization Fund - To account for and report fees charged in all civil and/or criminal traffic convictions restricted for court computer-related expenditures.

DUI Enforcement and Education Fund - To account for and report the City's portion of court fines collected on all D.U.I. cases and restricted by State statute for expenditures that would promote education about driving while intoxicated.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Municipal Court Special Projects Fund - To account for and report costs charged in all civil and/or criminal traffic convictions restricted for court identified projects.

Lead Safe Cuyahoga Fund - To account for and report grants received from Cuyahoga County restricted for costs related to testing paint for lead content and remediation of the identified areas.

Neighborhood Stabilization Program Fund - To account for and report grants restricted to address the City's foreclosed homes crisis and stabilize neighborhoods.

Street Lighting Fund - To account for and report restricted special assessments for the payment of street lighting expenditures within the City.

Tree Fund - To account for and report restricted special assessments for the payment of the cost of maintenance of trees on the public right-of-way.

Police Pension Fund - To account for and report restricted property taxes for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

Fire Pension Fund - To account for and report restricted property taxes for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

First Suburbs Development Council Fund - To account for and report grants restricted to the expenditures of the First Suburbs Development Council.

Parking Fund - To account for and report meter and permit charges for parking in municipal lots restricted for the cost of maintaining such lots.

Ambulance Services Fund - To account for and report ambulance charges committed to pre-hospital life support services.

Office on Aging Donations Fund - To account for and report the Martin bequest and other donations restricted for their related expenditures.

Youth Recreation Donation Fund - To account for and report restricted donations for the youth recreation program.

Police Memorial Trust Fund - To account for and report private donations restricted for the purpose of establishing a police memorial to honor officers that have been killed in the line of duty.

Youth Advisory Commission Fund - To account for and report private donations restricted for the purpose of advising the Council on matters pertaining to youths.

Juvenile Diversion Program Fund - To account for and report private donations restricted for programs that divert youth from involvement in the juvenile justice system.

Water Improvement Grants Fund - To account for and report restricted reimbursement grants used for improvements made to water lines owned by another government, located within the City.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Earned Benefits Fund - To account for and report the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Nonmajor Capital Projects Funds

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

Police Facility Improvement Fund - To account for and report administrative fees collected by the police department committed to the maintenance, repair, rehabilitation and improvement of the City's police department buildings and facilities outside of City Hall.

Recreation Facility Improvement Fund - To account for and report restricted property taxes for the improvement and maintenance of the City's parks, recreation and cultural facilities.

Capital Improvements Fund - To account for and report assigned transfers for the annual purchase of capital equipment and certain capital improvements.

Energy Improvements Fund - To account for and report bond proceeds restricted for energy improvements made throughout the City.

Economic Development Fund - To account for and report miscellaneous monies assigned to transactions to the economic development of the City.

City Hall Maintenance Fund - To account for and report rentals revenues assigned to the costs of major maintenance and repair of City Hall.

Ring Road Construction Fund - To account for and report transfers and other revenues committed to the reconstruction of Severance Ring Road.

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,761,282	\$2,145,410	\$9,906,692
Materials and Supplies Inventory	57,855	0	57,855
Accounts Receivable	1,963,434	0	1,963,434
Intergovernmental Receivable	395,576	35,802	431,378
Property Taxes Receivable	527,338	615,218	1,142,556
Special Assessments Receivable	4,423,592	0	4,423,592
Notes Receivable	1,246,038	0	1,246,038
Assets Held for Resale	474,112	130,575	604,687
<i>Total Assets</i>	<u>\$16,849,227</u>	<u>\$2,927,005</u>	<u>\$19,776,232</u>
Liabilities			
Accounts Payable	\$346,878	\$24,867	\$371,745
Contracts Payable	81,097	12,353	93,450
Accrued Wages	59,227	1,741	60,968
Interfund Payable	899,731	311,654	1,211,385
Intergovernmental Payable	587,869	1,897	589,766
<i>Total Liabilities</i>	<u>1,974,802</u>	<u>352,512</u>	<u>2,327,314</u>
Deferred Inflows of Resources			
Property Taxes	412,826	481,630	894,456
Unavailable Revenue	6,380,820	169,390	6,550,210
<i>Deferred Inflows of Resources</i>	<u>6,793,646</u>	<u>651,020</u>	<u>7,444,666</u>
Fund Balances			
Nonspendable	57,855	0	57,855
Restricted	6,886,866	462,781	7,349,647
Committed	1,729,816	83,624	1,813,440
Assigned	0	1,688,722	1,688,722
Unassigned (Deficit)	(593,758)	(311,654)	(905,412)
<i>Total Fund Balances</i>	<u>8,080,779</u>	<u>1,923,473</u>	<u>10,004,252</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$16,849,227</u>	<u>\$2,927,005</u>	<u>\$19,776,232</u>

City of Cleveland Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$426,689	\$483,745	\$910,434
Charges for Services	2,743,487	0	2,743,487
Licenses, Permits and Fees	34,749	25,370	60,119
Fines and Forfeitures	271,322	0	271,322
Intergovernmental	2,989,256	71,665	3,060,921
Special Assessments	2,061,821	0	2,061,821
Rentals	0	27,657	27,657
Contributions and Donations	24,621	0	24,621
Miscellaneous	69,299	280,861	350,160
<i>Total Revenues</i>	<u>8,621,244</u>	<u>889,298</u>	<u>9,510,542</u>
Expenditures			
Current:			
General Government	1,685,633	12,144	1,697,777
Public Safety	6,348,938	15,016	6,363,954
Public Health Services	6,815	0	6,815
Community Development	2,818,480	175,729	2,994,209
Culture and Recreation	950,538	261,910	1,212,448
Capital Outlay	0	2,599,053	2,599,053
Debt Service:			
Principal Retirement	72,476	18,365	90,841
Interest and Fiscal Charges	12,679	3,838	16,517
<i>Total Expenditures</i>	<u>11,895,559</u>	<u>3,086,055</u>	<u>14,981,614</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,274,315)</u>	<u>(2,196,757)</u>	<u>(5,471,072)</u>
Other Financing Sources (Uses)			
Inception of Capital Lease	205,725	241,476	447,201
Transfers In	4,288,365	513,684	4,802,049
Transfers Out	(88,345)	(27,340)	(115,685)
<i>Total Other Financing Sources (Uses)</i>	<u>4,405,745</u>	<u>727,820</u>	<u>5,133,565</u>
<i>Net Change in Fund Balances</i>	1,131,430	(1,468,937)	(337,507)
<i>Fund Balances Beginning of Year</i>	<u>6,949,349</u>	<u>3,392,410</u>	<u>10,341,759</u>
<i>Fund Balances End of Year</i>	<u><u>\$8,080,779</u></u>	<u><u>\$1,923,473</u></u>	<u><u>\$10,004,252</u></u>

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
Assets					
Equity in Pooled Cash and Cash Equivalents	\$163,686	\$0	\$423	\$365,490	\$5,122
Materials and Supplies Inventory	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	9,331
Property Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Notes Receivable	0	0	0	0	0
Assets Held for Resale	116,930	0	0	0	0
<i>Total Assets</i>	<u>\$280,616</u>	<u>\$0</u>	<u>\$423</u>	<u>\$365,490</u>	<u>\$14,453</u>
Liabilities					
Accounts Payable	\$0	\$42,446	\$0	\$0	\$2,694
Contracts Payable	0	0	0	0	0
Accrued Wages	0	0	0	0	1,677
Interfund Payable	65,150	78,295	0	0	0
Intergovernmental Payable	0	0	0	0	541
<i>Total Liabilities</i>	<u>65,150</u>	<u>120,741</u>	<u>0</u>	<u>0</u>	<u>4,912</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	215,466	0	0	365,490	9,541
Committed	0	0	423	0	0
Unassigned (Deficit)	0	(120,741)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>215,466</u>	<u>(120,741)</u>	<u>423</u>	<u>365,490</u>	<u>9,541</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$280,616</u>	<u>\$0</u>	<u>\$423</u>	<u>\$365,490</u>	<u>\$14,453</u>

(continued)

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2018

	Community Development Block Grant	Home Program	FEMA Grant	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment
Assets						
Equity in Pooled Cash and Cash Equivalents	\$251,117	\$101,188	\$183,510	\$0	\$156,956	\$244,729
Materials and Supplies Inventory	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	355,555	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Notes Receivable	1,170,653	75,385	0	0	0	0
Assets Held for Resale	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,777,325</u>	<u>\$176,573</u>	<u>\$183,510</u>	<u>\$0</u>	<u>\$156,956</u>	<u>\$244,729</u>
Liabilities						
Accounts Payable	\$11,155	\$23,110	\$0	\$10,605	\$0	\$0
Contracts Payable	70,097	11,000	0	0	0	0
Accrued Wages	23,910	0	6,528	0	0	0
Interfund Payable	203,542	131,064	0	13,755	0	0
Intergovernmental Payable	7,700	0	2,105	0	0	0
<i>Total Liabilities</i>	<u>316,404</u>	<u>165,174</u>	<u>8,633</u>	<u>24,360</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances						
Nonspendable	0	0	0	0	0	0
Restricted	1,460,921	11,399	174,877	0	156,956	244,729
Committed	0	0	0	0	0	0
Unassigned (Deficit)	0	0	0	(24,360)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,460,921</u>	<u>11,399</u>	<u>174,877</u>	<u>(24,360)</u>	<u>156,956</u>	<u>244,729</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$1,777,325</u>	<u>\$176,573</u>	<u>\$183,510</u>	<u>\$0</u>	<u>\$156,956</u>	<u>\$244,729</u>

<u>Municipal Court Clerk Computerization</u>	<u>DUI Enforcement and Education</u>	<u>Municipal Court Special Projects</u>	<u>Lead Safe Cuyahoga</u>	<u>Neighborhood Stabilization Program</u>	<u>Street Lighting</u>	<u>Tree</u>
\$0	\$112,046	\$2,040,270	\$133,155	\$123,584	\$936,495	\$602,747
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	2,388,740	2,034,852
0	0	0	0	0	0	0
0	0	0	0	357,182	0	0
<u>\$0</u>	<u>\$112,046</u>	<u>\$2,040,270</u>	<u>\$133,155</u>	<u>\$480,766</u>	<u>\$3,325,235</u>	<u>\$2,637,599</u>
\$804	\$0	\$0	\$0	\$0	\$69,635	\$149,465
0	0	0	0	0	0	0
0	0	91	0	0	0	16,325
22,484	0	0	110,444	0	0	0
0	0	0	0	0	0	5,257
<u>23,288</u>	<u>0</u>	<u>91</u>	<u>110,444</u>	<u>0</u>	<u>69,635</u>	<u>171,047</u>
0	0	0	0	0	0	0
0	0	0	0	0	2,388,740	2,034,852
0	0	0	0	0	2,388,740	2,034,852
0	0	0	0	0	0	0
0	112,046	2,040,179	22,711	480,766	866,860	431,700
0	0	0	0	0	0	0
(23,288)	0	0	0	0	0	0
<u>(23,288)</u>	<u>112,046</u>	<u>2,040,179</u>	<u>22,711</u>	<u>480,766</u>	<u>866,860</u>	<u>431,700</u>
<u>\$0</u>	<u>\$112,046</u>	<u>\$2,040,270</u>	<u>\$133,155</u>	<u>\$480,766</u>	<u>\$3,325,235</u>	<u>\$2,637,599</u>

(continued)

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2018

	Police Pension	Fire Pension	First Suburbs Development Council	Parking	Ambulance Services	Office on Aging Donations
Assets						
Equity in Pooled Cash and Cash Equivalents	\$171,132	\$0	\$57,538	\$425,881	\$1,612,893	\$8,793
Materials and Supplies Inventory	0	0	0	57,855	0	0
Accounts Receivable	0	0	0	0	1,963,434	0
Intergovernmental Receivable	15,345	15,345	0	0	0	0
Property Taxes Receivable	263,669	263,669	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Notes Receivable	0	0	0	0	0	0
Assets Held for Resale	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$450,146</u>	<u>\$279,014</u>	<u>\$57,538</u>	<u>\$483,736</u>	<u>\$3,576,327</u>	<u>\$8,793</u>
Liabilities						
Accounts Payable	\$0	\$0	\$0	\$13,233	\$23,715	\$16
Contracts Payable	0	0	0	0	0	0
Accrued Wages	0	0	0	5,000	5,696	0
Interfund Payable	23,010	251,987	0	0	0	0
Intergovernmental Payable	122,707	173,382	0	270,680	5,497	0
<i>Total Liabilities</i>	<u>145,717</u>	<u>425,369</u>	<u>0</u>	<u>288,913</u>	<u>34,908</u>	<u>16</u>
Deferred Inflows of Resources						
Property Taxes	206,413	206,413	0	0	0	0
Unavailable Revenue	72,601	72,601	0	0	1,812,026	0
<i>Total Deferred Inflows of Resources</i>	<u>279,014</u>	<u>279,014</u>	<u>0</u>	<u>0</u>	<u>1,812,026</u>	<u>0</u>
Fund Balances						
Nonspendable	0	0	0	57,855	0	0
Restricted	25,415	0	57,538	136,968	0	8,777
Committed	0	0	0	0	1,729,393	0
Unassigned (Deficit)	0	(425,369)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>25,415</u>	<u>(425,369)</u>	<u>57,538</u>	<u>194,823</u>	<u>1,729,393</u>	<u>8,777</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$450,146</u>	<u>\$279,014</u>	<u>\$57,538</u>	<u>\$483,736</u>	<u>\$3,576,327</u>	<u>\$8,793</u>

Youth Recreation Donation	Police Memorial Trust	Youth Advisory Commission	Juvenile Diversion Program	Total Nonmajor Special Revenue Funds
\$50,124	\$10,608	\$71	\$3,724	\$7,761,282
0	0	0	0	57,855
0	0	0	0	1,963,434
0	0	0	0	395,576
0	0	0	0	527,338
0	0	0	0	4,423,592
0	0	0	0	1,246,038
0	0	0	0	474,112
<u>\$50,124</u>	<u>\$10,608</u>	<u>\$71</u>	<u>\$3,724</u>	<u>\$16,849,227</u>
\$0	\$0	\$0	\$0	\$346,878
0	0	0	0	81,097
0	0	0	0	59,227
0	0	0	0	899,731
0	0	0	0	587,869
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,974,802</u>
0	0	0	0	412,826
0	0	0	0	6,380,820
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,793,646</u>
0	0	0	0	57,855
50,124	10,608	71	3,724	6,886,866
0	0	0	0	1,729,816
0	0	0	0	(593,758)
<u>50,124</u>	<u>10,608</u>	<u>71</u>	<u>3,724</u>	<u>8,080,779</u>
<u>\$50,124</u>	<u>\$10,608</u>	<u>\$71</u>	<u>\$3,724</u>	<u>\$16,849,227</u>

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City of Cleveland Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0
Fines and Forfeitures	0	0	0	180	75,108
Intergovernmental	173,484	0	0	0	0
Special Assessments	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	34,381	0
<i>Total Revenues</i>	<u>173,484</u>	<u>0</u>	<u>0</u>	<u>34,561</u>	<u>75,108</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Public Safety	0	1,372,935	0	32,885	125,687
Public Health Services	0	0	0	0	0
Community Development	3,771	0	0	0	0
Culture and Recreation	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>3,771</u>	<u>1,372,935</u>	<u>0</u>	<u>32,885</u>	<u>125,687</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>169,713</u>	<u>(1,372,935)</u>	<u>0</u>	<u>1,676</u>	<u>(50,579)</u>
Other Financing Sources (Uses)					
Inception of Capital Lease	0	0	0	0	0
Transfers In	0	1,072,913	0	0	0
Transfers Out	0	0	0	0	(15,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>1,072,913</u>	<u>0</u>	<u>0</u>	<u>(15,000)</u>
<i>Net Change in Fund Balances</i>	169,713	(300,022)	0	1,676	(65,579)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>45,753</u>	<u>179,281</u>	<u>423</u>	<u>363,814</u>	<u>75,120</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$215,466</u>	<u>(\$120,741)</u>	<u>\$423</u>	<u>\$365,490</u>	<u>\$9,541</u>

(continued)

City of Cleveland Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2018

	Community Development Block Grant	Home Program	FEMA Grant	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment
Revenues						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	783,224	0	0
Licenses, Permits and Fees	0	0	0	0	34,689	0
Fines and Forfeitures	0	0	0	0	0	18,869
Intergovernmental	1,567,349	212,772	288,300	0	0	0
Special Assessments	0	0	0	0	0	0
Contributions and Donations	0	0	0	1,000	0	0
Miscellaneous	0	0	0	11,866	0	0
<i>Total Revenues</i>	<u>1,567,349</u>	<u>212,772</u>	<u>288,300</u>	<u>796,090</u>	<u>34,689</u>	<u>18,869</u>
Expenditures						
Current:						
General Government	0	0	0	0	0	0
Public Safety	0	0	209,805	0	0	0
Public Health Services	0	0	0	0	0	0
Community Development	1,368,917	125,792	0	0	0	0
Culture and Recreation	0	0	0	950,538	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,368,917</u>	<u>125,792</u>	<u>209,805</u>	<u>950,538</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>198,432</u>	<u>86,980</u>	<u>78,495</u>	<u>(154,448)</u>	<u>34,689</u>	<u>18,869</u>
Other Financing Sources (Uses)						
Inception of Capital Lease	0	0	0	0	0	0
Transfers In	356,628	0	0	160,158	0	0
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>356,628</u>	<u>0</u>	<u>0</u>	<u>160,158</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	555,060	86,980	78,495	5,710	34,689	18,869
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>905,861</u>	<u>(75,581)</u>	<u>96,382</u>	<u>(30,070)</u>	<u>122,267</u>	<u>225,860</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,460,921</u>	<u>\$11,399</u>	<u>\$174,877</u>	<u>(\$24,360)</u>	<u>\$156,956</u>	<u>\$244,729</u>

Municipal Court Clerk Computerization	DUI Enforcement and Education	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting	Tree
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	60
65,777	5,033	106,355	0	0	0	0
0	0	0	331,102	0	0	0
0	0	0	0	0	1,113,245	948,576
0	0	0	0	0	0	0
0	0	0	0	0	0	22,790
<u>65,777</u>	<u>5,033</u>	<u>106,355</u>	<u>331,102</u>	<u>0</u>	<u>1,113,245</u>	<u>971,426</u>
172,190	0	6,377	0	0	0	0
0	0	0	0	0	916,404	0
0	0	0	0	0	0	0
0	0	0	216,754	15	0	1,103,015
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>172,190</u>	<u>0</u>	<u>6,377</u>	<u>216,754</u>	<u>15</u>	<u>916,404</u>	<u>1,103,015</u>
<u>(106,413)</u>	<u>5,033</u>	<u>99,978</u>	<u>114,348</u>	<u>(15)</u>	<u>196,841</u>	<u>(131,589)</u>
0	0	0	0	0	0	0
106,956	0	0	0	0	19,400	24,300
0	0	0	0	0	0	(11,845)
<u>106,956</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,400</u>	<u>12,455</u>
543	5,033	99,978	114,348	(15)	216,241	(119,134)
<u>(23,831)</u>	<u>107,013</u>	<u>1,940,201</u>	<u>(91,637)</u>	<u>480,781</u>	<u>650,619</u>	<u>550,834</u>
<u>(\$23,288)</u>	<u>\$112,046</u>	<u>\$2,040,179</u>	<u>\$22,711</u>	<u>\$480,766</u>	<u>\$866,860</u>	<u>\$431,700</u>

(continued)

City of Cleveland Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2018

	Police Pension	Fire Pension	First Suburbs Development Council	Parking	Ambulance Services	Office on Aging Donations
Revenues						
Property Taxes	\$219,353	\$207,336	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	1,026,501	933,762	0
Licenses, Permits and Fees	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	18,673	30,690	0	0	0	0
Special Assessments	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	6,408
Miscellaneous	0	0	0	0	262	0
<i>Total Revenues</i>	<u>238,026</u>	<u>238,026</u>	<u>0</u>	<u>1,026,501</u>	<u>934,024</u>	<u>6,408</u>
Expenditures						
Current:						
General Government	0	0	0	1,140,180	0	0
Public Safety	1,211,720	1,765,425	0	0	710,236	0
Public Health Services	0	0	0	0	0	6,815
Community Development	0	0	216	0	0	0
Culture and Recreation	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	72,476	0
Interest and Fiscal Charges	0	0	0	0	12,679	0
<i>Total Expenditures</i>	<u>1,211,720</u>	<u>1,765,425</u>	<u>216</u>	<u>1,140,180</u>	<u>795,391</u>	<u>6,815</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(973,694)</u>	<u>(1,527,399)</u>	<u>(216)</u>	<u>(113,679)</u>	<u>138,633</u>	<u>(407)</u>
Other Financing Sources (Uses)						
Inception of Capital Lease	0	0	0	0	205,725	0
Transfers In	1,140,830	1,407,180	0	0	0	0
Transfers Out	0	0	0	0	(61,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,140,830</u>	<u>1,407,180</u>	<u>0</u>	<u>0</u>	<u>144,225</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	167,136	(120,219)	(216)	(113,679)	282,858	(407)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(141,721)</u>	<u>(305,150)</u>	<u>57,754</u>	<u>308,502</u>	<u>1,446,535</u>	<u>9,184</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$25,415</u>	<u>(\$425,369)</u>	<u>\$57,538</u>	<u>\$194,823</u>	<u>\$1,729,393</u>	<u>\$8,777</u>

Youth Recreation Donation	Police Memorial Trust	Youth Advisory Commission	Juvenile Diversion Program	Water Improvement Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$426,689
0	0	0	0	0	2,743,487
0	0	0	0	0	34,749
0	0	0	0	0	271,322
0	0	0	0	366,886	2,989,256
0	0	0	0	0	2,061,821
11,613	0	0	5,600	0	24,621
0	0	0	0	0	69,299
<u>11,613</u>	<u>0</u>	<u>0</u>	<u>5,600</u>	<u>366,886</u>	<u>8,621,244</u>
0	0	0	0	366,886	1,685,633
0	0	0	3,841	0	6,348,938
0	0	0	0	0	6,815
0	0	0	0	0	2,818,480
0	0	0	0	0	950,538
0	0	0	0	0	72,476
0	0	0	0	0	12,679
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,841</u>	<u>366,886</u>	<u>11,895,559</u>
<u>11,613</u>	<u>0</u>	<u>0</u>	<u>1,759</u>	<u>0</u>	<u>(3,274,315)</u>
0	0	0	0	0	205,725
0	0	0	0	0	4,288,365
0	0	0	0	0	(88,345)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,405,745</u>
11,613	0	0	1,759	0	1,131,430
38,511	10,608	71	1,965	0	6,949,349
<u>\$50,124</u>	<u>\$10,608</u>	<u>\$71</u>	<u>\$3,724</u>	<u>\$0</u>	<u>\$8,080,779</u>

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Energy Improvements</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$49,915	\$256,020	\$0	\$216,896
Intergovernmental Receivable	0	35,802	0	0
Property Taxes Receivable	0	615,218	0	0
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$49,915</u>	<u>\$907,040</u>	<u>\$0</u>	<u>\$216,896</u>
Liabilities				
Accounts Payable	\$0	\$10,135	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Wages	0	0	0	0
Interfund Payable	0	0	311,654	0
Intergovernmental Payable	1,336	0	0	0
<i>Total Liabilities</i>	<u>1,336</u>	<u>10,135</u>	<u>311,654</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	481,630	0	0
Unavailable Revenue	0	169,390	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>651,020</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	0	245,885	0	216,896
Committed	48,579	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	(311,654)	0
<i>Total Fund Balances</i>	<u>48,579</u>	<u>245,885</u>	<u>(311,654)</u>	<u>216,896</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$49,915</u>	<u>\$907,040</u>	<u>\$0</u>	<u>\$216,896</u>

<u>Economic Development</u>	<u>City Hall Maintenance</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$1,504,364	\$83,170	\$35,045	\$2,145,410
0	0	0	35,802
0	0	0	615,218
130,575	0	0	130,575
<u>\$1,634,939</u>	<u>\$83,170</u>	<u>\$35,045</u>	<u>\$2,927,005</u>
\$10,106	\$4,626	\$0	\$24,867
12,353	0	0	12,353
1,741	0	0	1,741
0	0	0	311,654
561	0	0	1,897
<u>24,761</u>	<u>4,626</u>	<u>0</u>	<u>352,512</u>
0	0	0	481,630
0	0	0	169,390
0	0	0	651,020
0	0	0	462,781
0	0	35,045	83,624
1,610,178	78,544	0	1,688,722
0	0	0	(311,654)
<u>1,610,178</u>	<u>78,544</u>	<u>35,045</u>	<u>1,923,473</u>
<u>\$1,634,939</u>	<u>\$83,170</u>	<u>\$35,045</u>	<u>\$2,927,005</u>

City of Cleveland Heights, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Energy Improvements</u>
Revenues				
Property Taxes	\$0	\$483,745	\$0	\$0
Licenses, Permits and Fees	25,370	0	0	0
Intergovernmental	0	71,665	0	0
Rentals	0	0	0	0
Miscellaneous	0	0	0	70,665
<i>Total Revenues</i>	<u>25,370</u>	<u>555,410</u>	<u>0</u>	<u>70,665</u>
Expenditures				
General Government	0	0	0	0
Public Safety	15,016	0	0	0
Community Development	0	0	0	0
Culture and Recreation	0	261,910	0	0
Capital Outlay	0	635,278	1,133,303	830,472
Debt Service:				
Principal Retirement	0	18,365	0	0
Interest and Fiscal Charges	0	3,838	0	0
<i>Total Expenditures</i>	<u>15,016</u>	<u>919,391</u>	<u>1,133,303</u>	<u>830,472</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>10,354</u>	<u>(363,981)</u>	<u>(1,133,303)</u>	<u>(759,807)</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	0	241,476	0	0
Transfers In	0	0	513,684	0
Transfers Out	0	(27,340)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>214,136</u>	<u>513,684</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	10,354	(149,845)	(619,619)	(759,807)
<i>Fund Balances Beginning of Year</i>	<u>38,225</u>	<u>395,730</u>	<u>307,965</u>	<u>976,703</u>
<i>Fund Balances End of Year</i>	<u><u>\$48,579</u></u>	<u><u>\$245,885</u></u>	<u><u>(\$311,654)</u></u>	<u><u>\$216,896</u></u>

<u>Economic Development</u>	<u>City Hall Maintenance</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$0	\$0	\$483,745
0	0	0	25,370
0	0	0	71,665
0	27,657	0	27,657
<u>210,196</u>	<u>0</u>	<u>0</u>	<u>280,861</u>
<u>210,196</u>	<u>27,657</u>	<u>0</u>	<u>889,298</u>
0	12,144	0	12,144
0	0	0	15,016
175,729	0	0	175,729
0	0	0	261,910
0	0	0	2,599,053
0	0	0	18,365
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,838</u>
<u>175,729</u>	<u>12,144</u>	<u>0</u>	<u>3,086,055</u>
<u>34,467</u>	<u>15,513</u>	<u>0</u>	<u>(2,196,757)</u>
0	0	0	241,476
0	0	0	513,684
<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,340)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>727,820</u>
34,467	15,513	0	(1,468,937)
<u>1,575,711</u>	<u>63,031</u>	<u>35,045</u>	<u>3,392,410</u>
<u>\$1,610,178</u>	<u>\$78,544</u>	<u>\$35,045</u>	<u>\$1,923,473</u>

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

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

Agency Funds

First Suburbs Consortium Fund - to account for staffing and other expenses of the Consortium office which is located in Cleveland Heights City Hall. The costs are shared by the twelve communities which make up and support the Consortium and its economic development initiative.

Municipal Court Fund - to account for assets received and disbursed by the Cleveland Heights Municipal Court pursuant to the laws of State of Ohio.

Sales Tax Fund - to account for any sales tax collected by the City and due to the State Department of Taxation.

Miscellaneous Fund - to account for miscellaneous receipts received in an agency capacity by the City.

Northeast Ohio Regional Sewer District (NEORS) Fund - to account for the financial transactions associated with the City acting as a billing agent for the Northeast Ohio Regional Sewer District.

Payroll Fund – to account for the financial transactions associated with processing the City's payroll.

City of Cleveland Heights, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018

	Balance 12/31/17	Additions	Reductions	Balance 12/31/18
<i>First Suburbs Consortium</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$82,238	\$0	\$80,012	\$2,226
Liabilities				
Deposits Held and Due to Others	\$82,238	\$0	\$80,012	\$2,226
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$392,197	\$2,690,044	\$2,677,461	\$404,780
Liabilities				
Deposits Held and Due to Others	\$392,197	\$2,690,044	\$2,677,461	\$404,780
<i>Sales Tax</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$346	\$54	\$13	\$387
Liabilities				
Deposits Held and Due to Others	\$346	\$54	\$13	\$387
<i>Miscellaneous</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$330,522	\$156,189	\$91,195	\$395,516
Liabilities				
Deposits Held and Due to Others	\$330,522	\$156,189	\$91,195	\$395,516
<i>NEORS</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$5,602	\$5,386	\$216
Liabilities				
Deposits Held and Due to Others	(\$5,384)	\$5,602	\$2	\$216
Due to Governmental Funds	5,384	0	5,384	0
<i>Total Liabilities</i>	\$0	\$5,602	\$5,386	\$216
<i>Payroll</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$166,012	\$0	\$0	\$166,012
Liabilities				
Deposits Held and Due to Others	\$166,012	\$0	\$0	\$166,012
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$579,118	\$161,845	\$176,606	\$564,357
Cash and Cash Equivalents in Segregated Accounts	392,197	2,690,044	2,677,461	404,780
<i>Total Assets</i>	\$971,315	\$2,851,889	\$2,854,067	\$969,137
Liabilities				
Deposits Held and Due to Others	\$965,931	\$2,851,889	\$2,848,683	\$969,137
Due to Governmental Funds	5,384	0	5,384	0
<i>Total Liabilities</i>	\$971,315	\$2,851,889	\$2,854,067	\$969,137

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**Individual Fund Schedules of Revenues,
Expenditures/Expenses and Changes in
Fund Balances/Fund Equity**

Budget (Non-GAAP Basis) and Actual

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City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$5,980,765	\$5,980,765	\$6,721,818	\$741,053
Municipal Income Taxes	24,560,695	24,560,695	27,660,650	3,099,955
Admissions Taxes	46,982	46,982	52,912	5,930
Charges for Services	4,832,829	4,832,829	3,762,501	(1,070,328)
Licenses, Permits and Fees	1,886,887	1,886,887	2,132,312	245,425
Fines and Forfeitures	1,758,218	1,758,218	1,980,325	222,107
Intergovernmental	2,595,073	2,595,073	2,711,670	116,597
Interest	326,469	326,469	379,301	52,832
Rentals	209,391	209,391	236,264	26,873
Franchise Taxes	478,112	478,112	538,458	60,346
Miscellaneous	889,417	889,417	952,326	62,909
<i>Total Revenues</i>	<u>43,564,838</u>	<u>43,564,838</u>	<u>47,128,537</u>	<u>3,563,699</u>
Expenditures				
Current:				
General Government				
City Council				
Personal Services	78,550	76,550	76,550	0
Other than Personal Services	8,750	10,750	5,951	4,799
Total City Council	<u>87,300</u>	<u>87,300</u>	<u>82,501</u>	<u>4,799</u>
City Manager				
Personal Services	445,160	440,843	428,644	12,199
Other than Personal Services	0	19,620	17,668	1,952
Total City Manager	<u>445,160</u>	<u>460,463</u>	<u>446,312</u>	<u>14,151</u>
Management Information System				
Personal Services	305,803	321,803	321,803	0
Other than Personal Services	78,050	228,050	120,444	107,606
Capital Outlay	3,405	3,405	7,496	(4,091)
Total Management Information System	<u>387,258</u>	<u>553,258</u>	<u>449,743</u>	<u>103,515</u>
Civil Service Commission				
Personal Services	1,096	2,611	1,967	644
Other than Personal Services	0	12,435	10,345	2,090
Total Civil Service Commission	<u>1,096</u>	<u>15,046</u>	<u>12,312</u>	<u>2,734</u>
Finance Department				
Personal Services	453,113	453,113	381,301	71,812
Other than Personal Services	112,004	117,004	66,719	50,285
Capital Outlay	150	8,150	(7,493)	15,643
Total Finance Department	<u>565,267</u>	<u>578,267</u>	<u>440,527</u>	<u>137,740</u>
Income Tax Department				
Other than Personal Services	\$991,500	\$991,500	\$978,134	\$13,366

(continued)

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department				
Personal Services	\$501,115	\$501,115	\$473,535	\$27,580
Other than Personal Services	265,100	302,550	320,614	(18,064)
Capital Outlay	0	1,750	1,715	35
Total Law Department	766,215	805,415	795,864	9,551
Service Administration				
Personal Services	318,619	318,619	314,193	4,426
Other than Personal Services	3,575	3,575	2,667	908
Total Service Administration	322,194	322,194	316,860	5,334
Capital Projects				
Personal Services	21,000	0	0	0
Other than Personal Services	250	43,500	38,656	4,844
Total Capital Projects	21,250	43,500	38,656	4,844
Public Properties and Park Maintenance				
Personal Services	953,887	1,141,887	1,135,559	6,328
Other than Personal Services	983,350	1,011,350	1,024,900	(13,550)
Non-Governmental	0	0	12,563	(12,563)
Total Public Properties and Park Maintenance	1,937,237	2,153,237	2,173,022	(19,785)
Community Service Administration				
Personal Services	242,356	244,152	195,811	48,341
Other than Personal Services	6,600	6,600	4,110	2,490
Total Community Service Administration	248,956	250,752	199,921	50,831
County Auditor				
Other than Personal Services	229,500	233,589	208,074	25,515
Municipal Court				
Personal Services	1,039,343	1,039,343	961,239	78,104
Other than Personal Services	189,315	191,515	121,229	70,286
Non-Governmental	120	120	0	120
Total Municipal Court	1,228,778	1,230,978	1,082,468	148,510
Administrative Support				
Personal Services	601,102	629,102	446,302	182,800
Other than Personal Services	847,900	968,775	825,857	142,918
Total Administrative Support	1,449,002	1,597,877	1,272,159	325,718
Hospitalization Insurance				
Personal Services	\$4,916,250	\$5,107,375	\$5,262,342	(\$154,967)

(continued)

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Water Administration				
Personal Services	\$581,715	\$581,715	\$83,675	\$498,040
Other than Personal Services	2,720,140	465,390	337,386	128,004
Capital Outlay	56,500	61,250	146,584	(85,334)
Non-Governmental	32,800	150,513	133,808	16,705
Total Water Administration	3,391,155	1,258,868	701,453	557,415
<i>Total General Government</i>	16,988,118	15,689,619	14,460,348	1,229,271
Public Safety				
Police Department				
Personal Services	8,535,705	8,535,705	7,790,788	744,917
Other than Personal Services	470,350	592,724	490,130	102,594
Non-Governmental	500	500	140	360
Total Police Department	9,006,555	9,128,929	8,281,058	847,871
Police Academy				
Personal Services	4,500	4,600	1,110	3,490
Other than Personal Services	87,000	85,000	76,203	8,797
Capital Outlay	1,000	0	0	0
Non-Governmental	0	1,000	0	1,000
Total Police Academy	92,500	90,600	77,313	13,287
Police Motor Vehicle Maintenance				
Other than Personal Services	0	0	7,014	(7,014)
Traffic Signs and Signals				
Personal Services	58,155	58,155	56,100	2,055
Other than Personal Services	145,000	170,000	153,217	16,783
Total Traffic Signs and Signals	203,155	228,155	209,317	18,838
Animal Protection Unit				
Personal Services	71,237	76,237	68,978	7,259
Other than Personal Services	29,000	32,000	28,000	4,000
Total Animal Protection Unit	100,237	108,237	96,978	11,259
Fire Department				
Personal Services	6,372,431	6,611,431	6,150,528	460,903
Other than Personal Services	271,600	283,665	274,728	8,937
Capital Outlay	1,500	1,500	0	1,500
Total Fire Department	6,645,531	6,896,596	6,425,256	471,340
Fire Prevention Bureau				
Personal Services	109,100	127,100	112,045	15,055
Other than Personal Services	4,850	4,850	6,755	(1,905)
Capital Outlay	1,000	1,000	0	1,000
Total Fire Prevention Bureau	114,950	132,950	118,800	14,150
<i>Total Public Safety</i>	\$16,162,928	\$16,585,467	\$15,215,736	\$1,369,731

(continued)

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health Services				
Office on Aging				
Personal Services	\$130,746	\$144,746	\$141,775	\$2,971
Other than Personal Services	34,000	34,169	31,076	3,093
Non-Governmental	300	300	0	300
Total Office on Aging	165,046	179,215	172,851	6,364
Health and Vital Statistics				
Other than Personal Services	193,519	208,529	204,718	3,811
Commission on Aging				
Other than Personal Services	0	250	0	250
<i>Total Public Health Services</i>	<u>358,565</u>	<u>387,994</u>	<u>377,569</u>	<u>10,425</u>
Transportation				
Vehicle Maintenance				
Personal Services	833,967	808,967	768,932	40,035
Other than Personal Services	1,269,275	1,494,275	1,247,061	247,214
Capital Outlay	9,100	109,100	33,339	75,761
Total Vehicle Maintenance	2,112,342	2,412,342	2,049,332	363,010
Off Street Parking				
Personal Services	0	0	3,281	(3,281)
Street Maintenance				
Personal Services	1,171,992	1,163,992	1,143,621	20,371
Other than Personal Services	74,500	197,500	111,155	86,345
Total Street Maintenance	1,246,492	1,361,492	1,254,776	106,716
<i>Total Transportation</i>	<u>3,358,834</u>	<u>3,773,834</u>	<u>3,307,389</u>	<u>466,445</u>
Community Development				
Community Relations				
Personal Services	42,728	47,834	47,834	0
Other than Personal Services	13,550	17,610	11,942	5,668
Total Community Relations	56,278	65,444	59,776	5,668
Public Relations				
Personal Services	211,456	216,027	209,036	6,991
Other than Personal Services	107,000	107,000	92,136	14,864
Total Public Relations	318,456	323,027	301,172	21,855
Planning Department				
Personal Services	469,863	390,143	387,500	2,643
Other than Personal Services	23,975	23,075	24,552	(1,477)
Capital Outlay	0	1,900	899	1,001
Total Planning Department	\$493,838	\$415,118	\$412,951	\$2,167

(continued)

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Planning Commission				
Personal Services	\$7,670	\$8,370	\$3,294	\$5,076
Other than Personal Services	0	2,800	1,873	927
Non-Governmental	0	450	30	420
Total Planning Commission	7,670	11,620	5,197	6,423
Board of Zoning Appeals				
Personal Services	5,478	5,738	4,129	1,609
Other than Personal Services	0	2,715	2,091	624
Non-Governmental	0	500	0	500
Total Board of Zoning Appeals	5,478	8,953	6,220	2,733
Architectural Board of Review				
Personal Services	0	8,738	6,307	2,431
Other than Personal Services	0	500	0	500
Non-Governmental	0	300	155	145
Total Architectural Board of Review	0	9,538	6,462	3,076
Special Improvement Districts				
Other than Personal Services	371,131	351,131	347,255	3,876
Building Department				
Other than Personal Services	361,700	511,700	490,584	21,116
Housing Inspections				
Personal Services	490,009	498,348	498,348	0
Other than Personal Services	0	53,500	53,421	79
Capital Outlay	0	12,500	3,960	8,540
Total Housing Inspections	490,009	564,348	555,729	8,619
Landmark Commission				
Other than Personal Services	0	4,150	613	3,537
Local Programming				
Personal Services	110,737	110,737	93,170	17,567
Other than Personal Services	163,900	333,480	222,983	110,497
Capital Outlay	85,000	426,334	174,165	252,169
Total Local Programming	359,637	870,551	490,318	380,233
Total Community Development	2,464,197	3,135,580	2,676,277	459,303
Sanitation				
Refuse Collection and Transfer Station				
Personal Services	1,513,331	1,624,081	1,575,028	49,053
Other than Personal Services	521,900	578,642	485,463	93,179
Total Sanitation	\$2,035,231	\$2,202,723	\$2,060,491	\$142,232

(continued)

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Culture and Recreation				
Recreation Administration				
Personal Services	\$236,564	\$244,564	\$237,042	\$7,522
Other than Personal Services	36,150	34,605	30,198	4,407
Total Recreation Administration	272,714	279,169	267,240	11,929
Swimming Pools				
Personal Services	257,721	267,721	281,126	(13,405)
Other than Personal Services	40,450	90,950	77,260	13,690
Non-Governmental	0	500	298	202
Total Swimming Pools	298,171	359,171	358,684	487
Ice Programs				
Personal Services	218,211	224,211	219,514	4,697
Other than Personal Services	19,850	23,850	24,793	(943)
Non-Governmental	1,000	1,000	265	735
Total Ice Programs	239,061	249,061	244,572	4,489
General Recreation Programs				
Personal Services	130,632	130,632	86,163	44,469
Other than Personal Services	25,800	36,500	39,570	(3,070)
Non-Governmental	2,500	2,500	327	2,173
Total General Recreation Programs	158,932	169,632	126,060	43,572
Sports Programs				
Personal Services	116,246	126,246	114,045	12,201
Other than Personal Services	101,500	101,000	82,003	18,997
Non-Governmental	5,000	5,000	515	4,485
Total Sports Programs	222,746	232,246	196,563	35,683
Community Center				
Personal Services	499,420	499,420	454,199	45,221
Other than Personal Services	450,300	492,645	357,316	135,329
Non-Governmental	1,500	5,500	3,054	2,446
Total Community Center	951,220	997,565	814,569	182,996
<i>Total Culture and Recreation</i>	2,142,844	2,286,844	2,007,688	279,156
<i>Total Expenditures</i>	43,510,717	44,062,061	40,105,498	3,956,563
<i>Excess of Revenues Over (Under) Expenditures</i>	\$54,121	(\$497,223)	\$7,023,039	\$7,520,262

(continued)

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Transfers Out	<u>(\$2,514,420)</u>	<u>(\$4,729,871)</u>	<u>(\$5,542,833)</u>	<u>(\$812,962)</u>
<i>Net Change in Fund Balance</i>	(2,460,299)	(5,227,094)	1,480,206	6,707,300
<i>Fund Balance Beginning of Year</i>	11,300,441	11,300,441	11,300,441	0
Prior Year Encumbrances Appropriated	<u>44,844</u>	<u>44,844</u>	<u>44,844</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$8,884,986</u>	<u>\$6,118,191</u>	<u>\$12,825,491</u>	<u>\$6,707,300</u>

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,518,921	\$2,912,135	\$2,624,416	(\$287,719)
Interest	112	146	125	(21)
Miscellaneous	18,648	24,381	20,850	(3,531)
<i>Total Revenues</i>	<u>1,537,681</u>	<u>2,936,662</u>	<u>2,645,391</u>	<u>(291,271)</u>
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	164,447	172,447	146,236	26,211
Other than Personal Services	150,457	252,457	21,686	230,771
Capital Outlay	1,200,000	2,469,657	2,389,222	80,435
Total Transportation	1,514,904	2,894,561	2,557,144	337,417
Debt Service:				
Principal Retirement	0	0	54,801	(54,801)
Interest and Fiscal Charges	0	0	7,974	(7,974)
<i>Total Expenditures</i>	<u>1,514,904</u>	<u>2,894,561</u>	<u>2,619,919</u>	<u>274,642</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>22,777</u>	<u>42,101</u>	<u>25,472</u>	<u>(16,629)</u>
Other Financing Sources (Uses)				
Advances Out	0	(125,578)	0	125,578
Transfers In	62,319	81,481	69,677	(11,804)
<i>Total Other Financing Sources (Uses)</i>	<u>62,319</u>	<u>(44,097)</u>	<u>69,677</u>	<u>113,774</u>
<i>Net Change in Fund Balance</i>	85,096	(1,996)	95,149	97,145
<i>Fund Balance Beginning of Year</i>	2,088	2,088	2,088	0
Prior Year Encumbrances Appropriated	139,763	139,763	139,763	0
<i>Fund Balance End of Year</i>	<u>\$226,947</u>	<u>\$139,855</u>	<u>\$237,000</u>	<u>\$97,145</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Bond Retirement Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,830,816	\$1,830,816	\$1,036,610	(\$794,206)
Intergovernmental	271,001	271,001	153,441	(117,560)
Special Assessments	214,014	214,014	121,175	(92,839)
<i>Total Revenues</i>	<u>2,315,831</u>	<u>2,315,831</u>	<u>1,311,226</u>	<u>(1,004,605)</u>
Expenditures				
Current:				
General Government:				
Other than Personal Services	1,400	1,200	1,200	0
Debt Service:				
Principal Retirement	2,315,053	3,007,073	2,785,029	222,044
Interest and Fiscal Charges	558,157	588,337	599,818	(11,481)
<i>Total Expenditures</i>	<u>2,874,610</u>	<u>3,596,610</u>	<u>3,386,047</u>	<u>210,563</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(558,779)</u>	<u>(1,280,779)</u>	<u>(2,074,821)</u>	<u>(794,042)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	722,000	722,000	0
Transfers In	39,185	39,185	39,185	0
<i>Total Other Financing Sources (Uses)</i>	<u>39,185</u>	<u>761,185</u>	<u>761,185</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(519,594)	(519,594)	(1,313,636)	(794,042)
<i>Fund Balance Beginning of Year</i>	2,637,605	2,637,605	2,637,605	0
Prior Year Encumbrances Appropriated	23,522	23,522	23,522	0
<i>Fund Balance End of Year</i>	<u>\$2,141,533</u>	<u>\$2,141,533</u>	<u>\$1,347,491</u>	<u>(\$794,042)</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$5,050,015	\$5,050,015	\$4,545,491	(\$504,524)
Miscellaneous	6,266	6,266	5,500	(766)
<i>Total Revenues</i>	<u>5,056,281</u>	<u>5,056,281</u>	<u>4,550,991</u>	<u>(505,290)</u>
Expenses				
Personal Services				
Sewer Maintenance	1,379,451	1,377,625	792,744	584,881
Other than Personal Services				
Sewer Maintenance	408,550	464,267	348,206	116,061
Sewer Administration	111,770	171,317	42,878	128,439
Total Other than Personal Services	<u>520,320</u>	<u>635,584</u>	<u>391,084</u>	<u>244,500</u>
Capital Outlay				
Sewer Maintenance	3,228,500	3,548,000	2,106,580	1,441,420
Debt Service				
Principal Retirement	60,371	60,371	47,790	12,581
Interest and Fiscal Charges	9,387	9,387	9,387	0
Issuance Costs	0	12,500	12,500	0
Total Debt Service	<u>69,758</u>	<u>82,258</u>	<u>69,677</u>	<u>12,581</u>
<i>Total Expenses</i>	<u>5,198,029</u>	<u>5,643,467</u>	<u>3,360,085</u>	<u>2,283,382</u>
<i>Excess of Revenues Over (Under)</i>				
<i>Expenses before Transfers</i>	<u>(141,748)</u>	<u>(587,186)</u>	<u>1,190,906</u>	<u>1,778,092</u>
Other Financing Sources (Uses)				
Proceeds of General Obligation Bonds	0	12,500	635,000	622,500
Capital Contribution	915,719	915,719	0	(915,719)
Transfers Out	(340,710)	(20,710)	0	20,710
<i>Total Other Financing Sources (Uses)</i>	<u>575,009</u>	<u>907,509</u>	<u>635,000</u>	<u>(272,509)</u>
<i>Net Change in Fund Equity</i>	433,261	320,323	1,825,906	1,505,583
<i>Fund Equity Beginning of Year</i>	244,790	244,790	244,790	0
Prior Year Encumbrances Appropriated	<u>169,113</u>	<u>169,113</u>	<u>169,113</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$847,164</u>	<u>\$734,226</u>	<u>\$2,239,809</u>	<u>\$1,505,583</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Foundation Grants Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$337,000	\$392,000	\$173,484	(\$218,516)
Expenditures				
Current:				
Community Development:				
Foundation Grants:				
Other Than Personal Services	337,000	337,000	21,749	315,251
<i>Excess of Revenues Over (Under) Expenditures</i>	0	55,000	151,735	96,735
Other Financing Sources (Uses)				
Advances Out	0	(65,150)	0	65,150
<i>Net Change in Fund Balance</i>	0	(10,150)	151,735	161,885
<i>Fund Balance Beginning of Year</i>	11,951	11,951	11,951	0
<i>Fund Balance End of Year</i>	<u>\$11,951</u>	<u>\$1,801</u>	<u>\$163,686</u>	<u>\$161,885</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Communications System Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Public Safety:				
Communications System:				
Personal Services	673,458	0	0	0
Other than Personal Services	129,350	0	1,346,496	(1,346,496)
Capital Outlay	47,300	0	0	0
<i>Total Expenditures</i>	850,108	0	1,346,496	(1,346,496)
<i>Excess of Revenues Over (Under) Expenditures</i>	(850,108)	0	(1,346,496)	(1,346,496)
Other Financing Sources (Uses)				
Transfers In	800,000	885,000	1,072,913	187,913
Transfers Out	(6,300)	(1,079,285)	0	1,079,285
<i>Total Other Financing Sources (Uses)</i>	793,700	(194,285)	1,072,913	1,267,198
<i>Net Change in Fund Balance</i>	(56,408)	(194,285)	(273,583)	(79,298)
<i>Fund Balance Beginning of Year</i>	195,288	195,288	195,288	0
<i>Fund Balance (Deficit) End of Year</i>	\$138,880	\$1,003	(\$78,295)	(\$79,298)

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$62	\$62	\$180	\$118
Miscellaneous	11,938	11,938	34,381	22,443
<i>Total Revenues</i>	<u>12,000</u>	<u>12,000</u>	<u>34,561</u>	<u>22,561</u>
Expenditures				
Current:				
Public Safety:				
Law Enforcement:				
Other than Personal Services	50,500	305,000	33,960	271,040
Capital Outlay	25,000	22,500	0	22,500
<i>Total Expenditures</i>	<u>75,500</u>	<u>327,500</u>	<u>33,960</u>	<u>293,540</u>
<i>Net Change in Fund Balance</i>	(63,500)	(315,500)	601	316,101
<i>Fund Balance Beginning of Year</i>	<u>363,814</u>	<u>363,814</u>	<u>363,814</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$300,314</u></u>	<u><u>\$48,314</u></u>	<u><u>\$364,415</u></u>	<u><u>\$316,101</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$135,500	\$225,882	\$128,150	(\$97,732)
Expenditures				
Current:				
Public Safety:				
Drug Law Enforcement:				
Personal Services	54,000	88,124	32,947	55,177
Other than Personal Services	103,500	148,758	93,772	54,986
Capital Outlay	0	5,000	0	5,000
<i>Total Expenditures</i>	<u>157,500</u>	<u>241,882</u>	<u>126,719</u>	<u>115,163</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(22,000)	(16,000)	1,431	17,431
Other Financing Sources (Uses)				
Transfers Out	0	0	(15,000)	(15,000)
<i>Net Change in Fund Balance</i>	(22,000)	(16,000)	(13,569)	2,431
<i>Fund Balance Beginning of Year</i>	<u>16,140</u>	<u>16,140</u>	<u>16,140</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$5,860)</u></u>	<u><u>\$140</u></u>	<u><u>\$2,571</u></u>	<u><u>\$2,431</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,447,463	\$2,979,362	\$1,464,261	(\$1,515,101)
Expenditures				
Current:				
Community Development:				
Financial Administration				
Personal Services	13,300	15,640	12,389	3,251
Administrative Contracts				
Other than Personal Services	171,278	232,037	194,337	37,700
Commercial Area Improvements:				
Capital Outlay	10,000	17,159	17,158	1
CDBG - Office on Aging				
Personal Services	25,000	49,590	32,998	16,592
Other than Personal Services	0	3,100	0	3,100
Total CDBG - Office on Aging	25,000	52,690	32,998	19,692
CDBG - Contingency				
Other than Personal Services	0	802	0	802
LDC - Economic Development				
Personal Services	106,000	133,121	114,925	18,196
Other than Personal Services	65,000	1,201,107	167,092	1,034,015
Total LDC - Economic Development	171,000	1,334,228	282,017	1,052,211
CDBG Administration				
Personal Services	111,000	130,361	94,343	36,018
Other than Personal Services	38,530	58,607	58,225	382
Total CDBG Administration	149,530	188,968	152,568	36,400
CDBG - Public Works				
Other than Personal Services	0	35,550	0	35,550
Capital Outlay	169,697	395,418	395,418	0
Total CDBG - Public Works	169,697	430,968	395,418	35,550
CDBG - Home Repair Resources Center				
Other than Personal Services	172,703	261,102	165,105	95,997
Housing Preservation				
Personal Services	315,000	358,507	326,988	31,519
Other than Personal Services	102,500	313,624	150,210	163,414
Capital Outlay	0	80	0	80
Total Housing Preservation	\$417,500	\$672,211	\$477,198	\$195,013

(continued)

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund (continued)
For the Year Ended December 31, 2018*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
CDBG - Code Enforcement				
Personal Services	\$60,000	\$74,951	\$36,658	\$38,293
CDBG - Neighborhood Relations				
Personal Services	57,000	73,683	42,413	31,270
CDBG - GIS				
Personal Services	22,975	55,331	27,467	27,864
Other than Personal Services	0	4,000	0	4,000
Capital Outlay	0	9,074	6,414	2,660
Total CDBG - GIS	22,975	68,405	33,881	34,524
CDBG - Program Income				
Other than Personal Services	150,000	150,121	(211)	150,332
<i>Total Expenditures</i>	<u>1,589,983</u>	<u>3,572,965</u>	<u>1,841,929</u>	<u>1,731,036</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(142,520)</u>	<u>(593,603)</u>	<u>(377,668)</u>	<u>215,935</u>
Other Financing Sources (Uses)				
Advances Out	0	(203,542)	0	203,542
Transfers In	352,537	725,638	356,628	(369,010)
<i>Total Other Financing Sources (Uses)</i>	<u>352,537</u>	<u>522,096</u>	<u>356,628</u>	<u>(165,468)</u>
<i>Net Change in Fund Balance</i>	210,017	(71,507)	(21,040)	50,467
<i>Fund Balance Beginning of Year</i>	64	64	64	0
Unexpended Prior Year Encumbrances	1,387	1,387	1,387	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$211,468</u>	<u>(\$70,056)</u>	<u>(\$19,589)</u>	<u>\$50,467</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Home Program Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$235,000	\$340,000	\$217,520	(\$122,480)
Expenditures				
Current:				
Community Development:				
Home Administration				
Other than Personal Services	234,841	234,841	143,022	91,819
<i>Excess of Revenues Over (Under) Expenditures</i>	159	105,159	74,498	(30,661)
Other Financing Sources (Uses)				
Advances Out	0	(131,064)	0	131,064
<i>Net Change in Fund Balance</i>	159	(25,905)	74,498	100,403
<i>Fund Balance Beginning of Year</i>	26,200	26,200	26,200	0
<i>Fund Balance End of Year</i>	<u>\$26,359</u>	<u>\$295</u>	<u>\$100,698</u>	<u>\$100,403</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Agency (FEMA) Grant Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$138,000	\$141,300	\$288,300	\$147,000
Expenditures				
Current:				
Public Safety:				
FEMA:				
Personal Services	242,260	242,260	206,458	35,802
<i>Net Change in Fund Balance</i>	(104,260)	(100,960)	81,842	182,802
<i>Fund Balance Beginning of Year</i>	101,668	101,668	101,668	0
<i>Fund Balance (Deficit) End of Year</i>	(\$2,592)	\$708	\$183,510	\$182,802

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cain Park Operating Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$850,059	\$952,381	\$783,224	(\$169,157)
Contributions and Donations	1,084	1,214	1,000	(214)
Miscellaneous	12,857	14,405	11,866	(2,539)
<i>Total Revenues</i>	<u>864,000</u>	<u>968,000</u>	<u>796,090</u>	<u>(171,910)</u>
Expenditures				
Current:				
Culture and Recreation:				
Cain Park Recreation				
Personal Services	180,000	174,900	183,695	(8,795)
Other than Personal Services	620,000	714,017	715,380	(1,363)
Total Cain Park Recreation	<u>800,000</u>	<u>888,917</u>	<u>899,075</u>	<u>(10,158)</u>
Cain Park Arts Festival				
Other than Personal Services	26,300	26,300	26,177	123
Cain Park Arts Theater				
Personal Services	15,231	9,331	7,624	1,707
Other than Personal Services	52,974	56,074	53,026	3,048
Total Cain Park Arts Theater	<u>68,205</u>	<u>65,405</u>	<u>60,650</u>	<u>4,755</u>
<i>Total Expenditures</i>	<u>894,505</u>	<u>980,622</u>	<u>985,902</u>	<u>(5,280)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(30,505)	(12,622)	(189,812)	(177,190)
Other Financing Sources (Uses)				
Transfers In	0	0	160,158	160,158
<i>Net Change in Fund Balance</i>	(30,505)	(12,622)	(29,654)	(17,032)
<i>Fund Balance Beginning of Year</i>	<u>13,085</u>	<u>13,085</u>	<u>13,085</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$17,420)</u>	<u>\$463</u>	<u>(\$16,569)</u>	<u>(\$17,032)</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Right of Way Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$8,000	\$8,000	\$34,689	\$26,689
Expenditures				
	0	0	0	0
<i>Net Change in Fund Balance</i>	8,000	8,000	34,689	26,689
<i>Fund Balance Beginning of Year</i>	122,267	122,267	122,267	0
<i>Fund Balance End of Year</i>	<u>\$130,267</u>	<u>\$130,267</u>	<u>\$156,956</u>	<u>\$26,689</u>

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Driver's Alcohol Treatment Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$2,000	\$2,000	\$18,869	\$16,869
Expenditures				
Current:				
General Government:				
Indigent DUI Treatment				
Other than Personal Services	14,000	14,000	0	14,000
<i>Net Change in Fund Balance</i>	(12,000)	(12,000)	18,869	30,869
<i>Fund Balance Beginning of Year</i>	225,860	225,860	225,860	0
<i>Fund Balance End of Year</i>	<u>\$213,860</u>	<u>\$213,860</u>	<u>\$244,729</u>	<u>\$30,869</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Clerk Computerization Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$376,265	\$377,265	\$65,777	(\$311,488)
Expenditures				
Current:				
General Government:				
Court Computer				
Personal Services	86,940	86,940	25,441	61,499
Other than Personal Services	89,500	89,500	32,595	56,905
Capital Outlay	212,000	212,000	138,994	73,006
<i>Total Expenditures</i>	<u>388,440</u>	<u>388,440</u>	<u>197,030</u>	<u>191,410</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,175)</u>	<u>(11,175)</u>	<u>(131,253)</u>	<u>(120,078)</u>
Other Financing Sources (Uses)				
Advances Out	0	(16,325)	0	16,325
Transfers In	12,735	12,735	106,956	94,221
<i>Total Other Financing Uses</i>	<u>12,735</u>	<u>(3,590)</u>	<u>106,956</u>	<u>110,546</u>
<i>Net Change in Fund Balance</i>	560	(14,765)	(24,297)	(9,532)
<i>Fund Balance Beginning of Year</i>	15,316	15,316	15,316	0
Prior Year Encumbrances Appropriated	600	600	600	0
<i>Fund Balance End of Year</i>	<u><u>\$16,476</u></u>	<u><u>\$1,151</u></u>	<u><u>(\$8,381)</u></u>	<u><u>(\$9,532)</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DUI Enforcement and Education Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$5,033	\$33
Expenditures				
Current:				
General Government:				
DUI Enforcement Education				
Other than Personal Services	10,000	10,000	0	10,000
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	5,033	10,033
<i>Fund Balance Beginning of Year</i>	107,013	107,013	107,013	0
<i>Fund Balance End of Year</i>	<u>\$102,013</u>	<u>\$102,013</u>	<u>\$112,046</u>	<u>\$10,033</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Special Projects Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$150,000	\$150,000	\$109,698	(\$40,302)
Expenditures				
Current:				
General Government:				
Court Special Projects				
Personal Services	52,591	52,591	2,552	50,039
Other than Personal Services	79,000	79,000	4,809	74,191
Capital Outlay	170,000	170,000	0	170,000
<i>Total Expenditures</i>	<u>301,591</u>	<u>301,591</u>	<u>7,361</u>	<u>294,230</u>
<i>Net Change in Fund Balance</i>	(151,591)	(151,591)	102,337	253,928
<i>Fund Balance Beginning of Year</i>	<u>1,925,865</u>	<u>1,925,865</u>	<u>1,925,865</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,774,274</u>	<u>\$1,774,274</u>	<u>\$2,028,202</u>	<u>\$253,928</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Lead Safe Cuyahoga Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$473,000	\$577,000	\$331,102	(\$245,898)
Expenditures				
Current:				
Community Development:				
LEAD Safe Cuyahoga				
Personal Services	42,139	29,932	3,649	26,283
Other than Personal Services	442,614	442,614	200,898	241,716
<i>Total Expenditures</i>	<u>484,753</u>	<u>472,546</u>	<u>204,547</u>	<u>267,999</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(11,753)	104,454	126,555	22,101
Other Financing Sources (Uses)				
Advances Out	0	(110,444)	0	110,444
<i>Net Change in Fund Balance</i>	(11,753)	(5,990)	126,555	132,545
<i>Fund Balance Beginning of Year</i>	6,600	6,600	6,600	0
Unexpended Prior Year Encumbrances	12,207	12,207	12,207	0
<i>Fund Balance End of Year</i>	<u>\$7,054</u>	<u>\$12,817</u>	<u>\$145,362</u>	<u>\$132,545</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Neighborhood Stabilization Program Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Development:				
Neighborhood Stabilization				
Other than Personal Services	<u>121,324</u>	<u>121,324</u>	<u>15</u>	<u>121,309</u>
<i>Net Change in Fund Balance</i>	(121,324)	(121,324)	(15)	121,309
<i>Fund Balance Beginning of Year</i>	<u>123,599</u>	<u>123,599</u>	<u>123,599</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,275</u></u>	<u><u>\$2,275</u></u>	<u><u>\$123,584</u></u>	<u><u>\$121,309</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$941,400	\$941,400	\$1,113,245	\$171,845
Expenditures				
Current:				
Public Safety:				
Street Lighting				
Other than Personal Services	930,000	967,258	919,552	47,706
<i>Excess of Revenues Over (Under) Expenditures</i>	11,400	(25,858)	193,693	219,551
Other Financing Sources (Uses)				
Transfers In	18,600	18,600	19,400	800
<i>Net Change in Fund Balance</i>	30,000	(7,258)	213,093	220,351
<i>Fund Balance Beginning of Year</i>	723,402	723,402	723,402	0
<i>Fund Balance End of Year</i>	<u>\$753,402</u>	<u>\$716,144</u>	<u>\$936,495</u>	<u>\$220,351</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tree Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses, Permits and Fees	\$67	\$67	\$60	(\$7)
Special Assessments	1,062,077	1,062,077	948,576	(113,501)
Miscellaneous	25,517	25,517	22,790	(2,727)
<i>Total Revenues</i>	<u>1,087,661</u>	<u>1,087,661</u>	<u>971,426</u>	<u>(116,235)</u>
Expenditures				
Current:				
Community Development:				
Tree				
Personal Services	727,942	790,742	602,661	188,081
Other than Personal Services	361,550	405,390	366,380	39,010
<i>Total Expenditures</i>	<u>1,089,492</u>	<u>1,196,132</u>	<u>969,041</u>	<u>227,091</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,831)</u>	<u>(108,471)</u>	<u>2,385</u>	<u>110,856</u>
Other Financing Sources (Uses)				
Transfers In	22,264	22,264	24,300	2,036
Transfers Out	(15,415)	(15,415)	(11,845)	3,570
<i>Total Other Financing Sources (Uses)</i>	<u>6,849</u>	<u>6,849</u>	<u>12,455</u>	<u>5,606</u>
<i>Net Change in Fund Balance</i>	5,018	(101,622)	14,840	116,462
<i>Fund Balance Beginning of Year</i>	<u>585,101</u>	<u>585,101</u>	<u>585,101</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$590,119</u></u>	<u><u>\$483,479</u></u>	<u><u>\$599,941</u></u>	<u><u>\$116,462</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$44,705	\$47,159	\$219,353	\$172,194
Intergovernmental	3,806	4,014	18,673	14,659
<i>Total Revenues</i>	48,511	51,173	238,026	186,853
Expenditures				
Current:				
Public Safety:				
Police Pension				
Personal Services	1,140,830	1,140,830	1,156,171	(15,341)
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,092,319)	(1,089,657)	(918,145)	171,512
Other Financing Sources (Uses)				
Transfers In	1,081,492	1,140,830	1,140,830	0
<i>Net Change in Fund Balance</i>	(10,827)	51,173	222,685	171,512
<i>Fund Balance (Deficit) Beginning of Year</i>	(51,553)	(51,553)	(51,553)	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$62,380)</u>	<u>(\$380)</u>	<u>\$171,132</u>	<u>\$171,512</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$190,423	\$207,562	\$207,336	(\$226)
Intergovernmental	28,187	30,723	30,690	(33)
<i>Total Revenues</i>	218,610	238,285	238,026	(259)
Expenditures				
Current:				
Public Safety:				
Fire Pension				
Personal Services	1,509,259	1,571,259	1,633,234	(61,975)
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,290,649)	(1,332,974)	(1,395,208)	(62,234)
Other Financing Sources (Uses)				
Transfers In	1,292,393	1,408,717	1,407,180	(1,537)
<i>Net Change in Fund Balance</i>	1,744	75,743	11,972	(63,771)
<i>Fund Balance (Deficit) Beginning of Year</i>	(75,025)	(75,025)	(75,025)	0
<i>Fund Balance (Deficit) End of Year</i>	(\$73,281)	\$718	(\$63,053)	(\$63,771)

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
First Suburbs Development Council Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$20,000	\$20,000	\$0	(\$20,000)
Expenditures				
Current:				
Community Development:				
First Suburbs Development Council				
Personal Services	<u>23,090</u>	<u>23,090</u>	<u>216</u>	<u>22,874</u>
<i>Net Change in Fund Balance</i>	(3,090)	(3,090)	(216)	2,874
<i>Fund Balance Beginning of Year</i>	<u>57,754</u>	<u>57,754</u>	<u>57,754</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$54,664</u></u>	<u><u>\$54,664</u></u>	<u><u>\$57,538</u></u>	<u><u>\$2,874</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,340,400	\$1,340,400	\$1,026,501	(\$313,899)
Expenditures				
Current:				
General Government:				
Off-Street Parking				
Personal Services	193,364	193,364	162,455	30,909
Other than Personal Services	959,498	973,198	901,612	71,586
Capital Outlay	17,400	17,400	0	17,400
Non-Governmental	4,000	4,000	3,387	613
<i>Total Expenditures</i>	<u>1,174,262</u>	<u>1,187,962</u>	<u>1,067,454</u>	<u>120,508</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	166,138	152,438	(40,953)	(193,391)
Other Financing Sources (Uses)				
Transfers Out	(1,000)	(1,000)	0	1,000
<i>Net Change in Fund Balance</i>	165,138	151,438	(40,953)	(192,391)
<i>Fund Balance Beginning of Year</i>	462,470	462,470	462,470	0
Prior Year Encumbrances Appropriated	118	118	118	0
<i>Fund Balance End of Year</i>	<u><u>\$627,726</u></u>	<u><u>\$614,026</u></u>	<u><u>\$421,635</u></u>	<u><u>(\$192,391)</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ambulance Services Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$839,760	\$839,760	\$900,921	\$61,161
Miscellaneous	240	240	262	22
<i>Total Revenues</i>	<u>840,000</u>	<u>840,000</u>	<u>901,183</u>	<u>61,183</u>
Expenditures				
Current:				
Public Safety:				
Ambulance Services				
Personal Services	220,775	225,775	166,747	59,028
Other than Personal Services	299,345	299,345	237,132	62,213
Capital Outlay	456,655	451,655	118,973	332,682
<i>Total Public Safety</i>	<u>976,775</u>	<u>976,775</u>	<u>522,852</u>	<u>453,923</u>
Debt Service:				
Principal Retirement	72,476	72,476	72,476	0
Interest and Fiscal Charges	12,679	12,679	12,679	0
<i>Total Expenditures</i>	<u>1,061,930</u>	<u>1,061,930</u>	<u>608,007</u>	<u>453,923</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(221,930)</u>	<u>(221,930)</u>	<u>293,176</u>	<u>515,106</u>
Other Financing Sources (Uses)				
Transfers Out	(61,870)	(61,870)	(61,500)	370
<i>Net Change in Fund Balance</i>	<u>(283,800)</u>	<u>(283,800)</u>	<u>231,676</u>	<u>515,476</u>
<i>Fund Balance Beginning of Year</i>	<u>1,352,098</u>	<u>1,352,098</u>	<u>1,352,098</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,068,298</u>	<u>\$1,068,298</u>	<u>\$1,583,774</u>	<u>\$515,476</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Office on Aging Donations Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$6,000	\$6,000	\$6,408	\$408
Expenditures				
Current:				
Public Health Services:				
Office on Aging				
Other than Personal Services	11,540	11,371	6,321	5,050
Capital	3,000	3,000	503	2,497
<i>Total Expenditures</i>	<u>14,540</u>	<u>14,371</u>	<u>6,824</u>	<u>7,547</u>
<i>Net Change in Fund Balance</i>	(8,540)	(8,371)	(416)	7,955
<i>Fund Balance Beginning of Year</i>	<u>9,209</u>	<u>9,209</u>	<u>9,209</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$669</u></u>	<u><u>\$838</u></u>	<u><u>\$8,793</u></u>	<u><u>\$7,955</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Youth Recreation Donation Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$5,000	\$5,000	\$11,613	\$6,613
Expenditures				
Current:				
General Government:				
Youth Donations				
Other than Personal Services	<u>5,500</u>	<u>5,500</u>	<u>0</u>	<u>5,500</u>
<i>Net Change in Fund Balance</i>	(500)	(500)	11,613	12,113
<i>Fund Balance Beginning of Year</i>	<u>38,511</u>	<u>38,511</u>	<u>38,511</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$38,011</u></u>	<u><u>\$38,011</u></u>	<u><u>\$50,124</u></u>	<u><u>\$12,113</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Memorial Trust Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Police Trust				
Other than Personal Services	608	608	0	608
<i>Net Change in Fund Balance</i>	(608)	(608)	0	608
<i>Fund Balance Beginning of Year</i>	10,608	10,608	10,608	0
<i>Fund Balance End of Year</i>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,608</u>	<u>\$608</u>

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Youth Advisory Commission Fund
For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions and Donations	\$100	\$100	\$0	(\$100)
Expenditures				
Current:				
General Government:				
Youth Advisory				
Other than Personal Services	100	100	0	100
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	71	71	71	0
<i>Fund Balance End of Year</i>	<u>\$71</u>	<u>\$71</u>	<u>\$71</u>	<u>\$0</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Program Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$10,000	\$10,000	\$5,600	(\$4,400)
Expenditures				
Current:				
Public Safety:				
Juvenile Diversion Program				
Other than Personal Services	12,000	12,000	6,341	5,659
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	(741)	1,259
<i>Fund Balance Beginning of Year</i>	4,465	4,465	4,465	0
<i>Fund Balance End of Year</i>	<u>\$2,465</u>	<u>\$2,465</u>	<u>\$3,724</u>	<u>\$1,259</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Improvement Grants Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$366,886	\$366,886	\$366,886	\$0
Expenditures				
Current:				
General Government:				
Water Improvements				
Other than Personal Services	366,886	366,886	366,886	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Earned Benefits Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$0	\$0	\$3,940	\$3,940
Expenditures				
Current:				
General Government:				
Personal Services	48,339	79,915	79,440	475
Public Safety:				
Personal Services	326,483	539,755	538,108	1,647
Transportation:				
Personal Services	21,500	35,544	35,332	212
Community Development:				
Personal Services	9,056	14,972	14,883	89
Sanitation:				
Personal Services	67,544	111,666	111,000	666
Culture and Recreation:				
Personal Services	27,078	44,765	44,498	267
<i>Total Expenditures</i>	<u>500,000</u>	<u>826,617</u>	<u>823,261</u>	<u>3,356</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(500,000)	(826,617)	(819,321)	7,296
Other Financing Sources (Uses)				
Transfers In	604,000	604,000	747,607	143,607
<i>Net Change in Fund Balance</i>	104,000	(222,617)	(71,714)	150,903
<i>Fund Balance Beginning of Year</i>	<u>236,674</u>	<u>236,674</u>	<u>236,674</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$340,674</u></u>	<u><u>\$14,057</u></u>	<u><u>\$164,960</u></u>	<u><u>\$150,903</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Facility Improvement Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses, Permits and Fees	\$20,000	\$20,000	\$25,370	\$5,370
Expenditures				
Current:				
Public Safety:				
Police Facility Improvement				
Other than Personal Services	19,500	19,500	18,000	1,500
Capital Outlay	15,000	15,000	0	15,000
<i>Total Expenditures</i>	<u>34,500</u>	<u>34,500</u>	<u>18,000</u>	<u>16,500</u>
<i>Net Change in Fund Balance</i>	(14,500)	(14,500)	7,370	21,870
<i>Fund Balance Beginning of Year</i>	<u>41,317</u>	<u>41,317</u>	<u>41,317</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,817</u></u>	<u><u>\$26,817</u></u>	<u><u>\$48,687</u></u>	<u><u>\$21,870</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Facility Improvement Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$449,137	\$449,137	\$483,745	\$34,608
Intergovernmental	66,538	66,538	71,665	5,127
<i>Total Revenues</i>	<u>515,675</u>	<u>515,675</u>	<u>555,410</u>	<u>39,735</u>
Expenditures				
Current:				
Culture and Recreation:				
Recreation Facility Improvement				
Other than Personal Services	185,000	424,773	329,939	94,834
Capital Outlay	585,797	461,024	420,020	41,004
Debt Service:				
Principal Retirement	18,365	18,365	18,365	0
Interest and Fiscal Charges	3,838	3,838	3,838	0
<i>Total Expenditures</i>	<u>793,000</u>	<u>908,000</u>	<u>772,162</u>	<u>135,838</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(277,325)	(392,325)	(216,752)	175,573
Other Financing Sources (Uses)				
Transfers Out	(27,340)	(27,340)	(27,340)	0
<i>Net Change in Fund Balance</i>	(304,665)	(419,665)	(244,092)	175,573
<i>Fund Balance Beginning of Year</i>	456,783	456,783	456,783	0
Prior Year Encumbrances Appropriated	773	773	773	0
<i>Fund Balance End of Year</i>	<u>\$152,891</u>	<u>\$37,891</u>	<u>\$213,464</u>	<u>\$175,573</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	268,550	1,256,399	1,087,171	169,228
<i>Excess of Revenues Over (Under) Expenditures</i>	(268,550)	(1,256,399)	(1,087,171)	169,228
Other Financing Sources (Uses)				
Transfers In	929,335	1,299,335	513,684	(785,651)
<i>Net Change in Fund Balance</i>	660,785	42,936	(573,487)	(616,423)
<i>Fund Balance Beginning of Year</i>	258,784	258,784	258,784	0
Prior Year Encumbrances Appropriated	63,079	63,079	63,079	0
<i>Fund Balance End of Year</i>	<u>\$982,648</u>	<u>\$364,799</u>	<u>(\$251,624)</u>	<u>(\$616,423)</u>

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Energy Improvements Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$70,665	\$70,665	\$70,665	\$0
Expenditures				
Capital Outlay	228,750	785,033	682,403	102,630
<i>Net Change in Fund Balance</i>	(158,085)	(714,368)	(611,738)	102,630
<i>Fund Balance Beginning of Year</i>	413,634	413,634	413,634	0
Unexpended Prior Year Encumbrances	619,923	619,923	619,923	0
<i>Fund Balance End of Year</i>	<u>\$875,472</u>	<u>\$319,189</u>	<u>\$421,819</u>	<u>\$102,630</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$210,196</u>	<u>\$180,196</u>
Expenditures				
Current:				
Community Development:				
Economic Development				
Personal Services	56,632	69,632	61,744	7,888
Other than Personal Services	<u>321,100</u>	<u>288,100</u>	<u>110,897</u>	<u>177,203</u>
Total Community Development	377,732	357,732	172,641	185,091
Capital Outlay	<u>0</u>	<u>70,000</u>	<u>0</u>	<u>70,000</u>
<i>Total Expenditures</i>	<u>377,732</u>	<u>427,732</u>	<u>172,641</u>	<u>255,091</u>
<i>Net Change in Fund Balance</i>	(347,732)	(397,732)	37,555	435,287
<i>Fund Balance Beginning of Year</i>	<u>1,453,827</u>	<u>1,453,827</u>	<u>1,453,827</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,106,095</u></u>	<u><u>\$1,056,095</u></u>	<u><u>\$1,491,382</u></u>	<u><u>\$435,287</u></u>

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Hall Maintenance Fund
For the Year Ended December 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Rentals	\$35,000	\$35,000	\$27,657	(\$7,343)
Expenditures				
Current:				
General Government:				
City Hall Maintenance				
Other than Personal Services	15,000	15,000	7,518	7,482
Capital Outlay	15,000	15,000	0	15,000
<i>Total Expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>7,518</u>	<u>22,482</u>
<i>Net Change in Fund Balance</i>	5,000	5,000	20,139	15,139
<i>Fund Balance Beginning of Year</i>	<u>63,031</u>	<u>63,031</u>	<u>63,031</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$68,031</u></u>	<u><u>\$68,031</u></u>	<u><u>\$83,170</u></u>	<u><u>\$15,139</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ring Road Construction Fund
For the Year Ended December 31, 2018

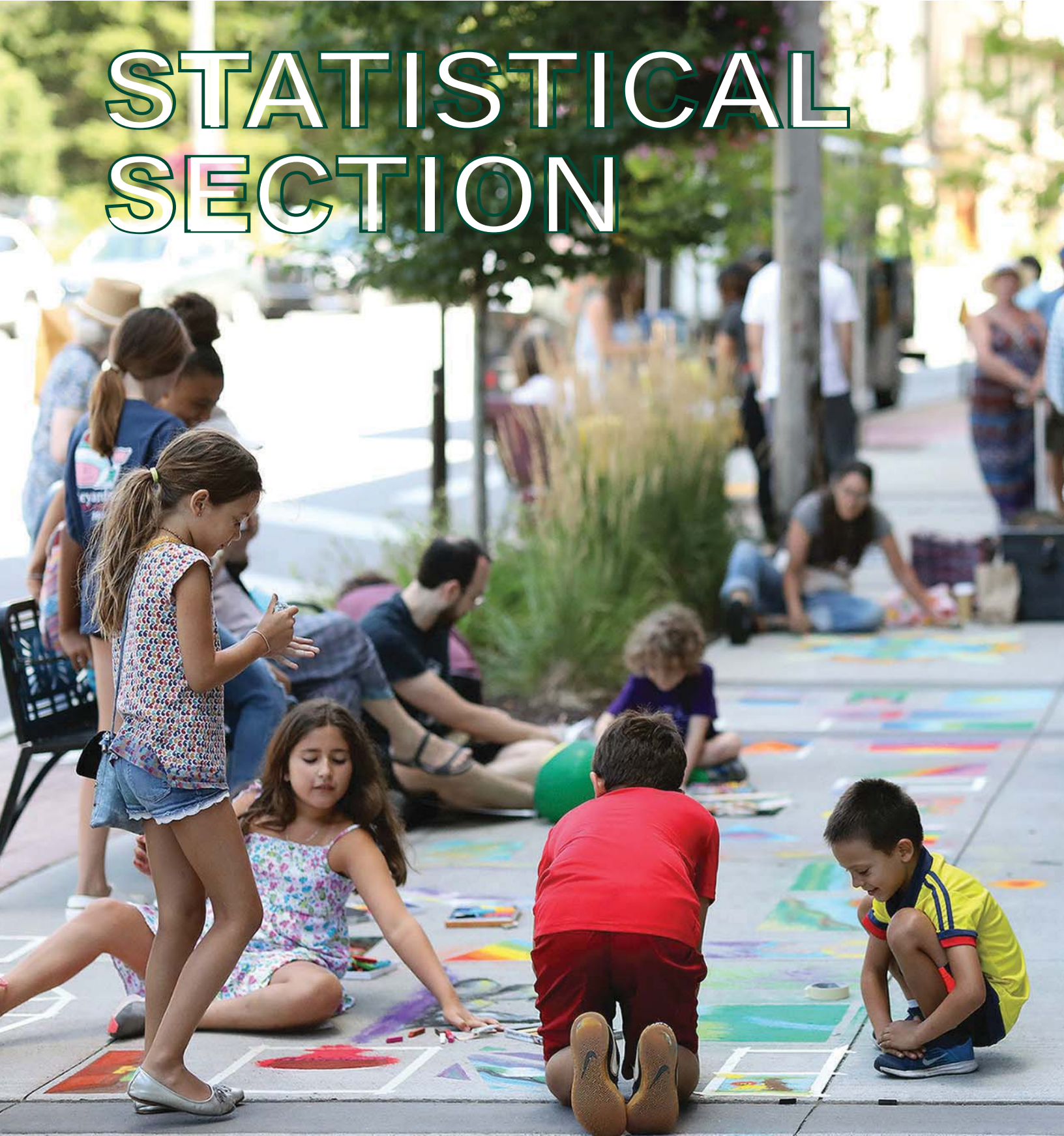
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>	<u>(\$5,000)</u>
Expenditures				
Current:				
General Government:				
Ring Road Construction				
Other than Personal Services	15,000	15,000	0	15,000
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
<i>Total Expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>0</u>	<u>40,000</u>
<i>Net Change in Fund Balance</i>	(35,000)	(35,000)	0	35,000
<i>Fund Balance Beginning of Year</i>	<u>35,045</u>	<u>35,045</u>	<u>35,045</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$45</u>	<u>\$45</u>	<u>\$35,045</u>	<u>\$35,000</u>

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Cleveland Heights beautiful parks
beautiful community

Sidewalk Chalking on Fairmount

STATISTICAL SECTION





Cleveland Heights, Ohio beautiful parks
beautiful community

Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S12 – S18
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S19 - S24
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	S25 – S27
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<i>Operating Information</i>	S28 - S35
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

City of Cleveland Heights, Ohio

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	<u>2018</u>	<u>2017 (3)</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Net Investment in Capital Assets	\$65,914,958	\$66,649,264	\$65,331,766	\$63,355,613
Restricted	15,462,988	15,323,423	14,526,578	16,344,332
Unrestricted (Deficit)	<u>(57,675,810)</u>	<u>(53,358,107)</u>	<u>(17,475,658)</u>	<u>(14,732,685)</u>
<i>Total Governmental Activities Net Position</i>	<u>23,702,136</u>	<u>28,614,580</u>	<u>62,382,686</u>	<u>64,967,260</u>
Business-Type Activities				
Net Investment in Capital Assets	6,712,319	6,363,409	20,305,226	20,428,734
Unrestricted (Deficit)	<u>2,390,264</u>	<u>646,273</u>	<u>3,178,139</u>	<u>2,464,954</u>
<i>Total Business-Type Activities Net Position</i>	<u>9,102,583</u>	<u>7,009,682</u>	<u>23,483,365</u>	<u>22,893,688</u>
Primary government				
Net Investment in Capital Assets	72,627,277	73,012,673	85,636,992	83,784,347
Restricted	15,462,988	15,323,423	14,526,578	16,344,332
Unrestricted (Deficit)	<u>(55,285,546)</u>	<u>(52,711,834)</u>	<u>(14,297,519)</u>	<u>(12,267,731)</u>
<i>Total Primary Government Net Position</i>	<u>\$32,804,719</u>	<u>\$35,624,262</u>	<u>\$85,866,051</u>	<u>\$87,860,948</u>

(1) The City implemented GASB Statement No. 54 in 2011, causing the classification of net position to change.

(2) In 2015, the City implemented GASB 68 which affected Unrestricted Net Position for 2014.

(3) In 2018, the City implemented GASB 75 and restated for transfer of operations which affected Unrestricted Net Position for 2017.

2014 (2)	2013	2012	2011 (1)	2010 (1)	2009
\$63,242,503	\$64,402,234	\$66,164,102	\$61,261,817	\$60,655,783	\$52,671,861
15,988,947	16,261,342	16,014,581	14,783,716	10,212,831	10,039,038
(20,086,683)	13,108,074	14,583,025	13,789,209	11,467,878	8,480,557
<u>59,144,767</u>	<u>93,771,650</u>	<u>96,761,708</u>	<u>89,834,742</u>	<u>82,336,492</u>	<u>71,191,456</u>
20,507,524	20,927,544	21,386,384	21,461,778	21,995,967	29,105,885
(43,529)	2,028,666	2,017,605	2,882,395	3,647,070	3,246,059
<u>20,463,995</u>	<u>22,956,210</u>	<u>23,403,989</u>	<u>24,344,173</u>	<u>25,643,037</u>	<u>32,351,944</u>
83,750,027	85,329,778	87,550,486	82,723,595	82,651,750	81,777,746
15,988,947	16,261,342	16,014,581	14,783,716	10,212,831	10,039,038
(20,130,212)	15,136,740	16,600,630	16,671,604	15,114,948	11,726,616
<u>\$79,608,762</u>	<u>\$116,727,860</u>	<u>\$120,165,697</u>	<u>\$114,178,915</u>	<u>\$107,979,529</u>	<u>\$103,543,400</u>

City of Cleveland Heights, Ohio

Changes in Net Position

Last Ten Years (1)

(accrual basis of accounting)

	2018 (4)	2017 (2)	2016	2015 (3)
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments				
General Government	\$4,218,129	\$4,005,958	\$4,172,508	\$4,368,875
Public Safety	5,621,987	5,291,173	5,833,368	5,614,727
Public Health Services	74,153	65,406	69,414	75,245
Transportation	682,738	433,538	536,527	660,114
Community Development	1,709,836	1,547,919	1,411,096	508,653
Sanitation	435,889	450,884	407,540	1,037,224
Culture and Recreation	1,121,306	1,133,852	856,391	1,486,855
Operating Grants and Contributions	5,614,681	9,116,678	6,276,236	5,136,553
Capital Grants and Contributions	71,438	87,378	72,096	37,300
<i>Total Governmental Activities Program Revenues</i>	<u>19,550,157</u>	<u>22,132,786</u>	<u>19,635,176</u>	<u>18,925,546</u>
Business-Type Activities:				
Charges for Services:				
Water (2)	0	594,071	14,242,180	14,282,892
Sewer	4,502,792	2,883,863	1,398,962	1,622,110
Utilities (1)	0	0	0	0
Operating Grants and Contributions	0	915,719	0	0
Capital Grants and Contributions	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>4,502,792</u>	<u>4,393,653</u>	<u>15,641,142</u>	<u>15,905,002</u>
<i>Total Primary Government Program Revenues</i>	<u>24,052,949</u>	<u>26,526,439</u>	<u>35,276,318</u>	<u>34,830,548</u>
Expenses				
Governmental Activities:				
General Government	17,535,489	16,331,347	16,358,242	12,914,350
Public Safety	28,171,172	26,341,709	25,334,587	21,488,717
Public Health Services	385,738	360,285	359,185	332,708
Transportation	8,201,178	8,527,689	8,278,949	7,123,967
Community Development	5,778,337	5,613,479	6,350,784	5,009,520
Sanitation	2,655,695	2,678,313	2,217,216	2,531,508
Culture and Recreation	3,732,443	4,381,740	3,220,376	3,007,590
Interest and Fiscal Charges	624,516	451,277	583,113	498,182
<i>Total Governmental Activities Expenses</i>	<u>67,084,568</u>	<u>64,685,839</u>	<u>62,702,452</u>	<u>52,906,542</u>
Business-Type Activities:				
Water	0	15,810,884	13,422,399	12,225,265
Sewer	2,501,275	2,646,476	1,649,888	1,539,528
Utilities (1)	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>2,501,275</u>	<u>18,457,360</u>	<u>15,072,287</u>	<u>13,764,793</u>
<i>Total Primary Government Expenses</i>	<u>\$69,585,843</u>	<u>\$83,143,199</u>	<u>\$77,774,739</u>	<u>\$66,671,335</u>

2014	2013	2012	2011	2010	2009
\$4,406,803	\$4,287,936	\$3,896,511	\$5,173,902	\$5,899,281	\$5,426,842
5,625,274	5,903,861	5,078,988	4,063,337	2,787,809	641,586
74,658	70,591	61,303	60,043	1,320	1,140
757,961	695,236	589,434	575,647	4,324	40,283
1,684,767	1,667,890	1,320,804	1,264,852	1,682,112	824,958
468,649	460,342	429,204	394,745	1,522,649	1,456,358
955,160	614,650	981,803	727,363	1,721,728	1,700,627
6,296,657	4,337,755	5,657,962	4,953,832	2,913,883	2,321,296
73,446	74,496	3,877,741	0	2,493,496	413,457
<u>20,343,375</u>	<u>18,112,757</u>	<u>21,893,750</u>	<u>17,213,721</u>	<u>19,026,602</u>	<u>12,826,547</u>
13,045,233	12,424,417	11,466,957	10,125,904	0	0
1,553,903	1,663,242	1,727,854	1,584,611	0	0
0	0	0	0	12,746,117	13,772,780
0	0	0	0	0	4,990
0	0	0	0	547,852	111,469
<u>14,599,136</u>	<u>14,087,659</u>	<u>13,194,811</u>	<u>11,710,515</u>	<u>13,293,969</u>	<u>13,889,239</u>
<u>34,942,511</u>	<u>32,200,416</u>	<u>35,088,561</u>	<u>28,924,236</u>	<u>32,320,571</u>	<u>26,715,786</u>
14,768,680	14,369,538	16,048,638	15,240,828	16,283,136	14,221,696
21,856,257	20,891,754	21,239,342	19,139,951	19,266,592	17,365,410
363,067	360,462	363,703	342,507	360,546	374,224
8,330,208	10,621,023	5,718,551	5,620,385	6,755,636	4,608,968
6,147,040	5,164,372	6,347,777	6,330,335	7,154,037	5,754,860
1,829,229	2,511,148	2,670,357	2,470,427	2,396,825	2,328,083
3,117,836	3,565,494	3,385,120	3,466,238	3,562,465	3,721,292
668,496	748,771	798,771	1,159,987	96,930	635,984
<u>57,080,813</u>	<u>58,232,562</u>	<u>56,572,259</u>	<u>53,770,658</u>	<u>55,876,167</u>	<u>49,010,517</u>
14,023,023	12,743,834	13,213,185	10,800,301	0	0
2,045,581	1,790,551	1,787,713	2,217,378	0	0
0	0	0	0	12,374,470	14,806,270
<u>16,068,604</u>	<u>14,534,385</u>	<u>15,000,898</u>	<u>13,017,679</u>	<u>12,374,470</u>	<u>14,806,270</u>
<u>\$73,149,417</u>	<u>\$72,766,947</u>	<u>\$71,573,157</u>	<u>\$66,788,337</u>	<u>\$68,250,637</u>	<u>\$63,816,787</u>

(continued)

City of Cleveland Heights, Ohio

Changes in Net Position (continued)

Last Ten Years (1)

(accrual basis of accounting)

	2018 (4)	2017 (2)	2016	2015 (3)
Net (Expense)/Revenue				
Governmental Activities	(\$47,534,411)	(\$42,553,053)	(\$43,067,276)	(\$33,980,996)
Business-Type Activities	2,001,517	(14,063,707)	568,855	2,140,209
<i>Total Primary Government Net Expense</i>	<u>(45,532,894)</u>	<u>(56,616,760)</u>	<u>(42,498,421)</u>	<u>(31,840,787)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	6,811,660	6,721,408	6,816,312	7,465,977
Other Purposes	432,247	412,884	423,916	434,668
Debt Service	778,168	2,064,131	2,175,486	1,935,505
Capital Outlay	490,240	481,610	494,532	507,033
Municipal Income Taxes Levied For:				
General Purposes	29,088,986	28,288,722	25,911,464	24,221,436
Admissions Taxes	51,930	53,976	83,402	94,087
Grants and Entitlements not Restricted to Specific Programs	2,783,621	3,311,536	2,973,822	2,938,207
Franchise Taxes	545,814	502,577	606,056	560,558
Payment in Lieu of Taxes	0	0	0	0
Investment Earnings	391,208	222,634	133,571	77,437
Gain on Sale of Capital Assets	0	0	11,751	15,219
Miscellaneous	1,333,977	945,402	1,202,894	1,838,614
Transfers	(85,884)	(48,445)	(20,666)	(285,252)
<i>Total Governmental Activities</i>	<u>42,621,967</u>	<u>42,956,435</u>	<u>40,812,540</u>	<u>39,803,489</u>
Business-Type Activities:				
Investment Earnings	0	0	0	0
Miscellaneous	5,500	391,198	156	4,232
Transfers	85,884	48,445	20,666	285,252
<i>Total Business-Type Activities</i>	<u>91,384</u>	<u>439,643</u>	<u>20,822</u>	<u>289,484</u>
<i>Total Primary Government</i>	<u>42,713,351</u>	<u>43,396,078</u>	<u>40,833,362</u>	<u>40,092,973</u>
 Change in Net Position				
Governmental Activities	(4,912,444)	403,382	(2,254,736)	5,822,493
Business-Type Activities (2)	2,092,901	(13,624,064)	589,677	2,429,693
<i>Total Primary Government Change in Net Position</i>	<u>(\$2,819,543)</u>	<u>(\$13,220,682)</u>	<u>(\$1,665,059)</u>	<u>\$8,252,186</u>

(1) Business-Type Activities funds are presented together under "utilities" from 2008 - 2010.

(2) During 2017, the City signed a direct service agreement with the City of Cleveland for water distribution, resulting in a transfer of operations, effective in 2017

(3) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015

(4) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018

2014	2013	2012	2011	2010	2009
(\$36,737,438)	(\$40,119,805)	(\$34,678,509)	(\$36,556,937)	(\$36,849,565)	(\$36,183,970)
(1,469,468)	(446,726)	(1,806,087)	(1,307,164)	919,499	(917,031)
(38,206,906)	(40,566,531)	(36,484,596)	(37,864,101)	(35,930,066)	(37,101,001)
6,581,283	6,516,716	6,720,122	6,955,676	7,865,388	7,236,862
431,946	449,426	463,456	477,254	482,529	514,132
1,762,903	2,261,326	2,240,041	2,306,722	2,332,232	3,570,713
503,935	524,333	540,700	556,794	485,169	0
24,035,692	21,620,891	24,772,161	24,162,250	20,202,521	19,994,781
158,849	101,414	107,516	273,716	0	0
3,297,881	3,793,292	4,418,417	4,919,000	7,521,076	7,829,289
490,496	551,694	588,325	565,476	0	0
0	0	1,150,000	141,241	0	0
70,034	43,610	45,811	127,999	169,445	112,881
0	0	103,497	0	0	0
1,259,270	1,244,120	1,318,978	1,694,674	1,295,993	1,054,747
16,421	22,925	(863,549)	14,385	0	(503,138)
38,608,710	37,129,747	41,605,475	42,195,187	40,354,353	39,810,267
0	0	0	0	4,085	21,561
19,361	21,872	2,354	22,685	7,757	69,019
(16,421)	(22,925)	863,549	(14,385)	0	503,138
2,940	(1,053)	865,903	8,300	11,842	593,718
38,611,650	37,128,694	42,471,378	42,203,487	40,366,195	40,403,985
1,871,272	(2,990,058)	6,926,966	5,638,250	3,504,788	3,626,297
(1,466,528)	(447,779)	(940,184)	(1,298,864)	931,341	(323,313)
\$404,744	(\$3,437,837)	\$5,986,782	\$4,339,386	\$4,436,129	\$3,302,984

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

	2018	2017 (2)	2016	2015
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	721,773	527,700	657,693	272,287
Assigned	67,126	927,845	1,775,739	113,116
Unassigned	16,566,585	15,538,835	9,152,182	7,872,648
<i>Total General Fund</i>	<u>17,355,484</u>	<u>16,994,380</u>	<u>11,585,614</u>	<u>8,258,051</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved:				
Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
Nonspendable	57,855	70,442	90,294	75,102
Restricted	9,082,917	9,375,697	7,787,747	9,244,854
Committed	1,813,440	1,699,509	1,046,209	964,170
Assigned	1,688,722	1,946,707	2,570,520	3,346,090
Unassigned (Deficit)	(905,412)	(667,990)	(1,607,207)	(583,989)
<i>Total All Other Governmental Funds</i>	<u>11,737,522</u>	<u>12,424,365</u>	<u>9,887,563</u>	<u>13,046,227</u>
<i>Total Governmental Funds</i>	<u>\$29,093,006</u>	<u>\$29,418,745</u>	<u>\$21,473,177</u>	<u>\$21,304,278</u>

(1) During 2011, the City implemented GASB 54, which restated 2010 and caused the classification of fund balance to change.

(2) During 2017, the City signed a direct service agreement with the City of Cleveland for water distribution, resulting in a transfer of operations and change to fund balance, effective in 2017.

2014	2013	2012	2011 (1)	2010 (1)	2009
\$0	\$0	\$0	\$0	\$0	\$524,144
0	0	0	0	0	5,282,107
653,120	403,831	380,439	282,323	329,078	0
36,452	6,535,767	2,960,821	4,978,336	358,103	0
3,975,918	(2,980,886)	3,157,559	2,764,002	7,740,531	0
<u>4,665,490</u>	<u>3,958,712</u>	<u>6,498,819</u>	<u>8,024,661</u>	<u>8,427,712</u>	<u>5,806,251</u>
0	0	0	0	0	2,135,795
0	0	0	0	0	3,078,106
0	0	0	0	0	3,642,458
0	0	0	0	0	1,764,568
45,930	65,630	65,780	95,526	1,608,483	0
7,213,016	7,540,793	8,109,130	7,363,926	9,003,123	0
904,809	949,701	1,186,778	1,263,138	1,225,246	0
2,769,393	1,651,700	1,663,977	356,140	1,409,066	0
(311,850)	(803,088)	(1,338,387)	(987,173)	(2,301,471)	0
<u>10,621,298</u>	<u>9,404,736</u>	<u>9,687,278</u>	<u>8,091,557</u>	<u>10,944,447</u>	<u>10,620,927</u>
<u>\$15,286,788</u>	<u>\$13,363,448</u>	<u>\$16,186,097</u>	<u>\$16,116,218</u>	<u>\$19,372,159</u>	<u>\$16,427,178</u>

City of Cleveland Heights, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2018	2017	2016	2015
Revenues				
Property Taxes	\$8,668,862	\$9,520,699	\$9,767,040	\$10,154,350
Municipal Income Taxes	27,664,058	28,725,003	26,552,239	24,797,290
Admissions Taxes	51,930	53,976	83,402	94,087
Charges for Services	6,505,988	4,196,025	3,620,781	3,831,395
Licenses, Permits and Fees	2,191,529	3,994,350	4,841,715	5,083,144
Fines and Forfeitures	2,238,932	2,376,533	2,113,387	2,437,592
Intergovernmental	8,523,205	12,505,221	9,334,689	8,052,404
Special Assessments	2,182,996	2,115,997	2,134,257	2,207,781
Interest	391,208	222,634	133,571	77,437
Rentals	263,921	326,808	25,200	22,200
Contributions and Donations	24,621	19,446	40,492	30,999
Franchise Taxes	545,814	502,577	606,056	560,558
Payment in Lieu of Taxes	0	0	0	0
Miscellaneous	1,333,977	945,402	1,202,894	1,838,614
<i>Total Revenues</i>	<u>60,587,041</u>	<u>65,504,671</u>	<u>60,455,723</u>	<u>59,187,851</u>
Expenditures				
Current:				
General Government	16,631,354	15,026,725	16,212,345	14,994,218
Public Safety	22,754,779	21,430,864	21,375,902	21,499,555
Public Health Services	385,212	351,307	355,707	382,879
Transportation	5,571,795	5,751,208	7,703,370	4,912,147
Community Development	5,651,512	5,391,557	6,246,063	5,204,623
Sanitation	2,304,250	2,216,257	2,122,964	2,272,075
Culture and Recreation	2,981,156	3,719,148	3,052,494	2,853,367
Capital Outlay	2,599,053	9,325,850	1,820,801	1,887,039
Debt Service:				
Principal Retirement	2,381,617	4,320,888	4,009,532	2,404,860
Interest and Fiscal Charges	595,403	321,081	469,202	397,428
Bond Issuance Costs	0	144,976	41,347	117,332
<i>Total Expenditures</i>	<u>61,856,131</u>	<u>67,999,861</u>	<u>63,409,727</u>	<u>56,925,523</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,269,090)</u>	<u>(2,495,190)</u>	<u>(2,954,004)</u>	<u>2,262,328</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	17,358	15,219
General Obligation Notes and Bonds Issued	582,000	8,017,000	3,115,000	8,477,000
General Obligation Notes and Bonds Premium	0	214,216	11,211	0
General Obligation Discount on Bonds Issued	0	(91,758)	0	0
Loans Issued	0	0	0	0
Inception of Capital Lease	447,201	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(4,728,842)
Transfers In	4,910,911	3,263,213	3,104,993	2,550,316
Transfers Out	(4,996,795)	(3,311,658)	(3,125,659)	(2,550,316)
<i>Total Other Financing Sources (Uses)</i>	<u>943,317</u>	<u>8,091,013</u>	<u>3,122,903</u>	<u>3,763,377</u>
<i>Net Change in Fund Balances</i>	<u>(\$325,773)</u>	<u>\$5,595,823</u>	<u>\$168,899</u>	<u>\$6,025,705</u>
Debt Service as a Percentage of Noncapital Expenditures	5.1%	8.1%	7.9%	5.4%

2014	2013	2012	2011	2010	2009
\$9,329,219	\$9,476,596	\$9,906,172	\$10,040,053	\$10,576,318	\$11,123,154
23,281,969	21,676,288	23,022,254	19,359,768	20,623,037	20,282,703
158,849	101,414	107,516	273,716	0	0
3,819,341	5,541,130	5,156,842	4,909,865	3,571,709	3,535,575
4,941,868	2,042,386	1,957,712	1,664,970	1,865,516	1,845,466
2,596,790	3,215,569	2,937,542	2,789,862	2,956,629	3,062,880
9,891,209	7,900,584	10,602,604	9,983,844	12,879,753	10,780,543
2,158,785	1,944,755	1,982,802	1,939,289	1,451,905	1,504,940
70,034	43,610	45,811	127,999	169,445	112,881
50,198	27,932	50,476	54,571	0	0
21,902	12,336	12,348	15,880	0	0
490,496	551,694	588,325	565,476	0	0
0	0	1,150,000	141,241	0	0
1,259,270	1,244,120	1,318,978	1,694,674	2,530,200	2,533,055
58,069,930	53,778,414	58,839,382	53,561,208	56,624,512	54,781,197
14,836,528	15,394,711	15,354,284	14,645,346	15,815,325	13,832,810
22,462,442	21,216,050	20,796,144	19,736,539	18,400,270	17,132,779
366,334	362,178	362,103	385,716	360,312	386,646
6,014,505	5,877,513	5,162,780	5,057,282	3,069,299	2,970,122
6,138,590	5,065,872	6,163,082	5,944,549	6,302,268	5,255,571
2,258,106	2,350,856	2,417,960	2,248,499	2,134,046	2,119,740
2,642,396	2,489,045	2,628,806	2,477,521	2,767,008	2,933,068
2,630,003	1,778,253	2,330,729	1,276,062	6,274,534	3,555,156
2,045,393	1,964,862	2,094,509	4,318,896	1,859,529	2,136,867
599,873	693,272	748,794	832,804	627,819	707,451
95,463	0	0	0	0	0
60,089,633	57,192,612	58,059,191	56,923,214	57,610,410	51,030,210
(2,019,703)	(3,414,198)	780,191	(3,362,006)	(985,898)	3,750,987
26,477	0	128,697	34,260	24,273	17,796
5,635,000	1,590,000	0	0	0	0
0	9,185	0	0	0	0
0	0	0	0	0	0
0	482,601	24,540	57,420	191,460	39,852
730,133	0	0	0	450,000	0
(2,464,988)	(1,513,662)	0	0	0	0
3,325,327	3,998,494	3,982,694	2,808,707	3,351,610	3,966,923
(3,308,906)	(3,975,069)	(4,846,243)	(2,794,322)	(3,351,610)	(4,470,061)
3,943,043	591,549	(710,312)	106,065	665,733	(445,490)
\$1,923,340	(\$2,822,649)	\$69,879	(\$3,255,941)	(\$320,165)	\$3,305,497
4.8%	5.0%	5.2%	9.7%	4.8%	6.0%

City of Cleveland Heights, Ohio

Property Tax Rates - Direct and Overlapping Governments

(Per \$1,000 of Assessed Valuation)

Last Ten Collection Years

	2018	2017	2016	2015
Inside Millage				
Operating	\$2.22000	\$2.22000	\$2.22000	\$2.57000
Debt	1.50000	1.50000	1.50000	1.15000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>
Charter Millage				
1976 Charter/Current Expense	6.48000	6.48000	6.48000	6.48000
1997 Bond (\$15,000,000)	0.00000	0.00000	1.50000	1.50000
2004 Charter/Recreation Improvements	0.70000	0.70000	0.70000	0.70000
2014 Charter/Current Expense	0.92000	0.92000	0.92000	0.92000
<i>Total Voted Millage by Type of Property</i>	<u>8.10000</u>	<u>8.10000</u>	<u>9.60000</u>	<u>9.60000</u>
<i>Total Millage</i>	<u>\$12.42000</u>	<u>\$12.42000</u>	<u>\$13.92000</u>	<u>\$13.92000</u>
Overlapping Rates by Taxing District				
<i>Cleveland Heights - University Heights</i>				
General Business and Public Utility Personal	\$154.20000	\$155.09000	\$149.59000	\$149.59000
Residential/Agricultural Real	81.79927	88.48750	81.30809	80.95140
Commercial/Industrial and Public Utility Real	101.34487	107.61380	98.15769	93.53970
<i>Cleveland Heights Library</i>				
Operating - continuing				
General Business and Public Utility Personal	10.00000	10.00000	10.00000	10.00000
Residential/Agricultural Real	7.74291	8.26150	8.20296	8.17220
Commercial/Industrial and Public Utility Real	8.69555	9.11310	8.88246	8.56850
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	14.05000	14.05000	14.05000	14.05000
Residential/Agricultural Real	12.79732	13.91400	13.86978	14.05000
Commercial/Industrial and Public Utility Real	13.07704	14.00610	14.05000	14.01950
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	7.38000	6.88000	6.88000	6.88000
Residential/Agricultural Real	6.68792	7.28830	6.76737	6.86430
Commercial/Industrial and Public Utility Real	6.84133	7.34360	6.86755	6.84010

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

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

(1) Cleveland Metro Parks, Port Authority, Cuyahoga Community College

Source: Cuyahoga County, Ohio; County Fiscal Officer

2014	2013	2012	2011	2010	2009
\$2.57000	\$2.22000	\$2.22000	\$2.22000	\$2.22000	\$0.92000
1.15000	1.50000	1.50000	1.50000	1.50000	2.80000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
4.32000	4.32000	4.32000	4.32000	4.32000	4.32000
6.48000	6.48000	6.48000	6.48000	6.48000	6.48000
1.40000	1.50000	1.40000	1.40000	1.40000	1.40000
0.70000	0.70000	0.70000	0.70000	0.70000	0.70000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8.58000	8.68000	8.58000	8.58000	8.58000	8.58000
\$12.90000	\$13.00000	\$12.90000	\$12.90000	\$12.90000	\$12.90000
\$149.59000	\$143.70000	\$143.70000	\$136.80000	\$136.80000	\$136.70000
80.38096	74.30494	71.72200	64.31560	64.19270	60.29800
92.77882	87.04456	84.67910	76.56090	77.75310	76.29060
7.80000	7.80000	7.80000	7.80000	7.80000	7.80000
5.92317	5.90716	5.71080	5.67410	5.66510	5.38950
6.31694	6.32897	6.17450	6.07140	6.17280	6.08370
14.05000	13.22000	13.22000	13.32000	13.32000	13.32000
14.05000	13.22000	13.11820	13.18660	13.17890	12.66070
13.94947	12.99676	12.78460	12.84120	12.84570	12.81530
5.98000	5.08000	5.08000	5.08000	4.78000	4.78000
5.96390	5.06349	5.00410	4.99000	4.50680	4.15970
5.88426	4.96214	4.86490	4.84500	4.41190	4.39110

City of Cleveland Heights, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

Collection Year	Real Property Assessed Values			Tangible Personal Property	
	Residential/ Agricultural	Commercial Industrial	Estimated Actual Value	Public Utility	
				Assessed Values	Estimated Actual Value
2018	\$678,829,930	\$112,853,640	\$2,261,953,057	\$16,785,770	\$19,074,739
2017	649,557,230	116,591,460	2,188,996,257	14,528,950	16,510,170
2016	686,084,250	117,958,640	2,297,265,400	14,628,530	16,623,330
2015	703,127,810	132,585,410	2,387,752,057	14,281,390	16,228,852
2014	711,935,130	135,720,620	2,421,873,571	13,432,710	15,264,443
2013	716,045,780	136,988,860	2,437,241,829	12,266,160	13,938,818
2012	758,172,910	142,503,180	2,573,360,257	11,149,780	12,670,205
2011	767,304,310	146,782,270	2,611,675,943	10,757,850	12,224,830
2010	768,320,370	145,568,470	2,611,110,971	10,441,200	11,865,000
2009	820,746,690	147,702,300	2,766,997,114	9,840,320	11,182,182

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four yearphase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay

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

Source: Cuyahoga County, Ohio; County Fiscal Officer

Tangible Personal Property

General Business		Total			Direct Tax Rate
Assessed Values	Estimated Actual Value	Assessed Values	Estimated Actual Value	Ratio	
\$0	\$0	\$808,469,340	\$2,281,027,796	35.44 %	\$12.42
0	0	780,677,640	2,205,506,427	35.40	12.42
0	0	818,671,420	2,313,888,730	35.38	13.92
0	0	849,994,610	2,403,980,909	35.36	13.92
0	0	861,088,460	2,437,138,014	35.33	12.90
0	0	865,300,800	2,451,180,647	35.30	13.00
0	0	911,825,870	2,586,030,462	35.26	12.90
0	0	924,844,430	2,623,900,773	35.25	12.90
0	0	924,330,040	2,622,975,971	35.24	12.90
0	0	978,289,310	2,778,179,296	35.21	12.90

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

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy (2)
2018	\$13,209,653	\$9,435,071	71.43 %	\$623,249	\$10,058,320	76.14 %
2017	12,390,749	9,276,560	74.87	577,266	9,853,826	79.53
2016	11,390,880	10,626,321	93.29	517,268	11,143,589	97.83
2015	11,768,632	10,905,320	92.66	651,266	11,556,586	98.20
2014	11,056,467	10,003,954	90.48	654,530	10,658,484	96.40
2013	11,286,563	10,311,193	91.36	579,904	10,891,097	96.50
2012	11,835,005	10,845,056	91.64	631,704	11,476,760	96.97
2011	12,141,783	11,045,724	90.97	1,771,588	12,817,312	105.56
2010	12,034,172	11,145,509	92.62	1,515,195	12,660,704	105.21
2009	12,686,328	11,734,295	92.50	1,304,581	13,038,876	102.78

Source: Cuyahoga County, Ohio; County Fiscal Officer

Note: The County's current operating system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

- (1) State reimbursement of rollback and homestead exemptions are included.
- (2) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

City of Cleveland Heights, Ohio

Principal Taxpayers

2018 and 2009

			2018	
Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation		
Cleveland Electric Illuminating Co.	\$10,955,170	1.36%		
HS Acquisition	6,391,220	0.79		
Severance Realty, LLC	3,675,010	0.45		
East Ohio Gas Company	3,303,180	0.41		
American Transmission System	3,178,010	0.39		
Waldorf Partners Limited Partnership	2,877,490	0.36		
Lancashire Towers Associates	2,855,200	0.35		
Kensington Limited Partnership	2,852,290	0.35		
Cleveland Heights BG Propco, LLC	2,383,550	0.29		
Property Investment Co., LLC	2,153,730	0.27		
Total	\$40,624,850	5.02%		
Total Assessed Valuation	\$808,469,340			
			2009	
Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation		
Severance Realty, LLC	\$18,470,070	1.89%		
Kaiser Foundation Health Plan of Ohio	11,621,820	1.19		
Cleveland Electric Illuminating Co.	7,909,130	0.81		
American Retirement Corporation	3,757,150	0.38		
Concord Company	2,591,190	0.26		
Kensington Limited Partnership	2,520,000	0.26		
Severance Housing Corporation	2,229,290	0.23		
Waldorf Partners Limited Partnership	2,189,330	0.22		
Lancashire Towers Associates	1,924,760	0.20		
East Ohio Gas	1,822,480	0.19		
Total	\$55,035,220	5.63%		
Total Assessed Valuation	\$978,289,310			

Source: Cuyahoga County Fiscal Officer

City of Cleveland Heights, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Year	Tax Rate (2)	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
2018	2.25 %	\$27,660,650	\$9,291,416	33 %	\$997,935	4 %	\$17,371,299	63 %
2017	2.25	27,289,506	8,603,124	31	1,000,026	4	17,686,356	65
2016	2.25	26,217,124	8,651,651	33	786,514	3	16,778,959	64
2015	2.00	24,039,748	7,471,065	31	805,444	3	15,763,239	66
2014	2.00	23,161,191	7,870,984	34	928,582	4	14,361,625	62
2013	2.00	22,714,993	6,961,230	31	673,668	3	15,080,095	66
2012	2.00	22,419,053	6,949,906	31	672,572	3	14,796,575	66
2011	2.00	19,214,462	6,699,569	35	421,295	2	12,093,598	63
2010	2.00	18,827,105	6,694,873	36	646,012	3	11,486,220	61
2009	2.00	20,085,142	6,713,661	34	662,329	3	12,709,152	63

Sources: Regional Income Tax Agency data - certain amounts may be estimates. Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only, without filing requirement.

Note: The City is statutorily prohibited from presenting individual taxpayer information.

(1) Based on Cash Basis

(2) The City's basic income tax rate may only be increased by a majority vote of the City's residents. In November 2015, the voters approved an increase to 2.25%, effective January 1, 2016.

City of Cleveland Heights, Ohio
*Ratio of General Obligation Bonded Debt to Estimated Actual
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt (1)	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2018	46,121	\$2,281,027,796	\$16,048,278	0.70%	\$348
2017	46,121	2,205,506,427	17,333,458	0.79	376
2016	46,121	2,313,888,730	12,342,682	0.53	268
2015	46,121	2,313,888,730	12,971,816	0.56	281
2014	46,121	2,437,138,014	12,202,733	0.50	265
2013	46,121	2,451,180,647	10,830,316	0.44	235
2012	46,121	2,586,030,462	12,462,539	0.48	270
2011	46,121	2,623,900,773	14,326,306	0.55	311
2010	46,121	2,622,975,971	15,895,000	0.61	345
2009	50,769	2,778,179,296	11,400,000	0.41	225

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

Note: The debt service fund pays principal and interest on general obligation bonds, as well as special assessment bonds.

City of Cleveland Heights, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Governmental Activities								
Year	General Obligation Bonds	Economic Development Bonds	Special Assessment Bonds	Bond Anticipation Notes	Capital Leases	OPWC Loans	OWDA Loans	State Infrastructure Bank Loan
2018	\$16,048,278	\$0	\$2,015,000	\$582,000	\$863,421	\$1,332,284	\$186,435	\$226,371
2017 (3)	17,333,458	0	2,140,000	722,000	507,061	1,422,713	205,278	278,875
2016	12,342,682	0	2,260,000	1,526,211	577,825	1,345,630	0	329,838
2015	12,971,816	0	2,375,000	1,515,000	646,918	1,461,069	0	0
2014	12,202,733	0	2,490,000	0	816,338	1,576,509	0	0
2013	10,830,316	0	2,522,575	0	193,836	1,679,271	0	0
2012	12,462,539	0	2,613,206	0	283,615	1,286,753	0	0
2011	14,326,306	0	2,703,837	0	408,081	1,307,256	0	0
2010	15,895,000	235,000	2,770,000	1,850,000	637,743	1,399,070	0	0
2009	11,400,000	460,000	2,850,000	0	122,055	1,226,097	0	0

(1) Computation of percentage of personal income divided by total debt over total personal income.
See page S28 for total personal income data.

(2) Computation of per capita divided by total debt over population.
See page S28 for population data.

(3) OPWC loans and OWDA loans related to waterlines are non-capital related now that the transfer of operations is complete.
The loans have been moved to governmental activities.

Business - Type Activities							
General Obligation Bonds	Bond Anticipation Notes	OPWC Loans	OWDA Loans	Capital Leases	Total Debt	Percentage of Personal Income (1)	Per Capita (2)
\$570,000	\$0	\$196,491	\$123,566	\$0	\$22,143,846	1.59%	\$480
0	0	212,233	171,356	0	22,992,974	1.65	499
0	186,369	607,822	397,971	0	19,574,348	1.40	424
0	185,000	704,720	439,386	0	20,298,909	1.45	440
0	0	801,619	479,178	0	18,366,377	1.32	398
0	0	898,518	517,409	0	16,641,925	1.19	361
0	0	995,417	554,141	0	18,195,671	1.30	395
0	0	1,043,867	589,433	0	20,378,780	1.46	442
0	0	1,172,917	495,486	0	24,455,216	1.75	530
6,210,000	0	1,237,667	335,792	267,003	24,108,614	1.84	934

City of Cleveland Heights, Ohio
Legal Debt Margin
Last Ten Years

	2018	2017	2016	2015
Total Assessed Property Value	<u>\$808,469,340</u>	<u>\$780,677,640</u>	<u>\$818,671,420</u>	<u>\$849,994,610</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	15,929,000	17,211,000	12,307,000	12,902,000
Special Assessment Bonds	2,015,000	2,140,000	2,260,000	2,375,000
OPWC Loans	1,332,284	1,422,713	1,345,630	1,461,069
OWDA Loans	186,435	205,278	0	0
State Infrastructure Loan Payable	226,371	278,875	329,838	0
Notes	722,000	1,285,000	1,526,211	1,752,527
Total Gross Indebtedness	<u>20,411,090</u>	<u>22,542,866</u>	<u>17,768,679</u>	<u>18,490,596</u>
Less:				
Special Assessment Bonds	(2,015,000)	(2,140,000)	(2,260,000)	(2,375,000)
OPWC Loans	(1,332,284)	(1,422,713)	(1,345,630)	(1,461,069)
OWDA Loans	(186,435)	(205,278)	0	0
Notes	(722,000)	(1,285,000)	(1,526,211)	(1,752,527)
General Bond Retirement Fund Balance	<u>(1,182,631)</u>	<u>(1,564,354)</u>	<u>(1,773,910)</u>	<u>(277,889)</u>
Total Net Debt Applicable to Debt Limit	<u>14,972,740</u>	<u>15,925,521</u>	<u>10,862,928</u>	<u>12,624,111</u>
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	<u>84,889,281</u>	<u>81,971,152</u>	<u>85,960,499</u>	<u>89,249,434</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$69,916,541</u>	<u>\$66,045,631</u>	<u>\$75,097,571</u>	<u>\$76,625,323</u>
Legal Debt Margin as a Percentage of the Debt Limit	82.36%	80.57%	87.36%	85.86%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	<u>\$44,465,814</u>	<u>\$42,937,270</u>	<u>\$45,026,928</u>	<u>\$46,749,704</u>
Total Gross Indebtedness	20,411,090	22,542,866	17,768,679	18,490,596
Less:				
Special Assessment Bonds	(2,015,000)	(2,140,000)	(2,260,000)	(2,375,000)
OPWC Loans	(1,332,284)	(1,422,713)	(1,345,630)	(1,461,069)
Notes	(722,000)	(1,285,000)	(1,526,211)	(1,752,527)
General Bond Retirement Fund Balance	<u>(1,182,631)</u>	<u>(1,564,354)</u>	<u>(1,773,910)</u>	<u>(277,889)</u>
Net Debt Within 5 1/2% Limitations	<u>15,159,175</u>	<u>16,130,799</u>	<u>10,862,928</u>	<u>12,624,111</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$29,306,639</u>	<u>\$26,806,471</u>	<u>\$34,164,000</u>	<u>\$34,125,593</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	65.91%	62.43%	75.87%	73.00%

Source: City Financial Records

2014	2013	2012	2011	2010	2009
<u>\$861,088,460</u>	<u>\$865,300,800</u>	<u>\$911,825,870</u>	<u>\$924,844,430</u>	<u>\$924,330,040</u>	<u>\$978,289,310</u>
12,085,000	10,680,000	12,290,000	14,125,000	15,895,000	11,400,000
2,490,000	2,505,000	2,595,000	2,685,000	2,770,000	2,850,000
1,576,509	1,679,271	1,286,753	1,307,256	1,399,070	1,226,097
0	0	0	0	0	0
0	0	0	0	0	0
1,976,277	2,193,000	2,126,000	1,703,000	1,850,000	0
<u>18,127,786</u>	<u>17,057,271</u>	<u>18,297,753</u>	<u>19,820,256</u>	<u>21,914,070</u>	<u>15,476,097</u>
(2,490,000)	(2,505,000)	(2,595,000)	(2,685,000)	(2,770,000)	(2,850,000)
(1,576,509)	(1,679,271)	(1,286,753)	(1,307,256)	(1,399,070)	(1,226,097)
0	0	0	0	0	0
(1,976,277)	(2,193,000)	(2,126,000)	(1,703,000)	(1,850,000)	0
<u>(482,039)</u>	<u>(1,306,909)</u>	<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>	<u>(3,642,458)</u>
<u>11,602,961</u>	<u>9,373,091</u>	<u>10,472,267</u>	<u>10,639,301</u>	<u>12,104,140</u>	<u>7,757,542</u>
<u>90,414,288</u>	<u>90,856,584</u>	<u>95,741,716</u>	<u>97,108,665</u>	<u>97,054,654</u>	<u>102,720,378</u>
<u>\$78,811,327</u>	<u>\$81,483,493</u>	<u>\$85,269,449</u>	<u>\$86,469,364</u>	<u>\$84,950,514</u>	<u>\$94,962,836</u>
87.17%	89.68%	89.06%	89.04%	87.53%	92.45%
<u>\$47,359,865</u>	<u>\$47,591,544</u>	<u>\$50,150,423</u>	<u>\$50,866,444</u>	<u>\$50,838,152</u>	<u>\$53,805,912</u>
18,127,786	17,057,271	18,297,753	19,820,256	21,914,070	15,476,097
(2,490,000)	(2,505,000)	(2,595,000)	(2,685,000)	(2,770,000)	(2,850,000)
(1,576,509)	(1,679,271)	(1,286,753)	(1,307,256)	(1,399,070)	(1,226,097)
(1,976,277)	(2,193,000)	(2,126,000)	(1,703,000)	(1,850,000)	0
<u>(482,039)</u>	<u>(1,306,909)</u>	<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>	<u>(3,642,458)</u>
<u>11,602,961</u>	<u>9,373,091</u>	<u>10,472,267</u>	<u>10,639,301</u>	<u>12,104,140</u>	<u>7,757,542</u>
<u>\$35,756,904</u>	<u>\$38,218,453</u>	<u>\$39,678,156</u>	<u>\$40,227,143</u>	<u>\$38,734,012</u>	<u>\$46,048,370</u>
75.50%	80.31%	79.12%	79.08%	76.19%	85.58%

City of Cleveland Heights, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2018

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Cleveland Heights
Direct Debt			
City of Cleveland Heights			
General Obligation Bonds	\$16,048,278	100.00%	\$16,048,278
Special Assessment Bonds	2,015,000	100.00	2,015,000
OPWC Loans	1,114,748	100.00	1,114,748
OWDA Loans	1,332,284	100.00	1,332,284
State Infrastructure Bank Loan	186,435	100.00	186,435
Long-Term Notes	582,000	100.00	582,000
Capital Leases	863,421	100.00	863,421
	<u>22,142,166</u>		<u>22,142,166</u>
Total Direct Debt			
Overlapping Debt:			
Payable from Property Taxes			
Cuyahoga County Bonds	200,766,146	3.40	6,826,049
Regional Transit Authority Bonds	113,117,645	3.40	3,846,000
Cleveland Heights-			
University Heights City School District	175,260,206	75.64	132,566,820
East Cleveland City School District	2,226,619	23.80	529,935
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	681,206,878	3.40	23,161,034
Cuyahoga County Certificates of Participation	235,169,929	3.40	7,995,778
Cuyahoga County Loans	1,416,331	3.40	48,155
Cuyahoga County Leases	335,053,352	3.40	11,391,814
Cleveland Heights -			
University Heights City School District Leases	241,861	75.64	182,944
	<u>1,744,458,967</u>		<u>186,548,529</u>
Total Overlapping Debt			
	<u>\$1,766,601,133</u>		<u>\$208,690,695</u>
Total			

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government.

City of Cleveland Heights, Ohio

Principal Employers

2018 and 2009

2018		
Employer	Employees	
Cleveland Heights - University Heights City School District	788	
City of Cleveland Heights	672	
MetroHealth System	525	
C A S Health Investors, Inc.	350	
Cuyahoga County Fiscal Office	317	
Home Depot USA Inc.	253	
Dave's Supermarket, Inc.	147	
Hebrew Academy of Cleveland	434	
XCEL Healthcare Products Inc.	184	
Minute Men Select Inc	613	
Total	<u>4,283</u>	
Total City Employment	<u>n/a</u>	
2009		
Employer	Employees	Percentage of Total City Employment
Cleveland Heights - University Heights City School District	1,747	5.50 %
City of Cleveland Heights	774	2.44
Kaiser Foundation	322	1.01
Zagara's	245	0.77
A1 Healthcare	231	0.73
Home Depot	227	0.71
Hebrew Academy	202	0.64
Walmart	162	0.51
Mosdos Ohr Hatorah	161	0.51
Cleveland Heights Library	150	0.46
Total	<u>4,221</u>	<u>13.28 %</u>
Total City Employment	<u>31,785</u>	

Source: City of Cleveland Heights, Department of Income Tax - 2009
Regional Income Tax Agency (RITA)

n/a - not available

City of Cleveland Heights, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (a)	Total Personal Income	Per Capita Personal Income	Median Household Income	Median Age	Educational Attainment: High School or higher
2018	46,121	\$1,395,621,460	\$30,260	\$47,529	35.2	93.7
2017	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2016	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2015	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2014	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2013	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2012	46,121	1,395,621,460	30,260	47,966	35.3	92.4
2011	46,121	1,395,621,460	30,260	49,056	35.7	92.3
2010	46,121	1,395,621,460	30,260	49,056	35.7	92.3
2009	50,769	1,310,043,276	25,804	47,400	35.2	91.6

(a) Source: U. S. Census, Census of population
 2010- 2018: 2010 Federal Census
 2008-2009: 2000 Federal Census

(b) Source: Cuyahoga County Fiscal Officer

(c) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us>".

School Enrollment (c)	Cuyahoga County Unemployment Rate	Total Assessed Property Value (b)
5,214	5.9 %	\$808,469,340
4,957	5.9	780,677,640
5,393	5.4	818,671,420
5,393	4.0	849,994,610
5,693	5.3	861,088,460
5,300	7.2	865,300,800
5,870	8.3	911,825,870
5,870	8.0	924,844,430
5,832	8.6	924,330,040
5,899	9.0	978,289,310

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

<u>Function/program</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government:					
Mangement/Council	3.0	3.0	3.0	6.0	7.2
City-Management	2.0	2.0	2.0	0.0	0.0
Finance	6.5	6.5	6.0	6.0	6.5
Off-Street Parking	2.0	2.0	2.0	3.0	3.0
Planning/Community					
Development	9.0	8.0	8.0	12.0	12.0
Building/Inspectional	11.0	11.0	10.0	15.0	16.1
Municipal Court	27.0	28.0	26.0	29.0	26.3
Other	18.5	18.5	21.0	14.5	18.0
Public Safety:					
Police					
Officers	100.0	100.0	98.0	115.8	114.6
Civilians/Crossing Guards	12.0	16.0	17.5	5.0	4.0
Fire					
Firefighters and officers	75.0	73.0	78.0	73.0	78.0
Civilians/Dispatch	0.0	10.0	11.0	8.0	10.3
Culture and Recreation:					
	82.5	82.5	75.0	55.0	55.9
Sanitation:					
	26.0	26.0	29.0	28.0	27.3
Transportation:					
	20.0	20.0	17.0	20.0	22.0
Other Public Works Departments					
	32.0	32.0	35.5	22.0	22.0
Public Utilities:					
Water	0.0	1.0	15.0	14.0	14.0
Wastewater	16.0	12.0	13.0	12.0	12.0
Totals:	<u>442.5</u>	<u>451.5</u>	<u>467.0</u>	<u>438.3</u>	<u>449.2</u>

Source: City of Cleveland Heights Payroll/ Human Resources Department

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.
 Count taken at December 31.

2013	2012	2011	2010	2009
7.1	6.1	7.0	7.0	7.0
0.0	0.0	0.0	0.0	0.0
6.6	6.6	7.5	17.5	19.0
3.0	3.0	3.0	3.0	3.0
11.9	11.1	12.0	12.0	12.0
15.0	17.4	16.5	15.0	15.5
25.4	24.9	29.0	26.0	23.5
20.2	18.4	19.0	18.5	18.5
113.8	113.1	113.0	111.0	111.0
5.0	8.0	4.0	4.0	4.0
69.0	75.0	71.0	72.0	75.0
8.6	9.9	10.5	10.0	9.0
58.6	57.0	56.5	59.5	59.0
30.0	27.9	30.0	29.0	29.0
22.0	20.0	19.0	21.0	28.0
23.0	23.0	21.0	23.0	23.0
15.0	17.0	18.0	18.0	17.0
13.0	13.0	10.0	10.0	10.0
<u>447.2</u>	<u>451.3</u>	<u>447.0</u>	<u>456.5</u>	<u>463.5</u>

City of Cleveland Heights, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/program	2018	2017	2016	2015
General Government				
Council and Clerk				
Number of ordinances passed	40	123	22	29
Number of resolutions passed	97	135	85	115
Number of Planning Commission docket items	31	25	27	38
Number of Board of Zoning Appeals docket items	29	25	22	31
Finance Department				
Number of checks/ accounts payable vouchers issued	5,866	6,905	7,948	5,881
Amount of checks written	\$21,841,704	\$22,125,138	\$38,756,617	\$34,186,263
Interest earnings for fiscal year (cash basis)	\$379,426	\$242,847	\$140,731	\$78,721
Number of journal entries issued	1,814	964	606	499
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1
Income Tax Department				
Number of refund checks/vouchers issued	*	*	*	*
Amount of checks written	*	*	*	*
Number of individual returns	*	*	*	*
Number of business returns	*	*	*	*
Number of business withholding returns	*	*	*	*
Amount of penalties and interest collected	*	*	*	*
Annual number of corporate withholding forms processed	*	*	*	*
Annual number of balance due statements processed	*	*	*	*
Annual number of estimated payment forms processed	*	*	*	*
Annual number of reconciliations of withholdings processed	*	*	*	*
Municipal Court				
Number of civil cases	1,849	1,718	1,687	1,075
Number of criminal cases	2,461	1,683	2,849	2,642
Public Safety				
Fire				
EMS calls	5,654	5,305	5,129	4,934
Fire calls	1,478	1,294	1,288	1,288
Fires with loss	70	62	16	59
Fire safety inspections/re-inspections	2,269	2,066	1,616	2,137
Number of times mutual aid given to Fire and EMS	217	129	40	98
Number of times mutual aid received from Fire and EMS	160	150	34	78
Civil Service				
Number of police entry tests administered	2	1	1	0
Number of fire entry tests administered	0	1	0	67
Number of fire promotional tests administered	1	2	0	0
Number of hires of police officers from certified lists	8	8	6	5
Number of hires of fire/medics from certified lists	7	4	4	0
Number of promotions from fire certified lists	4	2	0	0
Number of promotions from police certified lists	6	2	0	8
Culture and Recreation				
Senior activity center receipts	\$10,981	\$43,209	\$50,298	\$37,829
Swimming pools receipts	\$112,203	\$110,138	\$104,225	\$99,904
Ice program receipts	\$27,038	\$50,066	\$44,621	\$49,129
General recreation program receipts	\$35,885	\$42,758	\$62,773	\$60,356
Sports programs receipts	\$180,583	\$204,299	\$219,884	\$201,040
Community center program receipts	\$694,500	\$728,019	\$674,170	\$655,843
Cain park program receipts	\$797,374	\$783,820	\$560,335	\$644,005

2014	2013	2012	2011	2010	2009
36	68	47	52	51	32
102	143	142	112	117	95
34	52	27	22	27	17
22	36	25	28	30	31
5,984	6,498	6,752	6,363	6,327	6,191
\$30,936,718	\$29,020,478	\$30,468,399	\$27,736,616	\$34,223,380	\$26,202,955
\$71,505	\$77,695	\$93,503	\$98,115	\$150,034	\$311,695
526	501	438	415	331	352
Aa2	Aa2	Aa2	Aa3	Aa3	Aa3
*	*	*	*	1,146	1,065
*	*	*	*	\$361,142	\$335,724
*	*	*	*	16,197	15,483
*	*	*	*	1,899	1,931
*	*	*	*	10,610	10,654
*	*	*	*	\$124,498	\$64,601
*	*	*	*	10,670	10,654
*	*	*	*	46,769	47,806
*	*	*	*	46,769	47,806
*	*	*	*	1,731	2,073
1,559	1,511	1,365	1,126	1,532	1,778
3,020	3,359	2,685	2,287	3,162	3,449
4,559	4,733	4,817	4,631	4,374	4,098
1,387	1,399	1,296	1,211	1,136	1,119
50	62	64	54	60	48
980	957	1000+	1000+	1000+	1000+
99	110	101	76	72	45
60	82	128	91	51	66
0	1	0	1	0	0
0	1	0	1	0	0
3	2	2	3	0	0
4	2	2	7	8	4
13	2	8	6	0	0
5	4	3	4	0	0
3	0	2	2	2	3
\$39,914	\$0	\$60,962	\$57,911	\$51,818	\$56,039
\$105,963	\$97,222	\$108,284	\$98,739	\$97,618	\$87,468
\$36,747	\$36,356	\$46,901	\$53,505	\$56,607	\$49,967
\$99,785	\$94,312	\$90,404	\$96,470	\$97,908	\$143,470
\$171,016	\$183,743	\$197,133	\$208,882	\$202,654	\$194,513
\$640,367	\$587,822	\$584,432	\$627,573	\$658,871	\$606,401
\$603,585	\$564,682	\$689,853	\$428,296	\$425,099	\$492,280

(continued)

City of Cleveland Heights, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years (1)

Function/program	2018	2017	2016	2015
Community Development				
Building Department				
Construction permits issued - residential	5,366	3,052	464	110
Construction permits issued - commercial	413	220	229	92
Estimated value of construction - residential	\$31,470,611	\$23,228,320	\$16,592,300	\$11,042,945
Estimated value of construction - commercial	\$14,767,246	\$12,682,607	\$20,249,000	\$8,749,163
Number of permits issued	5,779	3,274	3,058	3,364
Amount of revenue generated from permits	\$847,183	\$309,645	\$846,063	\$604,164
Amount of revenue generated from fees/contractors licenses	\$299,750	\$196,430	\$245,205	\$247,495
Number of contractor registrations issued	1,100	1,173	812	965
Number of inspections performed	3,142	3,414	3,153	1,533
Community Development				
Annual entitled grant award	\$1,577,102	\$1,437,209	\$2,031,567	\$1,461,454
Program income received	\$216,972	\$165,606	\$136,984	\$253,078
CDBG-recovery and reinvestment award	\$0	\$0	\$0	\$0
Neighborhood stabilization program	\$0	\$0	\$0	\$0
Homelessness prevention and rapid re-housing program	\$0	\$0	\$0	\$0
Transportation				
Crackseal Coating Program (lbs.)	6,750	10,000	6,720	9,000
Street repair (curb, aprons, berms, asphalt) (hours)	8,000	6,560	5,520	8,640
Line striping (hours)	n/a	n/a	n/a	n/a
Street Sweeping (hours)	3,520	3,113	3,080	2,960
Cold Patch (hours)	4,420	5,066	4,960	4,800
Snow and ice removal - regular hours	6,120	4,200	4,816	6,832
Snow and ice removal - overtime hours	1,063	645	724	1,169
Landscaping Stump-Chipper Service (hours)	300	500	5,716	5,716
Leaf collection - fall (hours)	13,780	16,160	14,680	12,168
Equipment repair/body shop (hours)	n/a	1,800	16,640	16,640
Number of trees planted per year	339	369	313	203
Tons of snow melting salt purchased	6,621	6,232	5,400	4,001
Cost of snow/calcium chloride purchased	\$422,288	\$182,515	\$214,867	\$0
Skunk removals	n/a	n/a	n/a	n/a
Water Department (1)				
Water rates per 1,000 cu ft of water used	0.0	0.0	88.0	70.0
Average number of water accounts billed monthly (cu ft)	0	0	15,350	15,536
Total water collections annually (including P&I)	\$0	\$3,131,604	\$18,637,752	\$17,757,000
Payments to Cleveland for bulk water purchases	\$0	\$1,893,113	\$4,132,247	\$12,217,352
Wastewater Department				
Wastewater rates per 1,000 cu ft of water used (local)	41.6	41.0	11.1	11.1
Sewer and sanitary calls for service	672	519	473	535

Source: City of Cleveland Heights departments

Notes:

* The City contracted with Regional Income Tax Agency for the collection of its municipal income tax effective July 7, 2011. Therefore, due to mid-year conversion, accurate statistics are not available.

(1) The City transferred their water operations to the City of Cleveland, effective January 1, 2017.

2014	2013	2012	2011	2010	2009
1,010	807	906	792	964	928
125	105	95	92	108	97
\$12,536,148	\$9,610,449	\$10,674,213	\$10,638,000	\$11,304,000	\$7,369,000
\$14,159,210	\$8,644,284	\$5,656,276	\$9,091,000	\$4,803,000	\$4,563,000
3,234	3,185	3,291	3,172	3,599	3,406
\$389,340	\$365,424	\$314,110	\$311,809	\$383,576	\$211,663
\$262,655	\$113,318	\$120,724	\$113,420	\$117,625	\$349,193
1,111	1,080	1,134	853	1,407	1,151
5,721	7,843	7,090	8,193	9,004	8,190
\$1,476,666	\$1,496,443	\$1,446,726	\$1,601,941	\$1,909,731	\$1,757,055
\$192,129	\$283,408	\$208,548	\$506,829	\$344,680	\$308,859
\$0	\$0	\$0	\$0	\$0	\$467,840
\$0	\$0	\$0	\$250,000	\$0	\$2,351,526
\$0	\$0	\$0	\$0	\$0	\$715,677
6,750	11,153	6,761	5,065	7,155	5,145
5,520	2,880	5,520	5,520	5,520	5,972
1,432	2,152	1,736	1,792	1,848	1,704
3,300	2,800	2,960	2,960	2,960	8,255
5,440	4,960	5,440	5,760	5,440	3,723
6,384	8,400	3,360	6,720	7,840	2,688
4,434	3,488	3,002	3,191	4,257	2,856
5,716	5,716	5,500	5,668	5,200	4,610
17,744	13,332	11,433	11,047	10,828	10,613
14,560	15,680	16,818	16,640	16,640	16,640
263	246	273	250	309	145
13,077	7,225	4,977	4,469	5,443	3,418
\$424,383	\$237,629	\$226,927	\$210,907	\$238,918	\$144,305
n/a	n/a	n/a	n/a	n/a	n/a
70.0	70.0	56.6	56.6	56.6	56.6
15,476	15,487	15,460	15,419	15,439	15,500
\$17,063,701	\$16,154,339	\$11,083,365	\$10,050,111	\$10,628,905	\$12,676,221
\$10,752,942	\$10,314,487	\$8,993,685	\$779,438	\$9,332,522	\$7,673,574
11.1	11.1	11.1	11.1	11.1	10.2
350	350	318	326	360	1,400

City of Cleveland Heights, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/program	2018	2017	2016	2015
General Government				
Square Footage Occupied	68,000	68,000	68,000	68,000
Administrative Vehicles	12	12	1	10
Inspectional Vehicles	10	10	14	15
Municipal Court Vehicles	2	2	3	3
Land and Building Vehicles	20	20	5	5
Police				
Stations	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877
Vehicles	101	116	109	92
Fire				
Stations	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068
Vehicles	16	15	18	19
Recreation				
Number of Parks	7	7	7	6
Number of Pools	1	1	1	1
Number of Ice Rinks	2	2	2	2
Number of Tennis Courts	18	18	18	18
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	9	9	9	9
Number of Basketball Courts	5	5	5	5
Community Center Square Footage	150,000	150,000	150,000	150,000
Vehicles	13	13	11	5
Other public works				
Streets (miles)	137	137	137	137
Curbs (miles)	249	249	249	249
Square footage of Garage/Transfer Station	42,244	42,244	42,244	42,244
Service Vehicles	125	125	125	129
Wastewater				
Sanitary sewers (miles)	150	150	150	150
Storm sewers (miles)	150	150	150	150

Sources:

City of Cleveland Heights, Planning Department
City of Cleveland Heights, Building Department
City of Cleveland Heights, Parks and Recreation Department
City of Cleveland Heights, Payroll Department
City of Cleveland Heights, Water Department
City of Cleveland Heights, Street Maintenance Department

2014	2013	2012	2011	2010	2009
68,000	68,000	68,000	68,000	68,000	68,000
9	9	14	14	16	18
18	18	14	14	22	17
3	3	2	2	2	2
21	21	14	14	22	21
1	1	1	1	1	1
18,877	18,877	18,877	18,877	18,877	18,877
99	99	100	100	106	120
2	2	2	2	2	2
24,068	24,068	24,068	24,068	24,068	24,068
18	18	19	19	18	20
6	6	6	6	6	6
1	1	1	1	1	1
2	2	2	2	2	2
18	18	18	18	18	18
1	1	1	1	1	1
9	9	9	9	9	9
5	5	5	5	5	5
150,000	150,000	150,000	150,000	150,000	150,000
7	7	12	12	27	10
137	137	137	137	137	137
249	249	249	249	249	249
42,244	42,244	42,244	42,244	42,244	42,244
105	105	105	105	125	132
150	150	150	150	150	150
150	150	150	150	150	150

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Cleveland Heights, Ohio beautiful parks
beautiful community



Cleveland Heights, Ohio beautiful parks
beautiful community

OHIO AUDITOR OF STATE
KEITH FABER



CITY OF CLEVELAND HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 20, 2020**