

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2016**

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



Dave Yost • Auditor of State

City Council
City of Cleveland Heights
40 Severance Circle
Cleveland Heights, OH 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, 2016 through December 31, 2016. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 26, 2017

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Program:</i>			
<i>CDBG - Entitlement Grants Cluster:</i>			
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 2,168,685
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>2,168,685</u>
<i>Total Direct Programs</i>			
<i>Passed through Cuyahoga County Housing Consortium</i>			
HOME Investment Partnerships Program	14.239	M-05-DC-390216	<u>359,316</u>
<i>Passed through Cuyahoga Department of Development</i>			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	LHC-OHLHB0373-07	<u>85,646</u>
<i>Total Passed through Programs</i>			<u>444,962</u>
Total U.S. Department of Housing and Urban Development			<u>2,613,647</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through Ohio Department of Aging and the Western Reserve Area Agency on Aging:</i>			
<i>Aging Cluster:</i>			
Special Programs for the Aging-Title III-Part B-Grants for Supporting Services and Senior Centers	93.044	N/A	<u>13,628</u>
Total U.S. Department of Health and Human Services			<u>13,628</u>
<u>U.S. Department of Justice</u>			
<i>Passed through City of Cleveland</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>14,004</u>
Total U.S. Department of Justice			<u>14,004</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>224,969</u>
Total U.S. Department of Homeland Security			<u>224,969</u>
<u>U.S. Department of Transportation</u>			
<i>Passed through Ohio Department of Transportation</i>			
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction	20.205	PID 95632	1,245,033
Highway Planning and Construction	20.205	PID 97322	<u>181,180</u>
Total U.S. Department of Transportation			<u>1,426,213</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,292,461</u>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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, 2016. 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 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2016
 (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 2016 is as follows:

Beginning loans receivable balance as of January 1, 2016	\$ 1,398,517
Write Offs	(17,070)
Loans Made	7,500
Loan Principal Repaid	<u>(114,450)</u>
Ending loans receivable balance as of December 31, 2016	1,274,497
Cash balance on hand in the revolving loan fund as of December 31, 2016	<u>936,814</u>
Total value of revolving loan fund portion of the CDBG 14.218 Program	2,211,311
Other grants administered through the 14.218 Program	<u>2,168,685</u>
Total CDBG 14.218 Program	<u>\$ 4,379,996</u>

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

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

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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



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

June 21, 2017

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 Dave Yost
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, 2016. 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, 2016.

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 21, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

June 21, 2017

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**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 DECEMBER 31, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

2016(i)	Type of Financial Statement Opinion	Unmodified
2016(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2016(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2016(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2016(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2016(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2016(v)	Type of Major Programs' Compliance Opinions	Unmodified
2016(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2016(vii)	Major Programs (list): Federal Aid Highway Program - CFDA #20.205	
2016(viii)	Dollar Threshold: A/B Programs	Type A: \$750,000 Type B: All Others
2016(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

The prior audit report, as of December 31, 2015, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

CAFR

2016
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CLEVELAND HEIGHTS, OHIO

for the fiscal year ended
December 31, 2016



beautiful parks
beautiful community





Cleveland Heights, Ohio **beautiful parks**
beautiful community

On the cover:
Cleveland Heights is a Bicycle Friendly Community;
Residents enjoy the Annual Cedar-Fairmount Summer Festival;
The Pathway at Cain Park; Trees at Forest Hills Park.

**Cleveland Heights beautiful parks
beautiful community**



**Color
fills
Coventry
in the
summer**

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2016
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CLEVELAND HEIGHTS, OHIO

**for the fiscal year ended
December 31, 2016**



Fall
at
City
Hall

**Prepared by The Department of Finance
Tom Raguz, Director
Mitch Michalec, Assistant Director**

City of Cleveland Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016
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June 21, 2017

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, 2016. 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 serves to introduce the City's basic financial statements and gives the reader, management's analysis and explanation of the City's financial position.

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;

- A public works department that oversees various divisions including refuse, street maintenance and utilities;
- Public Safety that includes police and fire;
- 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.

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 the next few years will bring closure to this period of downturn. The City budgeted 2017 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 2016 included: Ziggy Marley, Rick Springfield, Bela Fleck and the Flecktones, Ladysmith Black Mambazo, Sweet Honey in the Rock, Big Bad Voodoo Daddy and The Doo Wops. The Cain Park Arts Festival was again well attended in 2016 and is recognized as one of the best such events in the United States.

There were various residential road and parking lot resurfacing and surface treating projects completed in 2016, including the new concrete parking lot at Fire Station #2 for a total cost of \$1.9 million.

This is the third year of the newly implemented five year capital improvement program. This process is undertaken in correlation to the operating budget process. Among the projects that were included in the initial five year capital improvement program were as follows:

- New Police Vehicles at a cost of \$105,000.
- New Fire Department vehicles, including overhaul of a ladder truck at a cost of \$123,000.
- IT infrastructure upgrades at a cost of \$165,000.
- Fire Station upgrades at a cost of \$600,000.
- Service Department equipment replacement at a cost of \$280,000.

PLANNED DEVELOPMENT PROJECTS FOR 2017

1. The estimated \$4.6 million Cedar Road Resurfacing/Cedar-Fairmount Streetscape project will kick off in 2017 with the resurfacing of Cedar Road from the East City Limit to Euclid Heights Boulevard, along with various pedestrian and sidewalk enhancements within the Cedar-Fairmount business district. The project also includes the construction of a multi-use path from Ambleside Drive in Cleveland to the top of Cedar-Glen Parkway at the intersection of Cedar Road and Euclid Heights Boulevard.
2. The replacement of the sidewalk surrounding City Hall is slated for 2017.
3. Various residential road resurfacing and surface treating projects are also scheduled for 2017.
4. The City plans the issuance of \$6,050,000 in bonds for the purpose of paying the costs of installing energy conservation measures in all City buildings and facilities. Pricing of these bonds should take place in June 2017 with closing scheduled for mid-July. It is anticipated that the repayment of the bonds for the Energy Efficiency Project will be funded through the anticipated cost savings resulting from the project.

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.

The City collects sewage through its own sewage system; the Northeast Ohio Regional Sewer District handles the treatment of sewage. Effective January 2017, the City became a direct service community to the City of Cleveland for water service delivery. This change in status affected the way the City bills for local sewer service. Since becoming a direct service community, the City converted from billing local sewer monthly to quarterly. The City buys meter readings from the City of Cleveland on a quarterly basis and bills its customers accordingly. 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. With the change to direct service, Cleveland Heights no longer is the billing agent for the Northeast Ohio Regional Sewer District.

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. The City partners with FirstEnergy/The Illuminating Company to supply electricity through its aggregation program. The City contracts with WPS Energy Services as its aggregation supplier of natural gas. The program has proven to be popular with residents.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2016, the City received \$1,458,345 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.

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, Water and 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. In addition, the expansion of the Recreation Pavilion into a full-service Community Center was completed in 2001. Other features of the Community Center are a Senior Activity Center, a field house, ice rinks and fitness center. 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 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 department which is funded mainly through an annual special assessment on all properties. In 2015 the department engaged an independent contractor to perform a City-wide inventory of all City-owned trees, along with the implementation of a tree-management software system. In 2016, the City utilized this inventory information to prioritize required tree maintenance. All new work requests are entered into the tree management system and the work orders are then ranked by category and priority. The City received its 39th – 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 planing of asphalt streets to a depth of two inches, making structural repairs as needed and repaving with fresh asphalt. The City also performs surface treatment of streets, applying hot coal tar to roads as a binder and subsequently rolling chipped stone into it. When the tar fully cures, the surface is sprayed with a polymer fog seal to keep the stone in place. In 2016, the City spent approximately \$1.3 million toward the annual street resurfacing and surface treatment program. The primary funding source for the City's road program 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.

As part of this reporting model, management is responsible for preparing a discussion and analysis of the City’s finances for 2016. This discussion follows the Independent Auditors’ Report.

The City maintains its legal level of budgetary control at the fund level. However, 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 is authorized to transfer amounts between objects of expenditure within and between departments so long as the total appropriation for each fund 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, 2016, 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, 2015. 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-two (32) consecutive years (fiscal years ended December 31, 1984 through December 31, 2015). 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 R. Briley
City Manager


Mitch Michalec
Interim Director of Finance



CITY OF CLEVELAND HEIGHTS. OHIO

Principal Officials
December 31, 2016

Elected Officials

Mayor.....Cheryl L. Stephens
 Vice Mayor.....Jason S. Stein
 Council Member.....Mary Dunbar
 Council Member.....Carol Roe
 Council Member.....Kahlil Seren
 Council Member.....Michael N. Ungar
 Council Member.....Melissa Yasinow
 Municipal Judge..... A. Deane Buchanon

Appointed Officials

City Manager..... Tanisha R. Briley
 Vice City Manager/Assistant City Manager..... Susanna Niermann O’Neil
 Director of Finance Tom Raguz (1)
 Assistant Director of Finance Mitch Michalec
 Director of Law L. James Juliano, Jr.
 First Assistant Director of Law Elizabeth Rothenberg
 Assistant Director of Law Kevin Roberts
 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
 Chief of Fire Dave Freeman
 Chief of Police Annette Mecklenburg

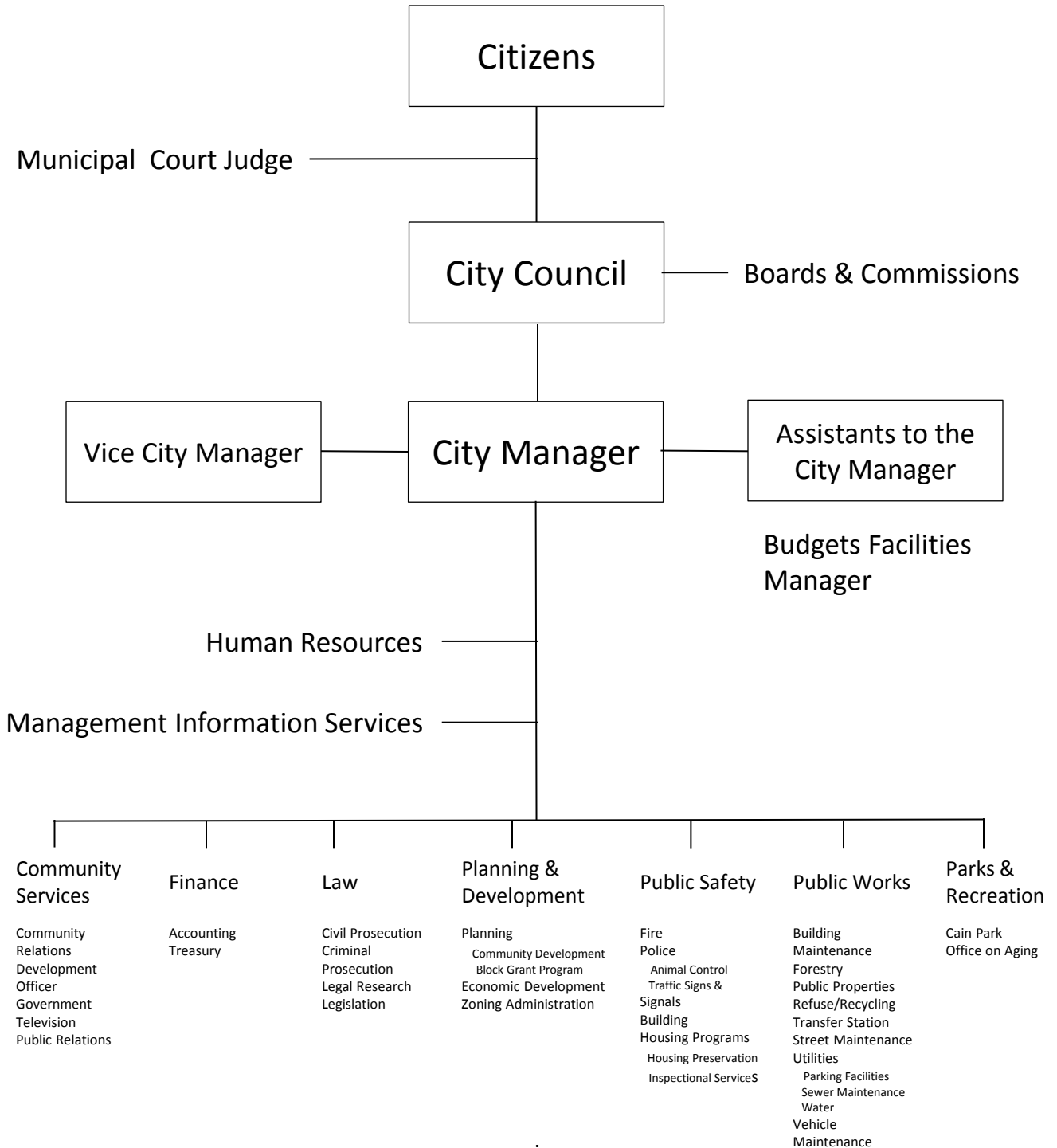
(1) Mitch Michalec was named Interim Director of Finance in February 2017.

Laurie Sabin was named Director of Finance in June 2017.



CITY OF CLEVELAND HEIGHTS. OHIO

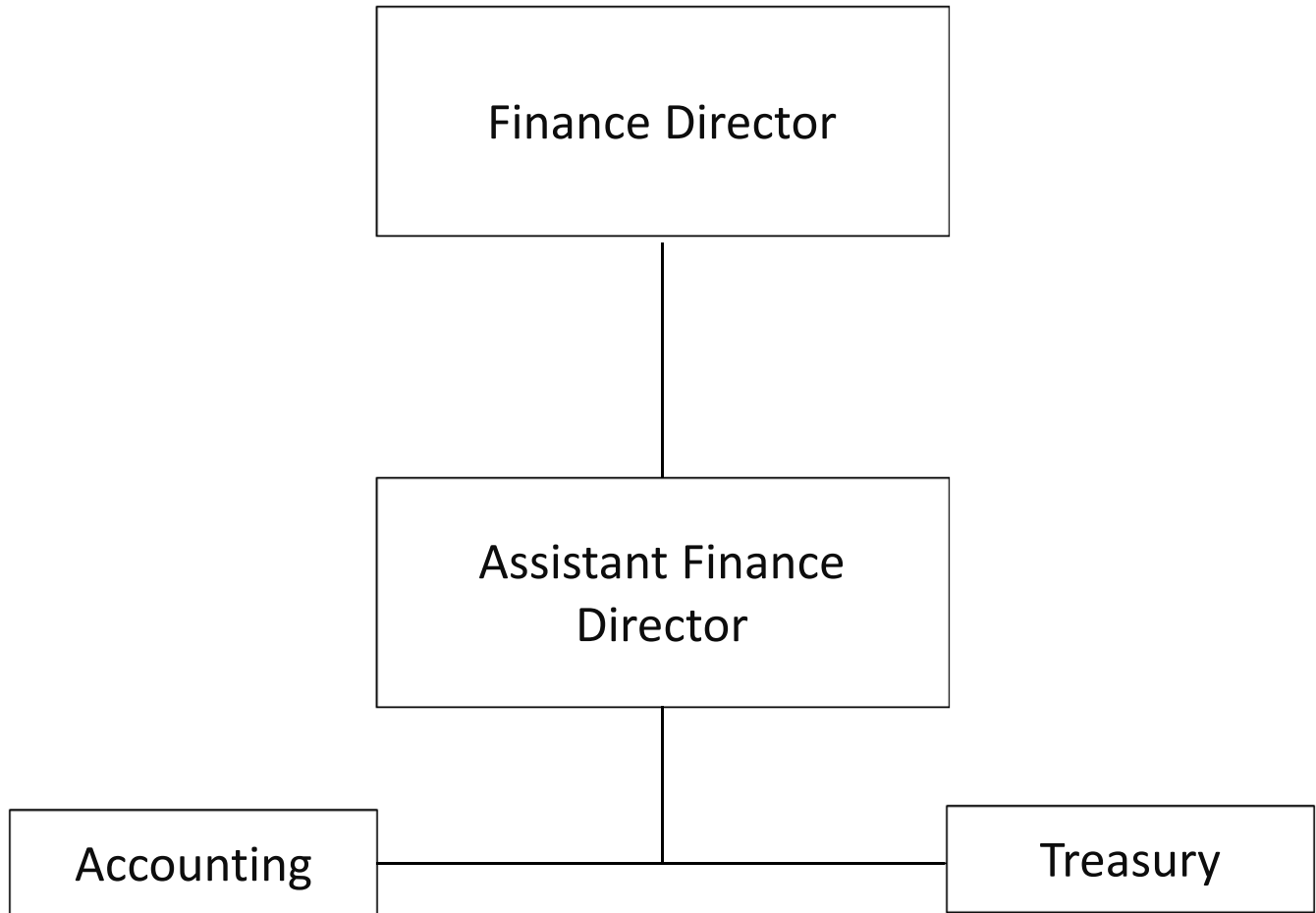
City Organization as of December 31, 2016





CITY OF CLEVELAND HEIGHTS. OHIO

Department of Finance Organizational Chart
as of December 31, 2016





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, 2015

Executive Director/CEO

**Cleveland Heights beautiful parks
beautiful community**

FINANCIAL SECTION



**Fall
begins
in
Forest Hill
Park.**

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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 Dave Yost
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, 2016, 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2017, 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

June 21, 2017

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City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
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, 2016. 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 2016 are as follows:

- Overall, governmental activities expenditures of \$62.7 million exceeded the revenues of \$60.5 million, thereby decreasing the net position by \$2.2 million for the year 2016. The total net position is \$62.7 million compared to \$65 million for the previous year.
- Total governmental liabilities increased by \$20.2 million, which is attributed to an increase in the net pension liability and increased current liabilities during 2016, despite annual debt payments.
- The City complies with GASB 68 and GASB 71, which establish standards for measuring and recognizing pension 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 2016, the City issued \$1,600,000 in various purpose general obligation bonds. The bonds have a fixed interest rate of 1.91 percent. The bonds were issued for a 15 year period, with a final maturity in 2030.
- 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.

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.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

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*.

The City of Cleveland Heights maintains 37 individual governmental funds. 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 and general bond retirement fund, which are considered to be major funds. Data from the other 35 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.

Proprietary Funds The City of Cleveland Heights maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its hospitalization of health related employee benefits. Because this fund predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

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 25 through 28 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 30 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 2016?" 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, 2016
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 2016 compared to 2015.

NET POSITION						
TABLE 1						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$58,536,893	\$54,813,459	\$7,023,801	\$5,921,868	\$65,560,694	\$60,735,327
Capital Assets, Net	83,062,463	81,747,117	21,497,398	21,759,173	104,559,861	103,506,290
<i>Total Assets</i>	141,599,356	136,560,576	28,521,199	27,681,041	170,120,555	164,241,617
Deferred Outflows of Resources						
Deferred Charge on Refunding	651,489	803,299	0	0	651,489	803,299
Pension	20,167,090	6,206,667	621,974	206,341	20,789,064	6,413,008
<i>Total Deferred Outflows of Resources</i>	20,818,579	7,009,966	621,974	206,341	21,440,553	7,216,307
Liabilities						
Current and Other Liabilities	6,269,328	2,746,935	2,133,414	1,781,041	8,402,742	4,527,976
Long-Term Liabilities:						
Due within One Year	5,584,152	5,327,863	441,488	463,167	6,025,640	5,791,030
Due in More than One Year						
Net Pension Liability	60,098,431	42,550,485	1,655,899	1,200,223	61,754,330	43,750,708
Other Amounts	17,349,264	18,459,770	1,365,877	1,528,178	18,715,141	19,987,948
<i>Total Liabilities</i>	89,301,175	69,085,053	5,596,678	4,972,609	94,897,853	74,057,662
Deferred Inflows of Resources						
Property Taxes	9,296,108	9,268,639	0	0	9,296,108	9,268,639
Pension	1,108,128	249,590	63,130	21,085	1,171,258	270,675
<i>Total Deferred Inflows of Resources</i>	10,404,236	9,518,229	63,130	21,085	10,467,366	9,539,314
Net Investment in Capital Assets	65,661,604	63,355,613	20,305,226	20,428,734	85,966,830	83,784,347
Restricted for:						
Capital Projects	829,624	834,343	0	0	829,624	834,343
Debt Service	4,008,115	4,225,426	0	0	4,008,115	4,225,426
Other Purposes	9,688,839	11,284,563	0	0	9,688,839	11,284,563
Unrestricted (Deficit)	(17,475,658)	(14,732,685)	3,178,139	2,464,954	(14,297,519)	(12,267,731)
<i>Total Net Position</i>	\$62,712,524	\$64,967,260	\$23,483,365	\$22,893,688	\$86,195,889	\$87,860,948

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

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

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

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

Our total net position of the City's governmental activities decreased \$2,254,736 (3.47 percent) during the current year due to expenses exceeding revenues. 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 significant increase in total deferred outflows of resources in 2016 was due to an increase in the difference between projected and actual earnings on investments related to the City's net pension liability. The net pension liability increase represents the City's proportionate share of

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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 liability.

CHANGES IN NET POSITION

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services	\$13,286,844	\$13,751,693	\$15,641,142	\$15,905,002	\$28,927,986	\$29,656,695
Operating Grants and Contributions	6,276,236	5,136,553	0	0	6,276,236	5,136,553
Capital Grants and Contributions	72,096	37,300	0	0	72,096	37,300
Total Program Revenues	19,635,176	18,925,546	15,641,142	15,905,002	35,276,318	34,830,548
General Revenues:						
Property Taxes	9,910,246	10,343,183	0	0	9,910,246	10,343,183
Municipal Income Taxes	25,911,464	24,221,436	0	0	25,911,464	24,221,436
Admissions Taxes	83,402	94,087	0	0	83,402	94,087
Grants and Entitlements	2,973,822	2,938,207	0	0	2,973,822	2,938,207
Franchise Taxes	606,056	560,558	0	0	606,056	560,558
Gain on Sale of Capital Assets	11,751	15,219	0	0	11,751	15,219
Investment Income	133,571	77,437	0	0	133,571	77,437
Miscellaneous	1,202,894	1,838,614	156	4,232	1,203,050	1,842,846
Total General Revenues	40,833,206	40,088,741	156	4,232	40,833,362	40,092,973
Total Revenues	60,468,382	59,014,287	15,641,298	15,909,234	76,109,680	74,923,521
Program Expenses						
General Government	16,358,242	12,914,350	0	0	16,358,242	12,914,350
Public Safety	25,334,587	21,488,717	0	0	25,334,587	21,488,717
Public Health Services	359,185	332,708	0	0	359,185	332,708
Transportation	8,278,949	7,123,967	0	0	8,278,949	7,123,967
Community Development	6,350,784	5,009,520	0	0	6,350,784	5,009,520
Sanitation	2,217,216	2,531,508	0	0	2,217,216	2,531,508
Culture and Recreation	3,220,376	3,007,590	0	0	3,220,376	3,007,590
Interest and Fiscal Charges	583,113	498,182	0	0	583,113	498,182
Water	0	0	13,422,399	12,225,265	13,422,399	12,225,265
Sewer	0	0	1,649,888	1,539,528	1,649,888	1,539,528
Total Program Expenses	62,702,452	52,906,542	15,072,287	13,764,793	77,774,739	66,671,335
<i>Increase (Decrease) in Net Position Before Transfers</i>	(2,234,070)	6,107,745	569,011	2,144,441	(1,665,059)	8,252,186
Transfers	(20,666)	(285,252)	20,666	285,252	0	0
<i>Change in Net Position</i>	(2,254,736)	5,822,493	589,677	2,429,693	(1,665,059)	8,252,186
<i>Net Position Beginning of Year</i>	64,967,260	59,144,767	22,893,688	20,463,995	87,860,948	79,608,762
<i>Net Position End of Year</i>	\$62,712,524	\$64,967,260	\$23,483,365	\$22,893,688	\$86,195,889	\$87,860,948

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Governmental Activities

Governmental activities decreased the City's net position by \$2,254,736 during 2016, as compared to an increase of \$5,822,493 during 2015.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2.25 percent for 2016. 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 2016 was \$25,911,464, an increase of \$1,690,028 or 6.98 percent from 2015. The increase was due to an increase in the City's income tax rate from 2015. Of the \$40,833,206 in total general revenues, income tax accounted for 63.46 percent, as compared to 60.42 percent of the total during 2015. Property taxes for 2016 were \$9,910,246, a \$432,937 decrease from 2015.

Charges for services decreased for 2016 by \$464,849 (3.38 percent) due to an increase in delinquent special assessments.

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 was relatively consistent with the prior year. Operating grants and contributions increased due to grants that were not applied for during 2015.

The largest program function for the City for 2016 is public safety, with program expenses of \$25,334,587 as compared to \$21,488,717 in 2015, an increase of 17.90 percent. 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 \$16,358,242 increased by \$3,443,892, as compared to expenses of \$12,914,350 for 2015. Both of these program expenses increased primarily due to pension expenses from the increase in the net pension liability.

The next largest program expense for 2016 is transportation, with program expenses of \$8,278,949, as compared to \$7,123,967 in 2015, an increase of 16.21 percent. This is a result of major construction projects being worked on in 2016.

Community development expenses increased by \$1,341,264, or 26.77 percent, during 2016, due to a increase in program costs as a result of an increase in funding from operating grants and contributions.

As can be seen in table 2, all programs have a heavy reliance on general revenues, with 67.53 percent of total 2016 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.

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Business-Type Activities and Enterprise Funds

The business-type activities of the City, which include the City's water and sewer operations, increased the City's net position by \$589,677 during 2016, as compared to an increase of net position of \$2,429,693 during 2015. The increase in net position in business-type activities is due to revenues continuing to exceed expenses.

Program revenues exceeded program expenses in the amount of \$568,855 (before transfers) for the water and sewer operations in 2016. This is due to careful monitoring of the City's revenues 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 \$21,473,177. Nonspendable fund balance of \$747,987 includes inventory. Fund balance in the amount of \$7,787,747 is restricted for debt service payments, street maintenance, police and fire department operations and community development operations. Fund balance in the amount of \$1,046,209 is committed to public building maintenance, Cain Park operations, ambulance services, police facility improvements and Ring Road construction. Assigned fund balance includes \$4,346,259 for other than personal services and capital outlay purchases on order, 2017 operations, economic development, City Hall maintenance and capital improvements. Unassigned fund balances of \$7,544,975 represents all balances not previously classified.

All governmental funds had total revenues of \$60,455,723 and expenditures of \$63,409,727. Revenues increased from the previous year. The increase in revenues was attributable to an increase in municipal income tax and intergovernmental revenues, which was partially offset by a decrease in property tax revenues. The increase in expenditures was primarily due to increases in general government, transportation and community development expenditures from ongoing improvements to capital assets.

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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 \$11,585,614, of which \$657,693 was nonspendable because of inventory, \$1,775,739 was assigned to purchases on order and 2017 operations and \$9,152,182 was unassigned for financial reporting purposes. Total fund balance of the City's general fund increased by \$3,327,563 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.

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 \$1,773,910, which was a slight decrease from the prior year mainly due to increased principal retirement in 2016.

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 2016, 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 our major activities such as our 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 budgeted revenues (including other financing sources) were \$43,210,000 and final budgeted revenues were \$46,810,000, while actual revenues (including other financing sources) were at \$45,214,160. Original general fund budgeted expenditures (including other financing uses) were \$43,034,610, and the final amended budget (including other financing uses) was \$44,754,905. Actual general fund expenditures (including other financing uses) were \$41,390,901, or \$3,364,004 less than final budgeted expenditures (including other financing uses). The City will monitor spending more closely to ensure the expenditures are in line with the budget.

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Capital Assets and Debt Administration

Capital Assets

Table 3 shows 2016 balances of capital assets as compared to 2015.

**CAPITAL ASSETS
(NET OF DEPRECIATION)**
TABLE 3

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Land	\$5,288,136	\$5,288,136	\$0	\$0
Construction in Progress	7,194,303	5,968,601	0	0
Intangible Assets	32,707	32,707	0	0
Land Improvements	870,790	981,075	0	0
Buildings and Improvements	31,940,110	33,237,954	84,420	90,805
Machinery & Equipment	6,683,687	7,380,048	161,924	179,458
Infrastructure:				
Streets and Sidewalks	29,941,578	28,037,815	0	0
Off-street Parking Lots	1,111,152	820,781	0	0
Water Lines	0	0	14,046,150	14,307,503
Sanitary Sewers Lines	0	0	5,360,256	5,265,148
Storm Sewer Lines	0	0	1,844,648	1,916,259
Total	\$83,062,463	\$81,747,117	\$21,497,398	\$21,759,173

The most significant increases in governmental capital assets came in construction in progress, which included \$5,729,342 of additions during 2016, largely due to the start and continued work on several street and parking lot projects. The City also made expenses specific to the improvement of machinery and equipment. Total capital assets for business-type activities decreased compared to 2015 due to current year depreciation outpacing current year additions.

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.

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Long-Term Obligations

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

OUTSTANDING LONG-TERM OBLIGATIONS

TABLE 4

	Governmental Activities		Business - Type Activities	
	2016	2015	2016	2015
General Obligation Bonds	\$12,342,682	\$12,971,816	\$0	\$0
Special Assessment Bonds	2,260,000	2,375,000	0	0
OPWC Loans	1,345,630	1,461,069	607,822	704,720
OWDA Loans	0	0	397,971	439,386
Short-Term Notes	0	237,527	0	0
Long-Term Notes	1,526,211	1,515,000	186,369	186,333
Total	<u>\$17,474,523</u>	<u>\$18,560,412</u>	<u>\$1,192,162</u>	<u>\$1,330,439</u>

The general obligation bonds are composed of (1) 2013 Various Purpose Refunding Bonds; (2) 2014 Various Purpose Bonds; (3) 2015 Various Purpose Bonds; (4) 2016 Various Purpose Bonds; (5) 2008 Recreational Facilities Refunding Bonds; (6) 2008 Cedar Lee Parking Deck Bonds; and (7) 2015 Cedar Lee Parking Deck Refunding Bonds.

The special assessment bonds 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 Ohio Public Works Commission loans 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. These programs are funded by property taxes and user fees for various infrastructure projects being financed through the Ohio Public Works program.

The Ohio Water Development loans represent loans for 2007 sewer rehabilitation and 2010 waterline replacement projects. These loans are paid from the customers' charges in the water and sewer proprietary funds.

The notes payable 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 \$75,427,409 at December 31, 2016.

Additional information concerning the City's debt can be found in Notes 19 and 20 to the basic financial statements.

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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. As a result, we have seen a remarkable increase in our capital assets over that period of time and the expansion of all City services. The 2016 year is no different as the City completed the street and other infrastructure improvements.

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, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$20,300,803	\$3,358,282	\$23,659,085
Materials and Supplies Inventory	747,987	83,335	831,322
Accrued Interest Receivable	24,137	0	24,137
Accounts Receivable	2,247,477	3,959,954	6,207,431
Internal Balances	377,770	(377,770)	0
Intergovernmental Receivable	2,158,949	0	2,158,949
Municipal Income Taxes Receivable	13,318,440	0	13,318,440
Property Taxes Receivable	11,683,935	0	11,683,935
Special Assessments Receivable	5,868,712	0	5,868,712
Notes Receivable	1,203,996	0	1,203,996
Assets Held For Resale	604,687	0	604,687
Nondepreciable Capital Assets	12,515,146	0	12,515,146
Depreciable Capital Assets, Net	70,547,317	21,497,398	92,044,715
<i>Total Assets</i>	<u>141,599,356</u>	<u>28,521,199</u>	<u>170,120,555</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	651,489	0	651,489
Pension	20,167,090	621,974	20,789,064
<i>Total Deferred Outflows of Resources</i>	<u>20,818,579</u>	<u>621,974</u>	<u>21,440,553</u>
Liabilities			
Accounts Payable	3,946,275	124,565	4,070,840
Contracts Payable	77,282	0	77,282
Accrued Wages	1,013,161	47,431	1,060,592
Retainage Payable	139,857	0	139,857
Matured Compensated Absences	51,364	0	51,364
Accrued Interest Payable	42,755	1,393	44,148
Intergovernmental Payable	930,050	1,960,025	2,890,075
Claims Payable	68,584	0	68,584
Long-Term Liabilities:			
Due Within One Year	5,584,152	441,488	6,025,640
Net Pension Liability (See Note 13)	60,098,431	1,655,899	61,754,330
Other Amounts Due In More Than One Year	17,349,264	1,365,877	18,715,141
<i>Total Liabilities</i>	<u>89,301,175</u>	<u>5,596,678</u>	<u>94,897,853</u>
Deferred Inflows of Resources			
Property Taxes	9,296,108	0	9,296,108
Pension	1,108,128	63,130	1,171,258
<i>Total Deferred Inflows of Resources</i>	<u>10,404,236</u>	<u>63,130</u>	<u>10,467,366</u>
Net Position			
Net Investment in Capital Assets	65,661,604	20,305,226	85,966,830
Restricted for:			
Capital Projects	829,624	0	829,624
Debt Service	4,008,115	0	4,008,115
Community Development	1,032,757	0	1,032,757
Municipal Court Special Projects	1,865,616	0	1,865,616
Street Lighting	2,857,458	0	2,857,458
Public Safety	170,618	0	170,618
Other Purposes	3,762,390	0	3,762,390
Unrestricted (Deficit)	(17,475,658)	3,178,139	(14,297,519)
<i>Total Net Position</i>	<u>\$62,712,524</u>	<u>\$23,483,365</u>	<u>\$86,195,889</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2016

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$16,358,242	\$4,172,508	\$14,414	\$0
Public Safety	25,334,587	5,833,368	736,896	0
Public Health Services	359,185	69,414	7,678	0
Transportation	8,278,949	536,527	2,757,029	0
Community Development	6,350,784	1,411,096	2,733,573	0
Sanitation	2,217,216	407,540	0	0
Culture and Recreation	3,220,376	856,391	26,646	72,096
Interest and Fiscal Charges	583,113	0	0	0
<i>Total Governmental Activities</i>	<u>62,702,452</u>	<u>13,286,844</u>	<u>6,276,236</u>	<u>72,096</u>
Business-Type Activities				
Water	13,422,399	14,242,180	0	0
Sewer	1,649,888	1,398,962	0	0
<i>Total Business-Type Activities</i>	<u>15,072,287</u>	<u>15,641,142</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$77,774,739</u>	<u>\$28,927,986</u>	<u>\$6,276,236</u>	<u>\$72,096</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
- Gain on Sale of Capital Assets
- Investment Earnings
- Miscellaneous

Total General Revenues Before Transfers

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

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
(\$12,171,320)	\$0	(\$12,171,320)
(18,764,323)	0	(18,764,323)
(282,093)	0	(282,093)
(4,985,393)	0	(4,985,393)
(2,206,115)	0	(2,206,115)
(1,809,676)	0	(1,809,676)
(2,265,243)	0	(2,265,243)
(583,113)	0	(583,113)
(43,067,276)	0	(43,067,276)
0	819,781	819,781
0	(250,926)	(250,926)
0	568,855	568,855
(43,067,276)	568,855	(42,498,421)
6,816,312	0	6,816,312
211,958	0	211,958
211,958	0	211,958
2,175,486	0	2,175,486
494,532	0	494,532
25,911,464	0	25,911,464
83,402	0	83,402
2,973,822	0	2,973,822
606,056	0	606,056
11,751	0	11,751
133,571	0	133,571
1,202,894	156	1,203,050
40,833,206	156	40,833,362
(20,666)	20,666	0
40,812,540	20,822	40,833,362
(2,254,736)	589,677	(1,665,059)
64,967,260	22,893,688	87,860,948
\$62,712,524	\$23,483,365	\$86,195,889

City of Cleveland Heights, Ohio

Balance Sheet

Governmental Funds

December 31, 2016

	General	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$9,150,209	\$1,773,910	\$9,376,684	\$20,300,803
Materials and Supplies Inventory	657,693	0	90,294	747,987
Accrued Interest Receivable	24,137	0	0	24,137
Accounts Receivable	626,840	0	1,620,637	2,247,477
Interfund Receivable	468,076	0	0	468,076
Intergovernmental Receivable	1,117,131	156,286	885,532	2,158,949
Municipal Income Taxes Receivable	13,318,440	0	0	13,318,440
Property Taxes Receivable	8,102,526	2,498,655	1,082,754	11,683,935
Special Assessments Receivable	0	1,610,000	4,258,712	5,868,712
Notes Receivable	0	0	1,203,996	1,203,996
Assets Held For Resale	0	0	604,687	604,687
<i>Total Assets</i>	<u>\$33,465,052</u>	<u>\$6,038,851</u>	<u>\$19,123,296</u>	<u>\$58,627,199</u>
Liabilities				
Accounts Payable	\$1,422,536	\$0	\$2,523,739	\$3,946,275
Contracts Payable	15,129	0	62,153	77,282
Accrued Wages	925,445	0	87,716	1,013,161
Retainage Payable	0	0	139,857	139,857
Interfund Payable	6,587	0	83,719	90,306
Intergovernmental Payable	240,018	0	690,032	930,050
Matured Compensated Absences Payable	51,364	0	0	51,364
Claims Payable	68,584	0	0	68,584
<i>Total Liabilities</i>	<u>2,729,663</u>	<u>0</u>	<u>3,587,216</u>	<u>6,316,879</u>
Deferred Inflows of Resources				
Property Taxes	6,446,667	1,987,981	861,460	9,296,108
Unavailable Revenue	12,703,108	2,276,960	6,560,967	21,541,035
<i>Total Deferred Inflows of Resources</i>	<u>19,149,775</u>	<u>4,264,941</u>	<u>7,422,427</u>	<u>30,837,143</u>
Fund Balances				
Nonspendable	657,693	0	90,294	747,987
Restricted	0	1,773,910	6,013,837	7,787,747
Committed	0	0	1,046,209	1,046,209
Assigned	1,775,739	0	2,570,520	4,346,259
Unassigned (Deficit)	9,152,182	0	(1,607,207)	7,544,975
<i>Total Fund Balances</i>	<u>11,585,614</u>	<u>1,773,910</u>	<u>8,113,653</u>	<u>21,473,177</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$33,465,052</u>	<u>\$6,038,851</u>	<u>\$19,123,296</u>	<u>\$58,627,199</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, 2016*

Total Governmental Fund Balances	\$21,473,177
 <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.	83,062,463
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	1,964,910
Delinquent Property Taxes	2,387,827
Municipal Income Tax	9,697,615
Intergovernmental	1,621,971
Special Assessments	5,868,712
Total	21,541,035
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(42,755)
Deferred Outflows of Resources represent deferred charges on refunding which are not reported in the funds.	651,489
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(12,342,682)
Special Assessment Bonds	(2,260,000)
OPWC Loans	(1,345,630)
Notes	(1,526,211)
Compensated Absences Payable	(4,444,615)
Retrospective Workers' Compensation	(274,118)
Solid Waste	(162,335)
Capital Lease Obligation Payable	(577,825)
Total	(22,933,416)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	20,167,090
Net Pension Liability	(60,098,431)
Deferred Inflows - Pension	(1,108,128)
Total	(41,039,469)
 <i>Net Position of Governmental Activities</i>	 \$62,712,524

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, 2016

	General	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$6,772,904	\$2,088,923	\$905,213	\$9,767,040
Municipal Income Taxes	26,552,239	0	0	26,552,239
Admissions Taxes	83,402	0	0	83,402
Charges for Services	1,149,572	0	2,471,209	3,620,781
Licenses, Permits and Fees	4,810,954	0	30,761	4,841,715
Fines and Forfeitures	1,710,929	0	402,458	2,113,387
Intergovernmental	2,746,635	312,565	6,275,489	9,334,689
Special Assessments	0	120,416	2,013,841	2,134,257
Interest	133,504	0	67	133,571
Rentals	3,000	0	22,200	25,200
Contributions and Donations	0	0	40,492	40,492
Franchise Taxes	606,056	0	0	606,056
Miscellaneous	657,568	1,255	544,071	1,202,894
<i>Total Revenues</i>	<u>45,226,763</u>	<u>2,523,159</u>	<u>12,705,801</u>	<u>60,455,723</u>
Expenditures				
Current:				
General Government	14,067,710	1,192	2,143,443	16,212,345
Public Safety	15,832,297	0	5,543,605	21,375,902
Public Health Services	345,291	0	10,416	355,707
Transportation	2,738,657	0	4,964,713	7,703,370
Community Development	2,124,047	0	4,122,016	6,246,063
Sanitation	2,122,964	0	0	2,122,964
Culture and Recreation	1,744,359	0	1,308,135	3,052,494
Capital Outlay	0	0	1,820,801	1,820,801
Debt Service:				
Principal Retirement	0	3,767,079	242,453	4,009,532
Interest and Fiscal Charges	0	432,230	36,972	469,202
Bond Issuance Costs	0	10,897	30,450	41,347
<i>Total Expenditures</i>	<u>38,975,325</u>	<u>4,211,398</u>	<u>20,223,004</u>	<u>63,409,727</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,251,438</u>	<u>(1,688,239)</u>	<u>(7,517,203)</u>	<u>(2,954,004)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	17,358	17,358
Proceeds of Notes	0	1,515,000	0	1,515,000
Premium on Notes	0	11,211	0	11,211
General Obligation Bonds Issued	0	1,550	1,598,450	1,600,000
Transfers In	0	132,769	2,972,224	3,104,993
Transfers Out	(2,923,875)	0	(201,784)	(3,125,659)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,923,875)</u>	<u>1,660,530</u>	<u>4,386,248</u>	<u>3,122,903</u>
<i>Net Change in Fund Balances</i>	3,327,563	(27,709)	(3,130,955)	168,899
<i>Fund Balances Beginning of Year</i>				
<i>Restated - (See Note 3)</i>	<u>8,258,051</u>	<u>1,801,619</u>	<u>11,244,608</u>	<u>21,304,278</u>
<i>Fund Balances End of Year</i>	<u>\$11,585,614</u>	<u>\$1,773,910</u>	<u>\$8,113,653</u>	<u>\$21,473,177</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, 2016*

Net Change in Fund Balances - Total Governmental Funds		\$168,899
<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	6,448,090	
Current Year Depreciation	<u>(5,127,137)</u>	
Total		1,320,953
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(5,607)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:		
Delinquent Property Taxes	143,206	
Municipal Income Taxes	(640,775)	
Intergovernmental	(53,027)	
Special Assessments	231,612	
Charges for Services	<u>319,892</u>	
Total		908
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	2,195,000	
Special Assessment Bonds	115,000	
Notes	1,515,000	
OPWC Loans Payable	115,439	
Capital Leases	<u>69,093</u>	
Total		4,009,532
Other financing sources and uses in the governmental funds increased long-term liabilities in the statement of net position:		
General Obligation Bonds Issued	(1,600,000)	
Notes Issued	(1,515,000)	
Notes Premium	<u>(11,211)</u>	
Total		(3,126,211)
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	3,765	
Amortization of Bond Premium	34,134	
Amortization of Loss on Refunding	<u>(151,810)</u>	
Total		(113,911)
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	(252,806)	
Retrospective Workers' Compensation	191,963	
Solid Waste	<u>(2,395)</u>	
Total		(63,238)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		4,102,308
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		<u>(8,548,369)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>(\$2,254,736)</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$6,418,368	\$6,418,368	\$6,772,904	\$354,536
Municipal Income Taxes	24,749,686	27,269,276	26,217,124	(1,052,152)
Admissions Taxes	72,081	79,419	76,355	(3,064)
Charges for Services	1,085,228	1,195,707	1,149,572	(46,135)
Licenses, Permits and Fees	4,536,597	4,998,436	4,805,577	(192,859)
Fines and Forfeitures	1,633,868	1,800,201	1,730,742	(69,459)
Intergovernmental	3,481,220	3,746,115	2,756,318	(989,797)
Interest	132,791	146,309	140,664	(5,645)
Rentals	2,832	3,120	3,000	(120)
Franchise Taxes	550,000	550,000	553,256	3,256
Miscellaneous	547,329	603,049	576,781	(26,268)
<i>Total Revenues</i>	<u>43,210,000</u>	<u>46,810,000</u>	<u>44,782,293</u>	<u>(2,027,707)</u>
Expenditures				
Current:				
General Government	13,836,968	13,777,568	13,277,018	500,550
Public Safety	16,049,298	15,654,143	15,417,760	236,383
Public Health Services	351,960	367,825	344,549	23,276
Transportation	3,118,183	2,963,683	2,715,548	248,135
Community Development	2,072,857	2,065,988	1,844,147	221,841
Sanitation	2,156,548	2,114,548	1,984,172	130,376
Culture and Recreation	2,093,464	2,117,637	1,937,433	180,204
<i>Total Expenditures</i>	<u>39,679,278</u>	<u>39,061,392</u>	<u>37,520,627</u>	<u>1,540,765</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,530,722</u>	<u>7,748,608</u>	<u>7,261,666</u>	<u>(486,942)</u>
Other Financing Sources (Uses)				
Advances In	0	0	431,867	431,867
Advances Out	0	(83,719)	(83,719)	0
Transfers Out	(3,355,332)	(5,609,794)	(3,786,555)	1,823,239
<i>Total Other Financing Sources (Uses)</i>	<u>(3,355,332)</u>	<u>(5,693,513)</u>	<u>(3,438,407)</u>	<u>2,255,106</u>
<i>Net Change in Fund Balance</i>	175,390	2,055,095	3,823,259	1,768,164
<i>Fund Balance Beginning of Year</i>	2,843,246	2,843,246	2,843,246	0
Unexpended Prior Year Encumbrances	42,349	42,349	42,349	0
<i>Fund Balance End of Year</i>	<u>\$3,060,985</u>	<u>\$4,940,690</u>	<u>\$6,708,854</u>	<u>\$1,768,164</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2016

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$2,823,010	\$535,272	\$3,358,282
Materials and Supplies Inventory	77,246	6,089	83,335
Accounts Receivable	3,563,959	395,995	3,959,954
Interfund Receivable	6,587	0	6,587
<i>Total Current Assets</i>	6,470,802	937,356	7,408,158
<i>Noncurrent Assets</i>			
Depreciable Capital Assets, Net	14,245,998	7,251,400	21,497,398
<i>Total Assets</i>	20,716,800	8,188,756	28,905,556
Deferred Outflows of Resources			
Pension	310,987	310,987	621,974
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	35,137	89,428	124,565
Accrued Wages	29,156	18,275	47,431
Interfund Payable	384,357	0	384,357
Accrued Interest Payable	1,393	0	1,393
Intergovernmental Payable	1,936,698	23,327	1,960,025
Compensated Absences Payable	75,193	226,291	301,484
OPWC Loans	65,415	31,484	96,899
OWDA Loans	12,207	30,898	43,105
<i>Total Current Liabilities</i>	2,539,556	419,703	2,959,259
<i>Long-Term Liabilities (Net of Current Portion)</i>			
Compensated Absences Payable	64,034	249,685	313,719
Notes Payable	186,369	0	186,369
OPWC Loan Payable	282,948	227,975	510,923
OWDA Loan Payable	199,117	155,749	354,866
Net Pension Liability (See Note 13)	827,950	827,949	1,655,899
<i>Total Long-Term Liabilities</i>	1,560,418	1,461,358	3,021,776
<i>Total Liabilities</i>	4,099,974	1,881,061	5,981,035
Deferred Inflows of Resources			
Pension	44,271	18,859	63,130
Net Position			
Net Investment in Capital Assets	13,499,942	6,805,284	20,305,226
Unrestricted (Deficit)	3,383,600	(205,461)	3,178,139
<i>Total Net Position</i>	\$16,883,542	\$6,599,823	\$23,483,365

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016*

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating Revenues			
Charges for Services	\$13,901,780	\$1,398,962	\$15,300,742
Tap-In-Fees	340,400	0	340,400
Miscellaneous	156	0	156
<i>Total Operating Revenues</i>	<u>14,242,336</u>	<u>1,398,962</u>	<u>15,641,298</u>
Operating Expenses			
Personal Services	1,327,515	908,196	2,235,711
Other Than Personal Services	11,750,223	524,409	12,274,632
Non-Governmental	43,586	0	43,586
Depreciation	291,051	209,000	500,051
<i>Total Operating Expenses</i>	<u>13,412,375</u>	<u>1,641,605</u>	<u>15,053,980</u>
<i>Operating Income (Loss)</i>	829,961	(242,643)	587,318
Non-Operating Revenues (Expenses)			
Interest and Fiscal Charges	<u>(10,024)</u>	<u>(8,283)</u>	<u>(18,307)</u>
<i>Income (Loss) Before Transfers</i>	819,937	(250,926)	569,011
Transfers In	<u>9,185</u>	<u>11,481</u>	<u>20,666</u>
<i>Change in Net Position</i>	829,122	(239,445)	589,677
<i>Net Position Beginning of Year</i>	<u>16,054,420</u>	<u>6,839,268</u>	<u>22,893,688</u>
<i>Net Position End of Year</i>	<u><u>\$16,883,542</u></u>	<u><u>\$6,599,823</u></u>	<u><u>\$23,483,365</u></u>

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, 2016

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$15,074,272	\$1,528,742	\$16,603,014
Cash Received from Other Operating Sources	156	0	156
Cash Received from Tap-In Fees	340,400	0	340,400
Cash Payments to Suppliers for Goods and Services	(11,829,548)	(451,428)	(12,280,976)
Cash Payments for Employee Services and Benefits	(1,049,942)	(881,001)	(1,930,943)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>2,535,338</u>	<u>196,313</u>	<u>2,731,651</u>
Cash Flows from Capital and Related Financing Activities			
Notes Issued	185,000	0	185,000
Premium on Notes	1,369	0	1,369
Principal Paid on Notes	(185,000)	0	(185,000)
Interest Paid on Notes	(2,544)	0	(2,544)
Principal Paid on OPWC Loans	(56,229)	(20,003)	(76,232)
Principal Paid on OWDA Loans	(11,752)	(29,663)	(41,415)
Interest Paid on OWDA Loans	(8,486)	(8,283)	(16,769)
Acquisition of Capital Assets	(11,250)	(227,026)	(238,276)
<i>Net Cash Provided by (Used for)</i> <i>Capital and Related Financing Activities</i>	<u>(88,892)</u>	<u>(284,975)</u>	<u>(373,867)</u>
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	2,446,446	(88,662)	2,357,784
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>376,564</u>	<u>623,934</u>	<u>1,000,498</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,823,010</u>	<u>\$535,272</u>	<u>\$3,358,282</u>

(continued)

City of Cleveland Heights, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2016

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	\$829,961	(\$242,643)	\$587,318
Adjustments:			
Depreciation	291,051	209,000	500,051
(Increase)/Decrease in Assets:			
Accounts Receivable	1,168,020	129,780	1,297,800
Materials and Supplies Inventory	(46,496)	75	(46,421)
Interfund Receivable	4,472	0	4,472
(Increase)/Decrease in Deferred Outflows of Resources - Pension	(204,505)	(211,128)	(415,633)
Increase/(Decrease) in Liabilities:			
Accounts Payable	10,757	72,906	83,663
Accrued Wages	4,333	(4,159)	174
Compensated Absences	(27,258)	(18,445)	(45,703)
Intergovernmental Payable	263,034	5,175	268,209
Net Pension Liability	208,579	247,097	455,676
Increase/(Decrease) in Deferred Inflows of Resources - Pension	33,390	8,655	42,045
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$2,535,338</u>	<u>\$196,313</u>	<u>\$2,731,651</u>

Noncash Capital Financing Activities

During 2016, the street construction, maintenance and repair special revenue fund paid \$9,185 and \$11,481 in principal on an Ohio Public Works Commission loan for the water and sewer enterprise funds, respectively.

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

Assets	
Equity in Pooled Cash and Cash Equivalents	\$647,169
Cash and Cash Equivalents in Segregated Accounts	<u>379,306</u>
<i>Total Assets</i>	<u><u>\$1,026,475</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$1,026,475</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, 2016

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 one jointly governed organization, the First Suburbs Consortium of Northeast Ohio Council of Governments. This organization 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, 2016

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. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

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

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

General Fund The general fund accounts for and reports all financial resources 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.

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.

City of Cleveland Heights, Ohio
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For the Year Ended December 31, 2016

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 are the City's major enterprise funds.

Water Fund The water fund accounts for the provision of water service to the residents and commercial users located within the City.

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 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 inflows of resources and in the presentation of expenses versus expenditures.

City of Cleveland Heights, Ohio
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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 include a deferred charge on refunding and pension reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 13.

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, unavailable revenue and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 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, municipal income tax, charges for services, special assessments, 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 on page 21. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 13).

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, 2016

Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. Budgetary information for the internal service fund is not reported because the City does not maintain budgetary records for internal service funds. 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 Assistant to the City Manager is authorized to transfer budgeted amounts within each fund (between departments), as long as the total amount appropriated by City Council is at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts on the budgetary statements reflect the 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 2016, investments were limited to STAR Ohio, municipal bonds, federal home loan mortgage corporation bonds, 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 the 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 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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.

City of Cleveland Heights, Ohio
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For the Year Ended December 31, 2016

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 2016 was \$133,504, which includes \$83,993 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. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land, construction in progress and intangible assets. 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 a straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
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, 2016

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

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

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, long-term loans and capital leases are recognized as a liability on the governmental fund financial statements when due.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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. City Council assigned fund balance to cover a gap between estimated revenues and appropriations in 2017’s budget and for capital improvements, economic development and City Hall maintenance. 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, 2016

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 water and sewer services and the hospitalization program. 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

On the government-wide financial statements, bond premiums 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 governmental fund statements, bond premiums are received in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 and Net Position

Change in Accounting Principle

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 77, “Tax Abatement Disclosures,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the City’s financial statements.

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City’s financial statements.

GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. The City did not have any agreements meeting the GASB 77 definition of a tax abatement.

City of Cleveland Heights, Ohio
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GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into their 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Reclassification and Restatement of Fund Balance and Net Position

A fund reclassification is required to report the fund previously reported as proprietary internal service fund as part of the general fund. The fund is funded only by transfers from the general fund, and the liability falls back on the general fund when available resources are exceeded. This fund should be reported as part of the general fund rather than an internal service fund. This fund reclassification has the following effect on the City's governmental fund balances and proprietary internal service fund net position as previously reported.

	General	General Bond Retirement	Other Governmental Funds	Total Governmental Funds	Governmental Activities - Internal Service Fund
Fund balance/net position as previously reported	\$8,266,266	\$1,801,619	\$11,244,608	\$21,312,493	(\$8,215)
Fund reclassification:					
Accounts Payable	(8,215)	0	0	(8,215)	8,215
Restated fund balance at December 31, 2015	<u>\$8,258,051</u>	<u>\$1,801,619</u>	<u>\$11,244,608</u>	<u>\$21,304,278</u>	<u>\$0</u>

This restatement had no effect on total governmental net position since the internal service fund is part of total governmental activities.

Note 4 – Compliance and Accountability

Compliance

The municipal court clerk computerization, police pension and office on aging donations special revenue funds have original appropriations in excess of estimated resources and carryover encumbrances as reported on the Official Certificate of Estimated Resources in the amounts of \$23,505, \$363,402 and \$2,705, respectively, contrary to Ohio Revised Code Section 5705.39.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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>Fire Pension</i>			
Public Safety			
Fire Pension			
Personal Services	\$1,415,995	\$1,460,648	(\$44,653)
<i>Parking</i>			
General Government			
Off-Street Parking			
Other than Personal Services	789,070	824,865	(35,795)
Capital Outlay	351,466	355,697	(4,231)

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

Accountability

At December 31, 2016, the following funds had deficit fund balances.

Fund Descriptions	Amounts
<i>Special Revenue Funds:</i>	
Street Maintenance, Construction and Repair	\$1,086,852
Communications System	50,774
Home Program	91,765
Lead Safe Cuyahoga	67,263
Police Pension	137,358
Fire Pension	173,116
Juvenile Diversion Program	79

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:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

<u>Fund Balances</u>	<u>General</u>	<u>General Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>				
Inventory	\$657,693	\$0	\$90,294	\$747,987
<u>Restricted for:</u>				
Drug and Law Enforcement	0	0	481,398	481,398
Community Development	0	0	1,338,184	1,338,184
FEMA Grant	0	0	77,721	77,721
Foundation Grants	0	0	182,853	182,853
Municipal Court Computerization and Special Projects	0	0	1,914,523	1,914,523
Public Right of Way	0	0	25,751	25,751
Neighborhood Stabilization Program	0	0	480,781	480,781
Street Maintenance	0	0	557,754	557,754
First Suburbs Development Council	0	0	46,587	46,587
Off-Street Parking	0	0	183,294	183,294
Aging and Youth Recreation	0	0	40,379	40,379
Police Memorial Trust	0	0	10,608	10,608
Recreational Facility Improvements	0	0	674,004	674,004
Debt Service Payments	0	1,773,910	0	1,773,910
<i>Total Restricted</i>	<u>0</u>	<u>1,773,910</u>	<u>6,013,837</u>	<u>7,787,747</u>
<u>Committed to:</u>				
Public Building Maintenance	0	0	423	423
Economic Development	0	0	1,903	1,903
Ambulance Services	0	0	967,260	967,260
Police Facility Improvement	0	0	41,578	41,578
Ring Road Construction	0	0	35,045	35,045
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>1,046,209</u>	<u>1,046,209</u>
<u>Assigned to:</u>				
Capital Improvements	0	0	781,331	781,331
Economic Development	0	0	1,730,579	1,730,579
City Hall Maintenance	0	0	58,610	58,610
2017 Operations	1,687,774	0	0	1,687,774
<u>Purchases on Order:</u>				
Other than Personal Services	76,425	0	0	76,425
Capital Outlay	11,540	0	0	11,540
<i>Total Assigned</i>	<u>1,775,739</u>	<u>0</u>	<u>2,570,520</u>	<u>4,346,259</u>
Unassigned (Deficit)	<u>9,152,182</u>	<u>0</u>	<u>(1,607,207)</u>	<u>7,544,975</u>
Total Fund Balances	<u><u>\$11,585,614</u></u>	<u><u>\$1,773,910</u></u>	<u><u>\$8,113,653</u></u>	<u><u>\$21,473,177</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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) Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP).
- (f) Budgetary revenues and expenditures of the earned benefits fund is classified to the general fund for GAAP reporting.
- (g) Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP).

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

	General
GAAP Basis	\$3,327,563
Net Adjustment for Revenue Accruals	(1,396,716)
Beginning Fair Value Adjustment for Investments	(12,320)
Ending Fair Value Adjustment for Investments	31,558
Beginning Unrecorded Cash	7,659
Ending Unrecorded Cash	(14,914)
Advances In	431,867
Net Adjustment for Expenditure Accruals	1,657,501
Advances Out	(83,719)
Excess of revenues and other financing sources over expenditures and other uses:	
Earned Benefits	70,224
Encumbrances	(195,444)
Budget Basis	\$3,823,259

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 7 – Deposits and Investments

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories.

Active monies are public monies necessary to meet current demands on 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.

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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. 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.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,594,473 of the City's bank balance of \$3,863,711 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the uninsured deposits being secured.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Investments

As of December 31, 2016, 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	\$12,429,038	51.6 days	AAAm	N/A
Fair Value - Level Two Inputs				
Municipal Bonds	2,940,201	Less than two years	N/A	14.17
Federal Home Loan Mortgage Corporation Bonds	2,136,909	Less than two years	AAAm	10.30
Federal Farm Credit Bank Bonds	1,548,196	Less than three years	AAAm	7.46
Federal National Mortgage Association Bonds	248,620	Less than three years	AAAm	1.20
Federal Home Loan Bank Bonds	1,440,594	Less than three years	AAAm	6.94
Total Fair Value - Level Two Inputs	8,314,520			
Total	\$20,743,558			

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, 2016. 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 notes, federal national mortgage association notes, and federal home loan mortgage corporation notes are registered and carry a rating of AA+ by Standard and Poor's. The municipal bonds and economic development notes are unrated. 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, 2016

Note 8 – Interfund Balances and Transfers

Interfund Balances

As of December 31, 2016, interfund balances were as follows:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		
	General	Water Fund	Totals
Governmental:			
General Fund	\$0	\$6,587	\$6,587
Other Governmental Funds	83,719	0	83,719
Total Governmental Activities	83,719	6,587	90,306
Business-Type:			
Water	384,357	0	384,357
Total	\$468,076	\$6,587	\$474,663

Interfund balances at December 31, 2016, consisted of general fund advances of \$83,719 to nonmajor special revenue funds due to the timing of reimbursement of expenditures and an advance of \$384,357 to the water enterprise fund to cover a prior year negative fund balance. The general fund has an interfund payable to the water enterprise fund of \$6,587 for utilities receivable at December 31, 2016. All advances are expected to be repaid within one year.

Interfund Transfers

At December 31, 2016 interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>		
	General	Other Governmental Funds	Total
Major Funds:			
General Bond Retirement	\$28,151	\$104,618	\$132,769
Other Governmental Funds	2,895,724	76,500	2,972,224
Total Governmental Funds	2,923,875	181,118	3,104,993
Business-Type:			
Water	0	9,185	9,185
Sewer	0	11,481	11,481
Total Business-Type Funds	0	20,666	20,666
Total	\$2,923,875	\$201,784	\$3,125,659

The general fund transfers to the other governmental funds were made to provide additional resources for capital improvements and current operations. The general fund and other governmental funds transfers to the general bond retirement fund were made for the portion of 2016 general obligation bond issuance related to those funds. The transfers from other governmental funds to police pension and fire pension were made for fund contributions for pension liabilities. The transfers from other governmental funds to the water and sewer enterprise funds were to move the respective OPWC principal payments made from other governmental funds.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 9 – Receivables

Receivables at December 31, 2016, consisted primarily of municipal income taxes, property and other local 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. All receivables, except for delinquent property taxes, 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 \$3,579,182 in the tree and street lighting special revenue funds and the general bond retirement fund. At December 31, 2016, the amount of delinquent special assessments was \$2,289,530.

Notes expected to be collected in more than one year amount to \$899,270. At December 31, 2016 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 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes are levied after October 1, 2016 on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016 was \$13.92 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2016 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	\$686,084,250
Other Real Estate	117,958,640
Public Utility Property	<u>14,628,530</u>
Total Assessed Valuation	<u><u>\$818,671,420</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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, 2016 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 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	
Homestead and Rollback	\$687,884
Local Government	653,259
Gas Excise Tax	570,699
Auto Registration	218,684
City of Cleveland	25,347
CDBG Grant	3,076
<i>Total Intergovernmental Receivables</i>	<u><u>\$2,158,949</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 10 – Capital Assets

A summary of changes in capital assets during 2016 follows:

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$5,288,136	\$0	\$0	\$5,288,136
Construction in Progress	5,968,601	5,729,342	(4,503,640)	7,194,303
Intangible Assets	32,707	0	0	32,707
<i>Total Nondepreciable Capital Assets</i>	<u>11,289,444</u>	<u>5,729,342</u>	<u>(4,503,640)</u>	<u>12,515,146</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	2,170,388	13,695	(14,800)	2,169,283
Building and Improvements	58,650,188	29,115	(14,850)	58,664,453
Machinery and Equipment	24,203,170	732,853	(337,617)	24,598,406
Infrastructure				
Streets and Sidewalks	50,125,584	4,097,429	0	54,223,013
Off-Street Parking	2,604,360	349,296	0	2,953,656
<i>Total Depreciable Capital Assets</i>	<u>137,753,690</u>	<u>5,222,388</u>	<u>(367,267)</u>	<u>142,608,811</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(1,189,313)	(123,076)	13,896	(1,298,493)
Building and Improvements	(25,412,234)	(1,322,256)	10,147	(26,724,343)
Machinery and Equipment	(16,823,122)	(1,429,214)	337,617	(17,914,719)
Infrastructure				
Streets and Sidewalks	(22,087,769)	(2,193,666)	0	(24,281,435)
Off-Street Parking	(1,783,579)	(58,925)	0	(1,842,504)
<i>Total Accumulated Depreciation</i>	<u>(67,296,017)</u>	<u>(5,127,137) *</u>	<u>361,660</u>	<u>(72,061,494)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>70,457,673</u>	<u>95,251</u>	<u>(5,607)</u>	<u>70,547,317</u>
<i>Total Governmental Capital Assets, Net</i>	<u><u>\$81,747,117</u></u>	<u><u>\$5,824,593</u></u>	<u><u>(\$4,509,247)</u></u>	<u><u>\$83,062,463</u></u>

*Depreciation expense was charged to governmental functions as follows:

General Government	\$1,020,594
Public Safety	681,421
Transportation	2,445,575
Community Development	127,970
Sanitation	268,508
Culture and Recreation	583,069
Total	<u><u>\$5,127,137</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Business-Type Activities				
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	\$148,238	\$0	\$0	\$148,238
Machinery and Equipment	4,417,084	20,745	(25,876)	4,411,953
Infrastructure				
Water Lines	18,837,180	0	0	18,837,180
Sanitary Sewer Lines	7,321,168	217,531	0	7,538,699
Storm Sewer Lines	2,941,631	0	0	2,941,631
<i>Total Depreciable Capital Assets</i>	<u>33,665,301</u>	<u>238,276</u>	<u>(25,876)</u>	<u>33,877,701</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(57,433)	(6,385)	0	(63,818)
Machinery and Equipment	(4,237,626)	(38,279)	25,876	(4,250,029)
Infrastructure				
Water Lines	(4,529,677)	(261,353)	0	(4,791,030)
Sanitary Sewer Lines	(2,056,020)	(122,423)	0	(2,178,443)
Storm Sewer Lines	(1,025,372)	(71,611)	0	(1,096,983)
<i>Total Accumulated Depreciation</i>	<u>(11,906,128)</u>	<u>(500,051)</u>	<u>25,876</u>	<u>(12,380,303)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>21,759,173</u>	<u>(261,775)</u>	<u>0</u>	<u>21,497,398</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$21,759,173</u>	<u>(\$261,775)</u>	<u>\$0</u>	<u>\$21,497,398</u>

Note 11 – Significant Commitments

Contractual Commitments

At December 31, 2016, the City had \$3,898,042 in significant contractual commitments which consisted of several construction projects, including the Lee Road Streetscape and the Mayfield Road Signalization Design Program.

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	\$195,444	Water	\$24,074
Other Governmental Funds	604,721	Sewer	36,785
Total Governmental Funds	<u>\$800,165</u>	Total Proprietary Funds	<u>\$60,859</u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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.

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	\$102,164,000	\$50,000
General Liability	15,000,000	100,000
Automobile Liability	10,000,000	100,000
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.

During 2014, the City began providing employees hospital/medical, prescription and vision benefits through a fully insured program, and has elected to provide employee dental benefits through a partially self insured program. The general fund accounts for and finances the cost of this program.

Changes in the fund claims liability amount in 2015 and 2016 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2015	\$52,215	5,552,619	5,604,834	\$0
2016	0	0	0	0

The City participates in the State Workers' Compensation retrospective rating and payment system. Once the City receives notice of the 2016 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 \$274,118 have been accrued as a liability at December 31, 2016 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 2015 and 2016 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2015	\$604,281	435,725	573,925	\$466,081
2016	466,081	494,191	686,154	274,118

Note 13 – Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment

City of Cleveland Heights, Ohio
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For the Year Ended December 31, 2016

basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

City of Cleveland Heights, Ohio
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For the Year Ended December 31, 2016

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

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

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

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

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,690,545 for 2016. Of this amount, \$208,259 is reported as an intergovernmental payable.

City of Cleveland Heights, Ohio
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For the Year Ended December 31, 2016

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.

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.

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.

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 and statutory survivors.

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

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, 2016

	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,547,007 for 2016. Of this amount, \$310,380 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.11949900%	0.63819600%	
Prior Measurement Date	<u>0.12774300%</u>	<u>0.54712730%</u>	
Change in Proportionate Share	<u>-0.00824400%</u>	<u>0.09106870%</u>	
Proportionate Share of the Net Pension Liability	\$20,698,733	\$41,055,597	<u>\$61,754,330</u>
Pension Expense	\$2,641,459	\$6,124,243	\$8,765,702

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$6,084,133	\$6,682,277	\$12,766,410
Changes in proportion and differences between City contributions and proportionate share of contributions	0	3,785,102	3,785,102
City contributions subsequent to the measurement date	<u>1,690,545</u>	<u>2,547,007</u>	<u>4,237,552</u>
Total Deferred Outflows of Resources	<u>\$7,774,678</u>	<u>\$13,014,386</u>	<u>\$20,789,064</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$399,940	\$115,282	\$515,222
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>656,036</u>	<u>0</u>	<u>656,036</u>
Total Deferred Inflows of Resources	<u>\$1,055,976</u>	<u>\$115,282</u>	<u>\$1,171,258</u>

The \$4,237,552 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2017	\$1,027,961	\$2,466,721	\$3,494,682
2018	1,125,247	2,466,721	3,591,968
2019	1,498,112	2,466,721	3,964,833
2020	1,376,837	2,084,059	3,460,896
2021	0	729,307	729,307
Thereafter	<u>0</u>	<u>138,568</u>	<u>138,568</u>
Total	<u>\$5,028,157</u>	<u>\$10,352,097</u>	<u>\$15,380,254</u>

Actuarial Assumptions - OPERS

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

City of Cleveland Heights, Ohio
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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, 2015, 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 valuations are presented below.

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

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 2015 and the long-term expected real rates of return:

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For the Year Ended December 31, 2016

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the County’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 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	\$32,978,139	\$20,698,733	\$10,341,443

Changes between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2015, is based on the results of an actuarial valuation date of January 1, 2015, 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.

City of Cleveland Heights, Ohio
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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent, simple

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return**</u>	<u>30 Year Expected Real Rate of Return**</u>
Cash and Cash Equivalents	- %	0.00 %	0.00 %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected Securities*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation

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.

City of Cleveland Heights, Ohio
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For the Year Ended December 31, 2016

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$54,146,832	\$41,055,597	\$29,966,031

Note 14 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

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

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

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

City of Cleveland Heights, Ohio
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For the Year Ended December 31, 2016

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, 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.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015 and 2014 was \$281,758, \$293,329 and \$312,410, respectively. For 2016, 87.68 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Ohio Police and Fire Pension Fund

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer 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 2016, 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 OPF 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 contribution to OPF for the years ended December 31, 2016, 2015 and 2014 were \$2,606,655, \$2,602,217, and \$2,343,396, respectively, of which \$59,648, \$59,576 and \$53,704, respectively, was allocated to the healthcare plan. For 2016, 87.79 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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, 2016, the current final closure cost estimate is \$162,335, 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 except for potential claims by USEPA and Ohio EPA in connection with discharges from the City's overflow structures. A preliminary agreement for a "phased" Consent Decree was reached in May 2017 between the City and Ohio EPA. If finalized, the City estimates that Phase I of the Consent Decree will cost approximately \$12 million between 2017 and 2021 and expenses will be financed by sewer rates.

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, 2016.

Note 18 – Jointly Governed Organization

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 2016, the City contributed \$3,000 for membership 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 19 – 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:

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
Governmental Activities				
General Obligation Bonds				
Various Purpose Refunding	2013	2017	1.25	\$1,590,000
Various Purpose	2014	2028	3.19	3,125,000
Various Purpose	2015	2028	1.91	2,322,000
Various Purpose	2016	2030	1.91	1,600,000
Recreational Facilities Refunding	2008	2017	3.0 - 5.0	8,695,000
Cedar Lee Parking Deck	2008	2028	3.0 - 4.75	6,355,000
Cedar Lee Parking Deck Refunding	2015	2028	2.03	4,640,000
Special Assessment Bonds				
Ring Road Improvement Refunding	2014	2029	2.93	2,510,000
OPWC Loans				
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	1,837,103
Monticello Boulevard	2010	2031	0	248,880
Monticello Boulevard	2012	2034	0	640,800
Long-term Notes				
Street Improvements	2016	2017	1.75	320,000
Motorized Equipment	2016	2017	1.75	1,124,000
Computer Equipment	2016	2017	1.75	71,000
Business-Type Activities				
OPWC Loans				
Cedar Road - Water	2000	2020	0	940,876
Cedar Road - Sewer	2000	2020	0	170,407
Meadowbrook Boulevard Rehabilitation - Water	2006	2022	0	367,421
Meadowbrook Boulevard Rehabilitation - Sewer	2006	2022	0	459,276
OWDA Loans				
OWDA Loan - Sewer	2007	2022	4.12	425,071
OWDA Loan - Water Line	2010	2030	3.84	280,298
Long-term Notes				
Water System Improvements	2016	2017	1.75	185,000

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
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Changes in long-term obligations during the year ended December 31, 2016, consisted of the following:

	Balance 12/31/2015	Increase	Decrease	Balance 12/31/2016	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
2013 Various Purpose Refunding Bonds	\$645,000	\$0	\$320,000	\$325,000	\$325,000
Unamortized Premium	3,726	0	1,850	1,876	0
2014 Various Purpose Bonds	2,705,000	0	265,000	2,440,000	270,000
2015 Various Purpose Bonds	2,207,000	0	210,000	1,997,000	216,000
2016 Various Purpose Bonds	0	1,600,000	0	1,600,000	115,000
2008 Recreational Facilities Refunding Bonds	2,170,000	0	1,060,000	1,110,000	1,110,000
Unamortized Premium	66,090	0	32,284	33,806	0
2008 Cedar Lee Parking Deck Bonds	570,000	0	280,000	290,000	290,000
2015 Cedar Lee Parking Deck Refunding Bonds	4,605,000	0	60,000	4,545,000	65,000
<i>Total General Obligation Bonds</i>	<u>12,971,816</u>	<u>1,600,000</u>	<u>2,229,134</u>	<u>12,342,682</u>	<u>2,391,000</u>
Special Assessment Bonds (with governmental commitment)					
2014 Ring Road Improvement Refunding	2,375,000	0	115,000	2,260,000	120,000
OPWC Loans					
2001 Taylor Road Rehabilitation	39,834	0	6,639	33,195	6,639
2005 Coventry Road Rehabilitation	175,627	0	18,487	157,140	18,487
2006 Lee Road Rehabilitation	27,896	0	1,992	25,904	1,993
2006 Meadowbrook Boulevard	555,724	0	50,520	505,204	50,521
2010 Monticello Boulevard	192,882	0	12,444	180,438	12,444
2012 Monticello Boulevard	469,106	0	25,357	443,749	25,357
<i>Total OPWC Loans</i>	<u>1,461,069</u>	<u>0</u>	<u>115,439</u>	<u>1,345,630</u>	<u>115,441</u>
Long-term Notes					
Street Equipment	320,000	320,000	320,000	320,000	0
Motorized Equipment	1,124,000	1,124,000	1,124,000	1,124,000	0
Computer Equipment	71,000	71,000	71,000	71,000	0
Premium	0	11,211	0	11,211	0
<i>Total Long-term Notes</i>	<u>1,515,000</u>	<u>1,526,211</u>	<u>1,515,000</u>	<u>1,526,211</u>	<u>0</u>
Other Long-Term Obligations					
Compensated Absences Payable	4,191,809	2,730,883	2,478,077	4,444,615	2,612,829
Workers' Compensation Liability	466,081	494,191	686,154	274,118	274,118
Solid Waste Liability	159,940	2,395	0	162,335	0
Capital Leases	646,918	0	69,093	577,825	70,764
<i>Total Other Long-Term Obligations</i>	<u>5,464,748</u>	<u>3,227,469</u>	<u>3,233,324</u>	<u>5,458,893</u>	<u>2,957,711</u>
Net Pension Liability					
OPERS	14,207,010	4,835,824	0	19,042,834	0
OPF	28,343,475	12,712,122	0	41,055,597	0
<i>Total Net Pension Liability</i>	<u>42,550,485</u>	<u>17,547,946</u>	<u>0</u>	<u>60,098,431</u>	<u>0</u>
Total Governmental Long-Term Liabilities	<u>\$66,338,118</u>	<u>\$23,901,626</u>	<u>\$7,207,897</u>	<u>\$83,031,847</u>	<u>\$5,584,152</u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

	Balance 12/31/2015	Increase	Decrease	Balance 12/31/2016	Amounts Due in One Year
Business-Type Activities					
OPWC Loans					
Cedar Road - Water	\$211,698	\$0	\$47,045	\$164,653	\$47,044
Cedar Road - Sewer	38,343	0	8,522	29,821	8,520
Meadowbrook Boulevard Rehabilitation - Water	202,079	0	18,369	183,710	18,371
Meadowbrook Boulevard Rehabilitation - Sewer	252,600	0	22,962	229,638	22,964
<i>Total OPWC Loans</i>	<u>704,720</u>	<u>0</u>	<u>96,898</u>	<u>607,822</u>	<u>96,899</u>
OWDA Loans					
OWDA Loan - Demington Sewer	216,310	0	29,663	186,647	30,898
OWDA Loan - Runnymede Water Line	223,076	0	11,752	211,324	12,207
<i>Total OWDA Loans</i>	<u>439,386</u>	<u>0</u>	<u>41,415</u>	<u>397,971</u>	<u>43,105</u>
Long-term Notes					
Water System Improvements	185,000	185,000	185,000	185,000	0
Premium	1,333	1,369	1,333	1,369	0
<i>Total Long-term Notes</i>	<u>186,333</u>	<u>186,369</u>	<u>186,333</u>	<u>186,369</u>	<u>0</u>
Other Long-Term Obligations					
Compensated Absences Payable	660,906	279,148	324,851	615,203	301,484
Net Pension Liability					
OPERS	1,200,223	455,676	0	1,655,899	0
Total Business-Type Activities Long-term Liabilities	<u>\$3,191,568</u>	<u>\$921,193</u>	<u>\$649,497</u>	<u>\$3,463,264</u>	<u>\$441,488</u>

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.

In 2008, the City issued general obligation refunding bonds in the amount of \$8,695,000. The general obligation bonds were issued for the purpose of refunding the 1997 Recreational Facilities Improvement bonds in order to take advantage of lower interest rates. The bonds were issued for a twenty-year period with final maturity at December 1, 2017. The bonds will be retired from the general bond retirement 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. On December 31, 2016, \$1,110,000 of the defeased bonds are still outstanding.

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 will be retired from the general bonds retirement fund.

In 2013, the City issued general obligation bonds, in the amount of \$1,590,000, to refund bonds previously issued in 2001 for recreational facilities in the amount of \$1,505,000. The bonds were issued with a fixed interest rate of 1.25 percent. The bonds were issued for a 5 year period with final maturity during 2017. The bonds will be retired through the general bond retirement fund.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 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, 2016, \$4,140,000 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 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.

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.

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.

Long-term Notes During 2016, the City issued \$1,515,000 in bond anticipation notes which were used to retire the \$1,966,000 in bond anticipation notes and for the purchase of equipment and water system improvements. The notes were issued at a premium of \$11,211. The notes have an interest rate of 1.75 percent and mature on July 26, 2017.

Other Long-Term Obligations Capital leases will be paid from the general fund and tree special revenue fund. Compensated absences will be paid from the general, water and sewer funds. The workers' compensation liability will be paid from the general fund. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the general fund, other governmental funds and the water and sewer enterprise funds. See Note 13 for information regarding net pension liability. The solid waste liability will be paid from the general fund. During 2003, the EPA required a final closure cost estimate from the City. The OPWC loans in the governmental activities will be paid semiannually from street construction and maintenance special revenue fund. The loans are interest free.

The OPWC and OWDA loans in business-type activities will be paid semiannually from water and sewer funds. In the event that the water and sewer funds 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the water enterprise fund. The debt is payable solely from net revenues and are payable through 2030. Annual principal and interest payments on the debt issues are expected to require 13.09 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$621,152. Principal and interest paid for the current year and total net revenues were \$85,652 and \$1,121,012 respectively.

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the sewer enterprise fund. The debt is payable solely from net revenues and are payable through 2026. Annual principal and interest payments on the debt issues are expected to require less than 100 percent of net revenues in future years; however, in 2016, principal and interest payments on the loans exceeded net revenues. The total principal and interest remaining to be paid on the debt is \$469,959. Principal and interest paid for the current year and total net revenues were \$69,430 and (\$33,643) respectively.

The City's overall legal debt margin was \$75,427,409 and the unvoted legal debt margin was \$34,493,838 at December 31, 2016. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2016, are as follows:

Governmental Activities					
Year	General Obligation Bonds		Special Assesment Bonds		OPWC
	Principal	Interest	Principal	Interest	Loans
2017	\$2,391,000	\$309,965	\$120,000	\$66,218	\$115,441
2018	987,000	222,548	125,000	62,702	115,440
2019	957,000	199,604	125,000	59,040	115,440
2020	923,000	177,739	130,000	55,377	115,440
2021	978,000	156,518	130,000	51,568	115,440
2022-2026	4,351,000	4,810,633	725,000	197,775	516,275
2027-2031	1,720,000	64,409	905,000	65,485	188,762
2032-2034	0	0	0	0	63,392
Total	\$12,307,000	\$5,941,416	\$2,260,000	\$558,165	\$1,345,630

Business-Type Activities			
Year	OPWC	OWDA Loans	
	Loans	Principal	Interest
2017	\$96,899	\$43,105	\$15,374
2018	96,899	44,865	13,614
2019	96,899	46,696	11,783
2020	69,117	48,602	9,877
2021	41,335	50,586	7,893
2022-2026	206,673	98,526	21,644
2027-2031	0	65,591	5,133
Total	\$607,822	\$397,971	\$85,318

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 20 – Notes Payable

Changes in the City’s note activity for the year ended December 31, 2016, were as follows:

	Outstanding 12/31/2015	Additions	(Reductions)	Outstanding 12/31/2016
Governmental Activities:				
<i>General Obligation</i>				
<i>Bond Retirement Fund:</i>				
Street Improvements	\$22,000	\$0	(\$22,000)	\$0
Motorized Equipment	191,000	0	(191,000)	0
Computer Equipment	12,000	0	(12,000)	0
Premium	12,527	0	(12,527)	0
<i>Total Governmental Activities</i>	<u>\$237,527</u>	<u>\$0</u>	<u>(\$237,527)</u>	<u>\$0</u>

In 2016, the City paid \$225,000 to retire the various purpose notes. The notes had an interest rate of 1.375 percent and matured on July 29, 2016.

Note 21 – Capital Leases

During 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, 2016:

	Amounts
Equipment	\$730,133
Less Accumulated Depreciation	(292,053)
Current Book Value	<u>\$438,080</u>

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, 2016.

Year Ending December 31, 2016	Governmental Activities
2017	\$85,154
2018	85,154
2019	85,154
2020	85,154
2021	66,879
2022-2026	<u>243,023</u>
Total	650,518
Less: Amount Representing Interest	<u>(72,693)</u>
Present Value of Net Minimum Lease Payments	<u>\$577,825</u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 May 10, 2017, the City issued \$1,325,000 in general obligation bonds for various purposes. The bonds have an interest rate of 2.26 percent and a maturity date of December 1, 2028.

The City anticipates the issuance of \$6,050,000 in bonds for the purpose of paying the costs of acquiring and installing energy conservation measures in City buildings and facilities. Pricing of the bonds should take place in June with closing in mid-July.

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Required Supplementary Information

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 Three Years (1)**

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.11949900%	0.12774300%	0.12774300%
City's Proportionate Share of the Net Pension Liability	\$20,698,733	\$15,407,233	\$15,059,235
City's Covered Payroll	\$14,741,394	\$15,114,271	\$13,602,624
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.41%	101.94%	110.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(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.

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 Three Years (1)**

	2016	2015	2014
City's Proportion of the Net Pension Liability	0.63819600%	0.54712730%	0.54712730%
City's Proportionate Share of the Net Pension Liability	\$41,055,597	\$28,343,475	\$26,646,816
City's Covered Payroll	\$11,915,147	\$10,740,721	\$11,100,872
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	344.57%	263.89%	240.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

(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.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$1,690,545	\$1,826,707	\$1,892,517	\$1,840,602
Contributions in Relation to the Contractually Required Contribution	<u>(1,690,545)</u>	<u>(1,826,707)</u>	<u>(1,892,517)</u>	<u>(1,840,602)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$14,087,875	\$14,741,394	\$15,114,271	\$13,602,624
Contributions as a Percentage of Covered Payroll	12.00%	12.39%	12.52%	13.53%

(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.

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

	2016	2015	2014	2013
Contractually Required Contribution	\$2,547,007	\$2,542,641	\$2,289,692	\$2,022,363
Contributions in Relation to the Contractually Required Contribution	(2,547,007)	(2,542,641)	(2,289,692)	(2,022,363)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$11,929,672	\$11,915,147	\$10,740,721	\$11,100,872
Contributions as a Percentage of Covered Payroll:	21.35%	21.34%	21.32%	18.22%

2012	2011	2010	2009	2008	2007
\$1,642,143	\$1,637,957	\$2,377,764	\$2,325,122	\$2,325,122	\$2,290,703
(1,642,143)	(1,637,957)	(2,377,764)	(2,325,122)	(2,325,122)	(2,290,703)
\$0	\$0	\$0	\$0	\$0	\$0
\$10,905,975	\$10,820,729	\$15,898,541	\$15,465,278	\$18,236,251	\$17,966,298
15.06%	15.14%	14.96%	15.03%	12.75%	12.75%

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.

Street Construction, Maintenance and Repair Fund - To account for and report the portion of the State gasoline tax and motor vehicle registration fees restricted for the maintenance and repair of dedicated streets within the City.

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.

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.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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.

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.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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.

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.

Budget Stabilization Fund - To account for and report the accumulation of resources for the accumulation of resources against increases in expenditures or decreases in revenues in the general fund. 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 note proceeds restricted for the annual purchase of capital equipment and certain capital improvements.

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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,704,151	\$3,672,533	\$9,376,684
Materials and Supplies Inventory	90,294	0	90,294
Accounts Receivable	1,620,637	0	1,620,637
Intergovernmental Receivable	849,066	36,466	885,532
Property Taxes Receivable	499,738	583,016	1,082,754
Special Assessments Receivable	4,258,712	0	4,258,712
Notes Receivable	1,203,996	0	1,203,996
Assets Held for Resale	474,112	130,575	604,687
<i>Total Assets</i>	<u>\$14,700,706</u>	<u>\$4,422,590</u>	<u>\$19,123,296</u>
Liabilities			
Accounts Payable	\$2,044,517	\$479,222	\$2,523,739
Contracts Payable	62,153	0	62,153
Accrued Wages	87,716	0	87,716
Retainage Payable	139,857	0	139,857
Interfund Payable	83,719	0	83,719
Intergovernmental Payable	687,293	2,739	690,032
<i>Total Liabilities</i>	<u>3,105,255</u>	<u>481,961</u>	<u>3,587,216</u>
Deferred Inflows of Resources			
Property Taxes	397,598	463,862	861,460
Unavailable Revenue	6,405,347	155,620	6,560,967
<i>Deferred Inflows of Resources</i>	<u>6,802,945</u>	<u>619,482</u>	<u>7,422,427</u>
Fund Balances			
Nonspendable	90,294	0	90,294
Restricted	5,339,833	674,004	6,013,837
Committed	969,586	76,623	1,046,209
Assigned	0	2,570,520	2,570,520
Unassigned (Deficit)	(1,607,207)	0	(1,607,207)
<i>Total Fund Balances</i>	<u>4,792,506</u>	<u>3,321,147</u>	<u>8,113,653</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$14,700,706</u>	<u>\$4,422,590</u>	<u>\$19,123,296</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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$417,810	\$487,403	\$905,213
Charges for Services	2,471,209	0	2,471,209
Licenses, Permits and Fees	2,016	28,745	30,761
Fines and Forfeitures	402,458	0	402,458
Intergovernmental	6,202,559	72,930	6,275,489
Special Assessments	2,013,841	0	2,013,841
Interest	67	0	67
Rentals	0	22,200	22,200
Contributions and Donations	40,492	0	40,492
Miscellaneous	492,403	51,668	544,071
<i>Total Revenues</i>	<u>12,042,855</u>	<u>662,946</u>	<u>12,705,801</u>
Expenditures			
Current:			
General Government	1,758,961	384,482	2,143,443
Public Safety	5,525,103	18,502	5,543,605
Public Health Services	10,416	0	10,416
Transportation	4,964,713	0	4,964,713
Community Development	3,982,612	139,404	4,122,016
Culture and Recreation	794,889	513,246	1,308,135
Capital Outlay	0	1,820,801	1,820,801
Debt Service:			
Principal Retirement	242,453	0	242,453
Interest and Fiscal Charges	36,972	0	36,972
Bond Issuance Costs	5,709	24,741	30,450
<i>Total Expenditures</i>	<u>17,321,828</u>	<u>2,901,176</u>	<u>20,223,004</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,278,973)</u>	<u>(2,238,230)</u>	<u>(7,517,203)</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	17,358	0	17,358
General Obligation Bonds Issued	299,709	1,298,741	1,598,450
Transfers In	2,723,324	248,900	2,972,224
Transfers Out	(104,682)	(97,102)	(201,784)
<i>Total Other Financing Sources (Uses)</i>	<u>2,935,709</u>	<u>1,450,539</u>	<u>4,386,248</u>
<i>Net Change in Fund Balances</i>	(2,343,264)	(787,691)	(3,130,955)
<i>Fund Balances Beginning of Year</i>	<u>7,135,770</u>	<u>4,108,838</u>	<u>11,244,608</u>
<i>Fund Balances End of Year</i>	<u>\$4,792,506</u>	<u>\$3,321,147</u>	<u>\$8,113,653</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2016

	Street Construction, Maintenance and Repair	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement	Community Development Block Grant
Assets							
Equity in Pooled Cash and							
Cash Equivalents	\$280,514	\$68,373	\$6,102	\$423	\$61,922	\$127,580	\$5,616
Materials and Supplies Inventory	0	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0	0
Intergovernmental Receivable	789,383	0	0	0	0	25,347	3,076
Property Taxes Receivable	0	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0	0
Notes Receivable	0	0	0	0	0	0	1,155,089
Assets Held for Resale	0	116,930	0	0	0	0	0
<i>Total Assets</i>	<u>\$1,069,897</u>	<u>\$185,303</u>	<u>\$6,102</u>	<u>\$423</u>	<u>\$61,922</u>	<u>\$152,927</u>	<u>\$1,163,781</u>
Liabilities							
Accounts Payable	\$1,385,638	\$2,450	\$30,208	\$0	\$0	\$8,020	\$66,065
Contracts Payable	8,445	0	0	0	0	0	25,208
Accrued Wages	5,173	0	19,838	0	0	2,364	18,914
Retainage Payable	139,857	0	0	0	0	0	0
Interfund Payable	0	0	0	0	0	0	13,842
Intergovernmental Payable	89,591	0	6,830	0	0	33,847	6,995
<i>Total Liabilities</i>	<u>1,628,704</u>	<u>2,450</u>	<u>56,876</u>	<u>0</u>	<u>0</u>	<u>44,231</u>	<u>131,024</u>
Deferred Inflows of Resources							
Property Taxes	0	0	0	0	0	0	0
Unavailable Revenue	528,045	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>528,045</u>	<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	0
Restricted	0	182,853	0	0	61,922	108,696	1,032,757
Committed	0	0	0	423	0	0	0
Unassigned (Deficit)	(1,086,852)	0	(50,774)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(1,086,852)</u>	<u>182,853</u>	<u>(50,774)</u>	<u>423</u>	<u>61,922</u>	<u>108,696</u>	<u>1,032,757</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$1,069,897</u>	<u>\$185,303</u>	<u>\$6,102</u>	<u>\$423</u>	<u>\$61,922</u>	<u>\$152,927</u>	<u>\$1,163,781</u>

(continued)

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2016

	Home Program	FEMA Grant	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment	Municipal Court Clerk Computerization	DUI Enforcement and Education
Assets							
Equity in Pooled Cash and							
Cash Equivalents	\$0	\$94,081	\$12,731	\$25,751	\$208,850	\$71,069	\$101,930
Materials and Supplies Inventory	0	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0	0
Notes Receivable	48,907	0	0	0	0	0	0
Assets Held for Resale	0	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$48,907</u>	<u>\$94,081</u>	<u>\$12,731</u>	<u>\$25,751</u>	<u>\$208,850</u>	<u>\$71,069</u>	<u>\$101,930</u>
Liabilities							
Accounts Payable	\$42,295	\$10	\$10,828	\$0	\$0	\$11,984	\$0
Contracts Payable	28,500	0	0	0	0	0	0
Accrued Wages	0	8,697	0	0	0	2,718	0
Retainage Payable	0	0	0	0	0	0	0
Interfund Payable	69,877	0	0	0	0	0	0
Intergovernmental Payable	0	7,653	0	0	0	7,460	0
<i>Total Liabilities</i>	<u>140,672</u>	<u>16,360</u>	<u>10,828</u>	<u>0</u>	<u>0</u>	<u>22,162</u>	<u>0</u>
Deferred Inflows of Resources							
Property Taxes	0	0	0	0	0	0	0
Unavailable Revenue	0	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>	<u>0</u>
Fund Balances							
Nonspendable	0	0	0	0	0	0	0
Restricted	0	77,721	0	25,751	208,850	48,907	101,930
Committed	0	0	1,903	0	0	0	0
Unassigned (Deficit)	(91,765)	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(91,765)</u>	<u>77,721</u>	<u>1,903</u>	<u>25,751</u>	<u>208,850</u>	<u>48,907</u>	<u>101,930</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$48,907</u>	<u>\$94,081</u>	<u>\$12,731</u>	<u>\$25,751</u>	<u>\$208,850</u>	<u>\$71,069</u>	<u>\$101,930</u>

Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting	Tree	Police Pension	Fire Pension	First Suburbs Development Council	Parking
\$1,866,749	\$742	\$123,599	\$702,909	\$478,811	\$0	\$165	\$47,759	\$463,216
0	0	0	0	0	0	0	0	90,294
0	0	0	0	0	0	0	0	0
0	0	0	0	0	15,630	15,630	0	0
0	0	0	0	0	249,869	249,869	0	0
0	0	0	2,299,704	1,959,008	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	357,182	0	0	0	0	0	0
<u>\$1,866,749</u>	<u>\$742</u>	<u>\$480,781</u>	<u>\$3,002,613</u>	<u>\$2,437,819</u>	<u>\$265,499</u>	<u>\$265,664</u>	<u>\$47,759</u>	<u>\$553,510</u>
\$394	\$68,005	\$0	\$145,155	\$144,553	\$0	\$0	\$0	\$64,343
0	0	0	0	0	0	0	0	0
688	0	0	0	17,891	0	0	891	4,708
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
51	0	0	0	10,940	137,358	173,281	281	210,871
<u>1,133</u>	<u>68,005</u>	<u>0</u>	<u>145,155</u>	<u>173,384</u>	<u>137,358</u>	<u>173,281</u>	<u>1,172</u>	<u>279,922</u>
0	0	0	0	0	198,799	198,799	0	0
0	0	0	2,299,704	1,959,008	66,700	66,700	0	0
0	0	0	2,299,704	1,959,008	265,499	265,499	0	0
0	0	0	0	0	0	0	0	90,294
1,865,616	0	480,781	557,754	305,427	0	0	46,587	183,294
0	0	0	0	0	0	0	0	0
0	(67,263)	0	0	0	(137,358)	(173,116)	0	0
<u>1,865,616</u>	<u>(67,263)</u>	<u>480,781</u>	<u>557,754</u>	<u>305,427</u>	<u>(137,358)</u>	<u>(173,116)</u>	<u>46,587</u>	<u>273,588</u>
<u>\$1,866,749</u>	<u>\$742</u>	<u>\$480,781</u>	<u>\$3,002,613</u>	<u>\$2,437,819</u>	<u>\$265,499</u>	<u>\$265,664</u>	<u>\$47,759</u>	<u>\$553,510</u>

(continued)

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2016

	Ambulance Services	Office on Aging Donations	Youth Recreation Donation	Police Memorial Trust	Youth Advisory Commission	Juvenile Diversion Program	Total Nonmajor Special Revenue Funds
Assets							
Equity in Pooled Cash and							
Cash Equivalents	\$899,277	\$3,110	\$37,198	\$10,608	\$71	\$4,995	\$5,704,151
Materials and Supplies Inventory	0	0	0	0	0	0	90,294
Accounts Receivable	1,620,637	0	0	0	0	0	1,620,637
Intergovernmental Receivable	0	0	0	0	0	0	849,066
Property Taxes Receivable	0	0	0	0	0	0	499,738
Special Assessments Receivable	0	0	0	0	0	0	4,258,712
Notes Receivable	0	0	0	0	0	0	1,203,996
Assets Held for Resale	0	0	0	0	0	0	474,112
<i>Total Assets</i>	<u>\$2,519,914</u>	<u>\$3,110</u>	<u>\$37,198</u>	<u>\$10,608</u>	<u>\$71</u>	<u>\$4,995</u>	<u>\$14,700,706</u>
Liabilities							
Accounts Payable	\$59,495	\$0	\$0	\$0	\$0	\$5,074	\$2,044,517
Contracts Payable	0	0	0	0	0	0	62,153
Accrued Wages	5,834	0	0	0	0	0	87,716
Retainage Payable	0	0	0	0	0	0	139,857
Interfund Payable	0	0	0	0	0	0	83,719
Intergovernmental Payable	2,135	0	0	0	0	0	687,293
<i>Total Liabilities</i>	<u>67,464</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,074</u>	<u>3,105,255</u>
Deferred Inflows of Resources							
Property Taxes	0	0	0	0	0	0	397,598
Unavailable Revenue	1,485,190	0	0	0	0	0	6,405,347
<i>Total Deferred Inflows of Resources</i>	<u>1,485,190</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,802,945</u>
Fund Balances							
Nonspendable	0	0	0	0	0	0	90,294
Restricted	0	3,110	37,198	10,608	71	0	5,339,833
Committed	967,260	0	0	0	0	0	969,586
Unassigned (Deficit)	0	0	0	0	0	(79)	(1,607,207)
<i>Total Fund Balances (Deficit)</i>	<u>967,260</u>	<u>3,110</u>	<u>37,198</u>	<u>10,608</u>	<u>71</u>	<u>(79)</u>	<u>4,792,506</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$2,519,914</u>	<u>\$3,110</u>	<u>\$37,198</u>	<u>\$10,608</u>	<u>\$71</u>	<u>\$4,995</u>	<u>\$14,700,706</u>

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, 2016

	Street Construction, Maintenance and Repair	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
Revenues						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	21,087	198,031
Intergovernmental	2,723,128	563,482	402,200	0	14,339	25,347
Special Assessments	0	0	0	0	0	0
Interest	67	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Miscellaneous	330,720	0	0	0	9,759	9,191
<i>Total Revenues</i>	<u>3,053,915</u>	<u>563,482</u>	<u>402,200</u>	<u>0</u>	<u>45,185</u>	<u>232,569</u>
Expenditures						
Current:						
General Government	0	0	0	0	0	0
Public Safety	0	0	795,391	0	58,527	174,872
Public Health Services	0	0	0	0	0	0
Transportation	4,964,713	0	0	0	0	0
Community Development	0	156,274	0	0	0	0
Culture and Recreation	0	0	0	0	0	0
Debt Service:						
Principal Retirement	115,439	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Bond Issuance Costs	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>5,080,152</u>	<u>156,274</u>	<u>795,391</u>	<u>0</u>	<u>58,527</u>	<u>174,872</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,026,237)</u>	<u>407,208</u>	<u>(393,191)</u>	<u>0</u>	<u>(13,342)</u>	<u>57,697</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	0	0	11,050	0
General Obligation Bonds Issued	0	0	0	0	0	0
Transfers In	0	0	380,300	0	0	0
Transfers Out	(20,666)	0	0	0	0	(15,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(20,666)</u>	<u>0</u>	<u>380,300</u>	<u>0</u>	<u>11,050</u>	<u>(15,000)</u>
<i>Net Change in Fund Balances</i>	(2,046,903)	407,208	(12,891)	0	(2,292)	42,697
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>960,051</u>	<u>(224,355)</u>	<u>(37,883)</u>	<u>423</u>	<u>64,214</u>	<u>65,999</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$1,086,852)</u>	<u>\$182,853</u>	<u>(\$50,774)</u>	<u>\$423</u>	<u>\$61,922</u>	<u>\$108,696</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, 2016

	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	513,199	0	0
Licenses, Permits and Fees	0	0	0	0	1,963	0
Fines and Forfeitures	0	0	0	0	0	15,500
Intergovernmental	1,774,377	283,422	204,809	26,646	0	0
Special Assessments	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Miscellaneous	0	0	7,019	8,358	0	0
<i>Total Revenues</i>	<u>1,774,377</u>	<u>283,422</u>	<u>211,828</u>	<u>548,203</u>	<u>1,963</u>	<u>15,500</u>
Expenditures						
Current:						
General Government	0	0	0	0	0	4,500
Public Safety	0	0	217,489	0	0	0
Public Health Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Community Development	2,148,665	343,744	0	0	0	0
Culture and Recreation	0	0	0	794,889	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Bond Issuance Costs	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>2,148,665</u>	<u>343,744</u>	<u>217,489</u>	<u>794,889</u>	<u>0</u>	<u>4,500</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(374,288)</u>	<u>(60,322)</u>	<u>(5,661)</u>	<u>(246,686)</u>	<u>1,963</u>	<u>11,000</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0	0
Transfers In	0	0	0	223,667	0	0
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>223,667</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(374,288)</u>	<u>(60,322)</u>	<u>(5,661)</u>	<u>(23,019)</u>	<u>1,963</u>	<u>11,000</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,407,045</u>	<u>(31,443)</u>	<u>83,382</u>	<u>24,922</u>	<u>23,788</u>	<u>197,850</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,032,757</u>	<u>(\$91,765)</u>	<u>\$77,721</u>	<u>\$1,903</u>	<u>\$25,751</u>	<u>\$208,850</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	40
61,621	5,948	100,271	0	0	0	0
0	0	0	84,512	656	0	0
0	0	0	0	0	1,027,059	986,782
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	118,368
<u>61,621</u>	<u>5,948</u>	<u>100,271</u>	<u>84,512</u>	<u>656</u>	<u>1,027,059</u>	<u>1,105,190</u>
189,325	0	12,729	0	0	0	0
0	0	0	0	0	1,068,011	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	153,651	6,971	0	1,151,258
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
<u>189,325</u>	<u>0</u>	<u>12,729</u>	<u>153,651</u>	<u>6,971</u>	<u>1,068,011</u>	<u>1,151,258</u>
<u>(127,704)</u>	<u>5,948</u>	<u>87,542</u>	<u>(69,139)</u>	<u>(6,315)</u>	<u>(40,952)</u>	<u>(46,068)</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	18,457	20,154
0	0	0	0	0	0	(7,516)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,457</u>	<u>12,638</u>
(127,704)	5,948	87,542	(69,139)	(6,315)	(22,495)	(33,430)
<u>176,611</u>	<u>95,982</u>	<u>1,778,074</u>	<u>1,876</u>	<u>487,096</u>	<u>580,249</u>	<u>338,857</u>
<u>\$48,907</u>	<u>\$101,930</u>	<u>\$1,865,616</u>	<u>(\$67,263)</u>	<u>\$480,781</u>	<u>\$557,754</u>	<u>\$305,427</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, 2016

	Police Pension	Fire Pension	First Suburbs Development Council	Parking	Ambulance Services	Office on Aging Donations
Revenues						
Property Taxes	\$208,905	\$208,905	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	1,107,302	847,639	0
Licenses, Permits and Fees	0	0	0	0	0	13
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	31,259	31,258	27,124	0	10,000	0
Special Assessments	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	7,678
Miscellaneous	0	0	0	0	8,988	0
<i>Total Revenues</i>	<u>240,164</u>	<u>240,163</u>	<u>27,124</u>	<u>1,107,302</u>	<u>866,627</u>	<u>7,691</u>
Expenditures						
Current:						
General Government	0	0	0	1,549,237	0	0
Public Safety	1,116,074	1,465,165	0	0	620,116	0
Public Health Services	0	0	0	0	0	10,416
Transportation	0	0	0	0	0	0
Community Development	0	0	22,049	0	0	0
Culture and Recreation	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	57,921	69,093	0
Interest and Fiscal Charges	0	0	0	20,911	16,061	0
Bond Issuance Costs	0	0	0	5,709	0	0
<i>Total Expenditures</i>	<u>1,116,074</u>	<u>1,465,165</u>	<u>22,049</u>	<u>1,633,778</u>	<u>705,270</u>	<u>10,416</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(875,910)</u>	<u>(1,225,002)</u>	<u>5,075</u>	<u>(526,476)</u>	<u>161,357</u>	<u>(2,725)</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	0	0	6,308	0
General Obligation Bonds Issued	0	0	0	299,709	0	0
Transfers In	860,097	1,220,649	0	0	0	0
Transfers Out	0	0	0	0	(61,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>860,097</u>	<u>1,220,649</u>	<u>0</u>	<u>299,709</u>	<u>(55,192)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(15,813)	(4,353)	5,075	(226,767)	106,165	(2,725)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(121,545)</u>	<u>(168,763)</u>	<u>41,512</u>	<u>500,355</u>	<u>861,095</u>	<u>5,835</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$137,358)</u>	<u>(\$173,116)</u>	<u>\$46,587</u>	<u>\$273,588</u>	<u>\$967,260</u>	<u>\$3,110</u>

<u>Youth Recreation Donation</u>	<u>Police Memorial Trust</u>	<u>Youth Advisory Commission</u>	<u>Juvenile Diversion Program</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$0	\$417,810
3,069	0	0	0	2,471,209
0	0	0	0	2,016
0	0	0	0	402,458
0	0	0	0	6,202,559
0	0	0	0	2,013,841
0	0	0	0	67
14,414	10,000	0	8,400	40,492
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>492,403</u>
<u>17,483</u>	<u>10,000</u>	<u>0</u>	<u>8,400</u>	<u>12,042,855</u>
3,170	0	0	0	1,758,961
0	0	0	9,458	5,525,103
0	0	0	0	10,416
0	0	0	0	4,964,713
0	0	0	0	3,982,612
0	0	0	0	794,889
0	0	0	0	242,453
0	0	0	0	36,972
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,709</u>
<u>3,170</u>	<u>0</u>	<u>0</u>	<u>9,458</u>	<u>17,321,828</u>
<u>14,313</u>	<u>10,000</u>	<u>0</u>	<u>(1,058)</u>	<u>(5,278,973)</u>
0	0	0	0	17,358
0	0	0	0	299,709
0	0	0	0	2,723,324
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(104,682)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,935,709</u>
14,313	10,000	0	(1,058)	(2,343,264)
<u>22,885</u>	<u>608</u>	<u>71</u>	<u>979</u>	<u>7,135,770</u>
<u>\$37,198</u>	<u>\$10,608</u>	<u>\$71</u>	<u>(\$79)</u>	<u>\$4,792,506</u>

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$44,102	\$726,293	\$1,207,094	\$1,601,389
Intergovernmental Receivable	0	36,466	0	0
Property Taxes Receivable	0	583,016	0	0
Assets Held for Resale	0	0	0	130,575
<i>Total Assets</i>	<u>\$44,102</u>	<u>\$1,345,775</u>	<u>\$1,207,094</u>	<u>\$1,731,964</u>
Liabilities				
Accounts Payable	\$0	\$52,289	\$425,763	\$1,170
Intergovernmental Payable	2,524	0	0	215
<i>Total Liabilities</i>	<u>2,524</u>	<u>52,289</u>	<u>425,763</u>	<u>1,385</u>
Deferred Inflows of Resources				
Property Taxes	0	463,862	0	0
Unavailable Revenue	0	155,620	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>619,482</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	0	674,004	0	0
Committed	41,578	0	0	0
Assigned	0	0	781,331	1,730,579
<i>Total Fund Balances</i>	<u>41,578</u>	<u>674,004</u>	<u>781,331</u>	<u>1,730,579</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$44,102</u>	<u>\$1,345,775</u>	<u>\$1,207,094</u>	<u>\$1,731,964</u>

<u>City Hall Maintenance</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$58,610	\$35,045	\$3,672,533
0	0	36,466
0	0	583,016
0	0	130,575
<u>\$58,610</u>	<u>\$35,045</u>	<u>\$4,422,590</u>
\$0	\$0	\$479,222
0	0	2,739
0	0	481,961
0	0	463,862
0	0	155,620
0	0	619,482
0	0	674,004
0	35,045	76,623
58,610	0	2,570,520
58,610	35,045	3,321,147
<u>\$58,610</u>	<u>\$35,045</u>	<u>\$4,422,590</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, 2016

	Police Facility Improvement	Recreation Facility Improvement	Capital Improvements	Economic Development
Revenues				
Property Taxes	\$0	\$487,403	\$0	\$0
Licenses, Permits and Fees	28,745	0	0	0
Intergovernmental	0	72,930	0	0
Rentals	0	0	0	0
Miscellaneous	0	306	0	51,362
<i>Total Revenues</i>	<u>28,745</u>	<u>560,639</u>	<u>0</u>	<u>51,362</u>
Expenditures				
General Government	0	0	375,590	0
Public Safety	18,502	0	0	0
Community Development	0	0	0	139,404
Culture and Recreation	0	513,246	0	0
Capital Outlay	11,350	30,795	1,731,936	0
Debt Service:				
Bond Issuance Costs	0	0	24,741	0
<i>Total Expenditures</i>	<u>29,852</u>	<u>544,041</u>	<u>2,132,267</u>	<u>139,404</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,107)</u>	<u>16,598</u>	<u>(2,132,267)</u>	<u>(88,042)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	1,298,741	0
Transfers In	0	0	248,900	0
Transfers Out	0	(27,612)	(69,490)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(27,612)</u>	<u>1,478,151</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(1,107)	(11,014)	(654,116)	(88,042)
<i>Fund Balances Beginning of Year</i>	<u>42,685</u>	<u>685,018</u>	<u>1,435,447</u>	<u>1,818,621</u>
<i>Fund Balances End of Year</i>	<u><u>\$41,578</u></u>	<u><u>\$674,004</u></u>	<u><u>\$781,331</u></u>	<u><u>\$1,730,579</u></u>

City Hall Maintenance	Ring Road Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$487,403
0	0	28,745
0	0	72,930
22,200	0	22,200
0	0	51,668
<u>22,200</u>	<u>0</u>	<u>662,946</u>
8,892	0	384,482
0	0	18,502
0	0	139,404
0	0	513,246
46,720	0	1,820,801
0	0	24,741
<u>55,612</u>	<u>0</u>	<u>2,901,176</u>
<u>(33,412)</u>	<u>0</u>	<u>(2,238,230)</u>
0	0	1,298,741
0	0	248,900
0	0	(97,102)
<u>0</u>	<u>0</u>	<u>1,450,539</u>
(33,412)	0	(787,691)
<u>92,022</u>	<u>35,045</u>	<u>4,108,838</u>
<u>\$58,610</u>	<u>\$35,045</u>	<u>\$3,321,147</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, 2016

	Balance 12/31/15	Additions	Reductions	Balance 12/31/16
<i>First Suburbs Consortium</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$77,785	\$50,441	\$48,604	\$79,622
Liabilities				
Deposits Held and Due to Others	\$77,785	\$50,441	\$48,604	\$79,622
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$392,064	\$485,386	\$498,144	\$379,306
Liabilities				
Deposits Held and Due to Others	\$392,064	\$485,386	\$498,144	\$379,306
<i>Sales Tax</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$356	\$53	\$60	\$349
Liabilities				
Deposits Held and Due to Others	\$356	\$53	\$60	\$349
<i>Miscellaneous</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$284,789	\$188,755	\$161,009	\$312,535
Liabilities				
Deposits Held and Due to Others	\$284,789	\$188,755	\$161,009	\$312,535
<i>NEORS</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$121,330	\$10,309,696	\$10,343,150	\$87,876
Liabilities				
Deposits Held and Due to Others	\$121,330	\$10,309,696	\$10,343,150	\$87,876
<i>Payroll</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$166,787	\$0	\$166,787
Liabilities				
Deposits Held and Due to Others	\$0	\$166,787	\$0	\$166,787
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$484,260	\$10,715,732	\$10,552,823	\$647,169
Cash and Cash Equivalents in Segregated Accounts	392,064	485,386	498,144	379,306
Total Assets	\$876,324	\$11,201,118	\$11,050,967	\$1,026,475
Liabilities				
Deposits Held and Due to Others	\$876,324	\$11,201,118	\$11,050,967	\$1,026,475

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

Budget (Non-GAAP Basis) and Actual

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$6,418,368	\$6,418,368	\$6,772,904	\$354,536
Municipal Income Taxes	24,749,686	27,269,276	26,217,124	(1,052,152)
Admissions Taxes	72,081	79,419	76,355	(3,064)
Charges for Services	1,085,228	1,195,707	1,149,572	(46,135)
Licenses, Permits and Fees	4,536,597	4,998,436	4,805,577	(192,859)
Fines and Forfeitures	1,633,868	1,800,201	1,730,742	(69,459)
Intergovernmental	3,481,220	3,746,115	2,756,318	(989,797)
Interest	132,791	146,309	140,664	(5,645)
Rentals	2,832	3,120	3,000	(120)
Franchise Taxes	550,000	550,000	553,256	3,256
Miscellaneous	547,329	603,049	576,781	(26,268)
Total Revenues	43,210,000	46,810,000	44,782,293	(2,027,707)
Expenditures				
Current:				
General Government				
City Council				
Personal Services	77,883	77,883	73,387	4,496
Other than Personal Services	8,750	8,750	4,664	4,086
Total City Council	86,633	86,633	78,051	8,582
City Manager				
Personal Services	489,763	477,211	459,011	18,200
Other than Personal Services	16,500	29,052	28,623	429
Total City Manager	506,263	506,263	487,634	18,629
Management Information System				
Personal Services	280,638	285,297	285,297	0
Other than Personal Services	67,050	78,100	78,100	0
Capital Outlay	4,405	3,405	3,236	169
Total Management Information System	352,093	366,802	366,633	169
Civil Service Commission				
Personal Services	822	1,422	1,357	65
Other than Personal Services	13,950	6,950	831	6,119
Total Civil Service Commission	14,772	8,372	2,188	6,184
Finance Department				
Personal Services	363,768	367,768	359,342	8,426
Other than Personal Services	99,490	99,490	98,113	1,377
Capital Outlay	400	0	0	0
Non-Governmental	0	400	189	211
Total Finance Department	463,658	467,658	457,644	10,014
Income Tax Department				
Other than Personal Services	\$848,800	\$994,091	\$960,892	\$33,199

(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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Department				
Personal Services	\$526,324	\$476,324	\$459,401	\$16,923
Other than Personal Services	210,500	293,500	281,477	12,023
Total Law Department	736,824	769,824	740,878	28,946
Service Administration				
Personal Services	309,187	309,187	306,820	2,367
Other than Personal Services	3,575	3,575	1,351	2,224
Total Service Administration	312,762	312,762	308,171	4,591
Capital Projects				
Other than Personal Services	0	66	66	0
Capital Outlay	40,000	39,934	39,234	700
Total Capital Projects	40,000	40,000	39,300	700
Public Properties and Park Maintenance				
Personal Services	1,219,004	1,172,420	1,162,295	10,125
Other than Personal Services	983,350	1,011,669	1,011,669	0
Capital Outlay	0	17,765	17,765	0
Non-Governmental	0	500	265	235
Total Public Properties and Park Maintenance	2,202,354	2,202,354	2,191,994	10,360
Community Service Administration				
Personal Services	228,364	228,364	223,753	4,611
Other than Personal Services	900	900	581	319
Total Community Service Administration	229,264	229,264	224,334	4,930
County Auditor				
Other than Personal Services:				
Elections Expense	40,000	40,000	34,984	5,016
Auditor and Treasurer Fees	199,500	199,500	167,090	32,410
Delinquent Land Advertising	1,500	1,500	127	1,373
Total County Auditor	241,000	241,000	202,201	38,799
Municipal Court				
Personal Services	1,050,750	1,050,750	1,016,978	33,772
Other than Personal Services	185,575	185,575	117,047	68,528
Non-Governmental	120	120	0	120
Total Municipal Court	1,236,445	1,236,445	1,134,025	102,420
Administrative Support				
Personal Services	1,045,000	1,005,044	956,599	48,445
Other than Personal Services	883,400	923,356	870,445	52,911
Total Administrative Support	1,928,400	1,928,400	1,827,044	101,356
Hospitalization Insurance				
Personal Services	4,637,700	4,387,700	4,256,029	131,671
Total General Government	\$13,836,968	\$13,777,568	\$13,277,018	\$500,550

(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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Police Department				
Personal Services	\$8,626,839	\$7,997,391	\$7,957,354	\$40,037
Other than Personal Services	426,850	476,823	449,806	27,017
Capital Outlay	17,500	17,500	12,113	5,387
Non-Governmental	0	1,000	786	214
Total Police Department	9,071,189	8,492,714	8,420,059	72,655
Police Academy				
Personal Services	4,500	6,500	4,408	2,092
Other than Personal Services	84,500	87,000	83,548	3,452
Capital Outlay	4,500	0	0	0
Non-Governmental	0	12,932	12,931	1
Total Police Academy	93,500	106,432	100,887	5,545
Police Motor Vehicle Maintenance				
Personal Services	222,665	222,665	222,042	623
Other than Personal Services	92,350	95,850	79,566	16,284
Capital Outlay	3,500	0	0	0
Total Police Motor Vehicle Maintenance	318,515	318,515	301,608	16,907
Traffic Signs and Signals				
Personal Services	57,395	57,395	55,565	1,830
Other than Personal Services	110,600	125,600	115,640	9,960
Total Traffic Signs and Signals	167,995	182,995	171,205	11,790
Animal Protection Unit				
Personal Services	69,452	69,615	69,615	0
Other than Personal Services	29,000	28,837	21,080	7,757
Total Animal Protection Unit	98,452	98,452	90,695	7,757
Fire Department				
Personal Services	5,956,464	6,111,852	6,046,974	64,878
Other than Personal Services	220,400	217,600	179,023	38,577
Capital Outlay	1,500	4,250	4,246	4
Non-Governmental	0	50	50	0
Total Fire Department	6,178,364	6,333,752	6,230,293	103,459
Fire Prevention Bureau				
Personal Services	115,433	115,433	100,297	15,136
Other than Personal Services	4,850	4,850	2,716	2,134
Capital Outlay	1,000	1,000	0	1,000
Total Fire Prevention Bureau	121,283	121,283	103,013	18,270
Total Public Safety	\$16,049,298	\$15,654,143	\$15,417,760	\$236,383

(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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Health Services				
Office on Aging				
Personal Services	\$142,910	\$139,910	\$132,107	\$7,803
Other than Personal Services	20,900	39,765	28,638	11,127
Non-Governmental	300	300	35	265
Total Office on Aging	164,110	179,975	160,780	19,195
Health and Vital Statistics				
Other than Personal Services	187,600	187,600	183,769	3,831
Commission on Aging				
Other than Personal Services	250	250	0	250
<i>Total Public Health Services</i>	<u>351,960</u>	<u>367,825</u>	<u>344,549</u>	<u>23,276</u>
Transportation				
Vehicle Maintenance				
Personal Services	479,877	504,877	492,225	12,652
Other than Personal Services	1,195,425	1,045,425	913,283	132,142
Capital Outlay	9,100	9,600	9,600	0
Total Vehicle Maintenance	1,684,402	1,559,902	1,415,108	144,794
Street Maintenance				
Personal Services	1,174,281	1,149,281	1,098,067	51,214
Other than Personal Services	259,500	254,500	202,373	52,127
Total Street Maintenance	1,433,781	1,403,781	1,300,440	103,341
<i>Total Transportation</i>	<u>3,118,183</u>	<u>2,963,683</u>	<u>2,715,548</u>	<u>248,135</u>
Community Development				
Community Relations				
Personal Services	41,934	41,934	39,396	2,538
Other than Personal Services	13,000	13,000	7,813	5,187
Total Community Relations	54,934	54,934	47,209	7,725
Public Relations				
Personal Services	102,255	102,255	88,843	13,412
Other than Personal Services	101,400	101,400	58,867	42,533
Total Public Relations	\$203,655	\$203,655	\$147,710	\$55,945
Planning Department				
Personal Services	355,629	355,629	329,740	25,889
Other than Personal Services	17,375	17,196	10,567	6,629
Capital Outlay	0	39	39	0
Non-Governmental	0	140	140	0
Total Planning Department	\$373,004	\$373,004	\$340,486	\$32,518

(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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Planning Commission				
Personal Services	\$7,670	\$7,670	\$6,238	\$1,432
Other than Personal Services	4,200	3,950	1,281	2,669
Non-Governmental	50	300	255	45
Total Planning Commission	11,920	11,920	7,774	4,146
Board of Zoning Appeals				
Personal Services	6,574	6,574	4,187	2,387
Other than Personal Services	2,900	2,800	1,135	1,665
Non-Governmental	50	150	80	70
Total Board of Zoning Appeals	9,524	9,524	5,402	4,122
Architectural Board of Review				
Personal Services	5,478	5,878	5,684	194
Other than Personal Services	400	0	0	0
Total Architectural Board of Review	5,878	5,878	5,684	194
Special Improvement Districts				
Other than Personal Services	366,468	338,317	338,096	221
Building Department				
Personal Services	308,772	78,848	35,503	43,345
Other than Personal Services	34,600	264,474	242,246	22,228
Non-Governmental	0	50	30	20
Total Building Department	343,372	343,372	277,779	65,593
Housing Inspections				
Personal Services	444,298	449,798	447,754	2,044
Other than Personal Services	40,850	39,532	10,148	29,384
Non-Governmental	2,975	3,075	3,075	0
Total Housing Inspections	488,123	492,405	460,977	31,428
Landmark Commission				
Other than Personal Services	16,450	16,450	15,306	1,144
Local Programming				
Personal Services	87,329	91,329	88,507	2,822
Other than Personal Services	82,200	95,200	84,508	10,692
Capital Outlay	30,000	30,000	24,709	5,291
Total Local Programming	199,529	216,529	197,724	18,805
Total Community Development	2,072,857	2,065,988	1,844,147	221,841
Sanitation				
Refuse Collection and Transfer Station				
Personal Services	1,634,648	1,609,648	1,566,746	42,902
Other than Personal Services	521,900	487,900	400,426	87,474
Capital Outlay	0	17,000	17,000	0
Total Sanitation	\$2,156,548	\$2,114,548	\$1,984,172	\$130,376

(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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Culture and Recreation				
Recreation Administration				
Personal Services	\$228,169	\$228,169	\$220,052	\$8,117
Other than Personal Services	37,150	35,823	26,463	9,360
Total Recreation Administration	265,319	263,992	246,515	17,477
Swimming Pools				
Personal Services	252,258	228,429	228,429	0
Other than Personal Services	40,450	40,943	29,339	11,604
Non-Governmental	700	1,036	671	365
Total Swimming Pools	293,408	270,408	258,439	11,969
Ice Programs				
Personal Services	213,249	213,249	187,958	25,291
Other than Personal Services	18,350	18,350	16,314	2,036
Non-Governmental	1,000	1,000	0	1,000
Total Ice Programs	232,599	232,599	204,272	28,327
General Recreation Programs				
Personal Services	126,957	122,690	79,110	43,580
Other than Personal Services	23,800	28,067	18,440	9,627
Non-Governmental	2,500	2,500	873	1,627
Total General Recreation Programs	153,257	153,257	98,423	54,834
Sports Programs				
Personal Services	113,966	113,966	111,207	2,759
Other than Personal Services	106,500	104,500	81,402	23,098
Non-Governmental	5,000	5,000	1,745	3,255
Total Sports Programs	225,466	223,466	194,354	29,112
Community Center				
Personal Services	476,615	476,615	459,185	17,430
Other than Personal Services	445,300	495,096	474,041	21,055
Non-Governmental	1,500	2,204	2,204	0
Total Community Center	923,415	973,915	935,430	38,485
<i>Total Culture and Recreation</i>	2,093,464	2,117,637	1,937,433	180,204
<i>Total Expenditures</i>	39,679,278	39,061,392	37,520,627	1,540,765
<i>Excess of Revenues Over Expenditures</i>	\$3,530,722	\$7,748,608	\$7,261,666	(\$486,942)

(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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Advances In	\$0	\$0	\$431,867	\$431,867
Advances Out	0	(83,719)	(83,719)	0
Transfers Out	<u>(3,355,332)</u>	<u>(5,609,794)</u>	<u>(3,786,555)</u>	<u>1,823,239</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(3,355,332)</u>	<u>(5,693,513)</u>	<u>(3,438,407)</u>	<u>2,255,106</u>
<i>Net Change in Fund Balance</i>	175,390	2,055,095	3,823,259	1,768,164
<i>Fund Balance Beginning of Year</i>	2,843,246	2,843,246	2,843,246	0
Unexpended Prior Year Encumbrances	<u>42,349</u>	<u>42,349</u>	<u>42,349</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,060,985</u>	<u>\$4,940,690</u>	<u>\$6,708,854</u>	<u>\$1,768,164</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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,979,544	\$1,979,544	\$2,088,923	\$109,379
Intergovernmental	296,199	296,199	312,565	16,366
Special Assessments	139,941	139,941	120,416	(19,525)
Miscellaneous	1,458	1,458	1,255	(203)
<i>Total Revenues</i>	<u>2,417,142</u>	<u>2,417,142</u>	<u>2,523,159</u>	<u>106,017</u>
Expenditures				
Current:				
General Government:				
Other than Personal Services	0	1,200	1,192	8
Debt Service:				
Principal Retirement	4,762,034	4,303,882	3,992,079	311,803
Interest and Fiscal Charges	0	446,055	446,055	0
Bond Issuance Costs	0	10,897	10,897	0
<i>Total Expenditures</i>	<u>4,762,034</u>	<u>4,762,034</u>	<u>4,450,223</u>	<u>311,811</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,344,892)</u>	<u>(2,344,892)</u>	<u>(1,927,064)</u>	<u>417,828</u>
Other Financing Sources (Uses)				
Notes Issued	1,760,652	1,760,652	1,515,000	(245,652)
Premium on Notes	13,029	13,029	11,211	(1,818)
General Obligation Bonds Issued	1,801	1,801	1,550	(251)
Transfers In	154,297	154,297	132,769	(21,528)
<i>Total Other Financing Sources (Uses)</i>	<u>1,929,779</u>	<u>1,929,779</u>	<u>1,660,530</u>	<u>(269,249)</u>
<i>Net Change in Fund Balance</i>	(415,113)	(415,113)	(266,534)	148,579
<i>Fund Balance Beginning of Year</i>	<u>2,040,444</u>	<u>2,040,444</u>	<u>2,040,444</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,625,331</u></u>	<u><u>\$1,625,331</u></u>	<u><u>\$1,773,910</u></u>	<u><u>\$148,579</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$15,145,925	\$15,145,925	\$15,072,464	(\$73,461)
Tap-In Fees	342,059	342,059	340,400	(1,659)
General Obligation Notes Issued	0	0	185,000	185,000
Premium on Notes	0	0	1,369	1,369
Miscellaneous	16	16	156	140
<i>Total Revenues</i>	15,488,000	15,488,000	15,599,389	111,389
Expenses				
Personal Services				
Water Administration	307,404	339,051	339,051	0
Water Distribution	818,724	814,038	710,891	103,147
Total Personal Services	1,126,128	1,153,089	1,049,942	103,147
Other than Personal Services				
Water Administration	242,850	231,995	231,995	0
Water Distribution	298,290	288,866	265,346	23,520
Water Supply	13,361,500	11,461,500	11,288,380	173,120
Total Other than Personal Services	13,902,640	11,982,361	11,785,721	196,640
Capital Outlay				
Water Administration	1,500	1,500	0	1,500
Water Distribution	55,000	55,000	7,245	47,755
Total Capital Outlay	56,500	56,500	7,245	49,255
Non-Governmental				
Water Administration	16,300	22,764	22,764	0
Water Distribution	16,500	20,822	20,822	0
Total Non-Governmental	32,800	43,586	43,586	0
Debt Service				
Principal Retirement	77,137	262,168	252,981	9,187
Interest	8,486	12,362	12,361	1
Total Debt Service	85,623	274,530	265,342	9,188
<i>Total Expenses</i>	\$15,203,691	\$13,510,066	\$13,151,836	\$358,230

(continued)

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund (continued)
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Net Change in Fund Equity</i>	\$284,309	\$1,977,934	\$2,447,553	\$469,619
<i>Fund Equity Beginning of Year</i>	346,672	346,672	346,672	0
Unexpended Prior Year Encumbrances	2,599	2,599	2,599	0
<i>Fund Equity End of Year</i>	\$633,580	\$2,327,205	\$2,796,824	\$469,619

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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	<u>\$1,625,000</u>	<u>\$1,625,000</u>	<u>\$1,528,742</u>	<u>(\$96,258)</u>
Expenses				
Personal Services				
Sewer Maintenance	<u>987,424</u>	<u>919,944</u>	<u>881,001</u>	<u>38,943</u>
Other than Personal Services				
Sewer Maintenance	381,550	427,030	399,501	27,529
Sewer Administration	<u>59,750</u>	<u>59,750</u>	<u>56,983</u>	<u>2,767</u>
Total Other than Personal Services	<u>441,300</u>	<u>486,780</u>	<u>456,484</u>	<u>30,296</u>
Capital Outlay				
Sewer Maintenance	<u>221,500</u>	<u>283,500</u>	<u>252,540</u>	<u>30,960</u>
Debt Service				
Principal Retirement	61,475	61,475	49,666	11,809
Interest and Fiscal Charges	<u>8,283</u>	<u>8,283</u>	<u>8,283</u>	<u>0</u>
Total Debt Service	<u>69,758</u>	<u>69,758</u>	<u>57,949</u>	<u>11,809</u>
<i>Total Expenses</i>	<u>1,719,982</u>	<u>1,759,982</u>	<u>1,647,974</u>	<u>112,008</u>
<i>Net Change in Fund Equity</i>	(94,982)	(134,982)	(119,232)	15,750
<i>Fund Equity Beginning of Year</i>	614,340	614,340	614,340	0
Unexpended Prior Year Encumbrances	<u>3,379</u>	<u>3,379</u>	<u>3,379</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$522,737</u>	<u>\$482,737</u>	<u>\$498,487</u>	<u>\$15,750</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,442,870	\$2,885,741	\$3,037,508	\$151,767
Interest	32	64	67	3
Miscellaneous	157,098	314,195	330,720	16,525
<i>Total Revenues</i>	<u>1,600,000</u>	<u>3,200,000</u>	<u>3,368,295</u>	<u>168,295</u>
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	152,308	169,308	163,489	5,819
Other than Personal Services	150,457	234,250	207,828	26,422
Capital Outlay	1,250,000	2,748,850	2,704,421	44,429
Total Transportation	1,552,765	3,152,408	3,075,738	76,670
Debt Service:				
Principal Retirement	0	136,105	136,105	0
<i>Total Expenditures</i>	<u>1,552,765</u>	<u>3,288,513</u>	<u>3,211,843</u>	<u>76,670</u>
<i>Net Change in Fund Balance</i>	47,235	(88,513)	156,452	244,965
<i>Fund Balance Beginning of Year</i>	34,545	34,545	34,545	0
Unexpended Prior Year Encumbrances	89,517	89,517	89,517	0
<i>Fund Balance End of Year</i>	<u>\$171,297</u>	<u>\$35,549</u>	<u>\$280,514</u>	<u>\$244,965</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$250,000	\$590,000	\$563,482	(\$26,518)
Expenditures				
Current:				
Community Development:				
Foundation Grants:				
Other Than Personal Services	0	39,500	39,500	0
Capital Outlay	250,000	236,585	197,109	39,476
<i>Total Expenditures</i>	<u>250,000</u>	<u>276,085</u>	<u>236,609</u>	<u>39,476</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	313,915	326,873	12,958
Other Financing Sources (Uses)				
Advances Out	0	(300,000)	(300,000)	0
<i>Net Change in Fund Balance</i>	0	13,915	26,873	12,958
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Unexpended Prior Year Encumbrances	29,550	29,550	29,550	0
<i>Fund Balance End of Year</i>	<u>\$29,550</u>	<u>\$43,465</u>	<u>\$56,423</u>	<u>\$12,958</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$412,182	\$412,182	\$402,200	(\$9,982)
Expenditures				
Current:				
Public Safety:				
Communications System:				
Personal Services	661,538	681,538	661,650	19,888
Other than Personal Services	129,350	109,350	78,679	30,671
Capital Outlay	50,300	50,300	44,328	5,972
<i>Total Expenditures</i>	<u>841,188</u>	<u>841,188</u>	<u>784,657</u>	<u>56,531</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(429,006)	(429,006)	(382,457)	46,549
Other Financing Sources (Uses)				
Transfers In	429,006	429,006	380,300	(48,706)
<i>Net Change in Fund Balance</i>	0	0	(2,157)	(2,157)
<i>Fund Balance Beginning of Year</i>	4,894	4,894	4,894	0
Unexpended Prior Year Encumbrances	1,918	1,918	1,918	0
<i>Fund Balance End of Year</i>	<u>\$6,812</u>	<u>\$6,812</u>	<u>\$4,655</u>	<u>(\$2,157)</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Building Maintenance Fund
For the Year Ended December 31, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	423	423	423	0
<i>Fund Balance End of Year</i>	\$423	\$423	\$423	\$0

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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,600	\$35,934	\$21,087	(\$14,847)
Intergovernmental	3,808	24,435	14,339	(10,096)
Miscellaneous	2,592	16,631	9,759	(6,872)
<i>Total Revenues</i>	<u>12,000</u>	<u>77,000</u>	<u>45,185</u>	<u>(31,815)</u>
Expenditures				
Current:				
Public Safety:				
Law Enforcement:				
Other than Personal Services	33,500	54,587	38,374	16,213
Capital Outlay	27,000	20,000	19,760	240
<i>Total Expenditures</i>	<u>60,500</u>	<u>74,587</u>	<u>58,134</u>	<u>16,453</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(48,500)	2,413	(12,949)	(15,362)
Other Financing Sources (Uses)				
Sale of Capital Assets	2,358	15,130	11,050	(4,080)
<i>Net Change in Fund Balance</i>	(46,142)	17,543	(1,899)	(19,442)
<i>Fund Balance Beginning of Year</i>	63,126	63,126	63,126	0
Unexpended Prior Year Encumbrances	695	695	695	0
<i>Fund Balance End of Year</i>	<u><u>\$17,679</u></u>	<u><u>\$81,364</u></u>	<u><u>\$61,922</u></u>	<u><u>(\$19,442)</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$95,565	\$210,242	\$198,031	(\$12,211)
Miscellaneous	4,435	9,758	9,191	(567)
<i>Total Revenues</i>	<u>100,000</u>	<u>220,000</u>	<u>207,222</u>	<u>(12,778)</u>
Expenditures				
Current:				
Public Safety:				
Drug Law Enforcement:				
Personal Services	42,600	52,600	49,630	2,970
Other than Personal Services	54,000	104,212	74,452	29,760
Capital Outlay	60,000	10,000	0	10,000
<i>Total Expenditures</i>	<u>156,600</u>	<u>166,812</u>	<u>124,082</u>	<u>42,730</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(56,600)	53,188	83,140	29,952
Other Financing Sources (Uses)				
Transfers Out	0	(15,000)	(15,000)	0
<i>Net Change in Fund Balance</i>	(56,600)	38,188	68,140	29,952
<i>Fund Balance Beginning of Year</i>	58,299	58,299	58,299	0
Unexpended Prior Year Encumbrances	1,141	1,141	1,141	0
<i>Fund Balance End of Year</i>	<u>\$2,840</u>	<u>\$97,628</u>	<u>\$127,580</u>	<u>\$29,952</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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$3,429,906	\$2,299,745	\$2,154,842	(\$144,903)
Expenditures				
Current:				
Community Development:				
Financial Administration				
Personal Services	9,076	12,402	12,402	0
Administrative Contracts				
Other than Personal Services	248,560	162,674	155,835	6,839
Commercial Area Improvements				
Other than Personal Services	260,000	260,000	231,635	28,365
Water Improvement Projects				
Capital Outlay	581,068	527,374	515,082	12,292
CDBG - Office on Aging				
Personal Services	67,165	29,165	28,169	996
LDC - Economic Development				
Personal Services	89,514	62,746	48,727	14,019
Other than Personal Services	938,188	140,000	113,567	26,433
Capital Outlay	1,000	0	0	0
Total LDC - Economic Development	1,028,702	202,746	162,294	40,452
CDBG Administration				
Personal Services	72,840	96,768	91,066	5,702
Other than Personal Services	61,507	48,389	42,601	5,788
Capital Outlay	1,000	0	0	0
Total CDBG Administration	135,347	145,157	133,667	11,490
CDBG - Public Works				
Capital Outlay	338,255	216,673	216,673	0
CDBG - Home Repair Resources Center				
Other than Personal Services	265,438	184,115	184,115	0
Housing Preservation				
Personal Services	254,059	242,059	240,700	1,359
Other than Personal Services	153,514	128,885	125,775	3,110
Capital Outlay	0	2,000	1,750	250
Total Housing Preservation	\$407,573	\$372,944	\$368,225	\$4,719

(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, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CDBG - Code Enforcement				
Personal Services	\$49,500	\$69,576	\$57,300	\$12,276
CDBG - Neighborhood Relations				
Personal Services	44,733	65,170	51,367	13,803
CDBG - Program Income				
Other than Personal Services	16,522	16,522	151	16,371
<i>Total Expenditures</i>	<u>3,451,939</u>	<u>2,264,518</u>	<u>2,116,915</u>	<u>147,603</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(22,033)</u>	<u>35,227</u>	<u>37,927</u>	<u>2,700</u>
Other Financing Sources (Uses)				
Advances In	22,033	14,773	13,842	(931)
Advances Out	0	(50,000)	(50,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>22,033</u>	<u>(35,227)</u>	<u>(36,158)</u>	<u>(931)</u>
<i>Net Change in Fund Balance</i>	0	0	1,769	1,769
<i>Fund Balance Beginning of Year</i>	<u>3,847</u>	<u>3,847</u>	<u>3,847</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,847</u>	<u>\$3,847</u>	<u>\$5,616</u>	<u>\$1,769</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$136,678	\$260,264	\$286,614	\$26,350
Expenditures				
Current:				
Community Development:				
Home Administration				
Personal Services	6,017	6,017	6,017	0
Other than Personal Services	150,420	317,700	271,432	46,268
<i>Total Expenditures</i>	<u>156,437</u>	<u>323,717</u>	<u>277,449</u>	<u>46,268</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(19,759)</u>	<u>(63,453)</u>	<u>9,165</u>	<u>72,618</u>
Other Financing Sources (Uses)				
Advances In	33,322	63,453	69,877	6,424
Advances Out	0	0	(81,867)	(81,867)
<i>Total Other Financing Sources (Uses)</i>	<u>33,322</u>	<u>63,453</u>	<u>(11,990)</u>	<u>(75,443)</u>
<i>Net Change in Fund Balance</i>	13,563	0	(2,825)	(2,825)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Unexpended Prior Year Encumbrances	2,825	2,825	2,825	0
<i>Fund Balance End of Year</i>	<u>\$16,388</u>	<u>\$2,825</u>	<u>\$0</u>	<u>(\$2,825)</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$150,000	\$215,000	\$204,809	(\$10,191)
Expenditures				
Current:				
Public Safety:				
FEMA:				
Personal Services	<u>193,567</u>	<u>238,566</u>	<u>223,442</u>	<u>15,124</u>
<i>Net Change in Fund Balance</i>	(43,567)	(23,566)	(18,633)	4,933
<i>Fund Balance Beginning of Year</i>	<u>105,695</u>	<u>105,695</u>	<u>105,695</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$62,128</u></u>	<u><u>\$82,129</u></u>	<u><u>\$87,062</u></u>	<u><u>\$4,933</u></u>

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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$675,022	\$525,017	\$525,331	\$314
Intergovernmental	34,239	26,630	26,646	16
Miscellaneous	10,739	8,353	8,358	5
<i>Total Revenues</i>	<u>720,000</u>	<u>560,000</u>	<u>560,335</u>	<u>335</u>
Expenditures				
Current:				
Culture and Recreation:				
Cain Park Recreation				
Personal Services	158,000	158,000	151,814	6,186
Other than Personal Services	556,161	556,161	548,861	7,300
Total Cain Park Recreation	<u>714,161</u>	<u>714,161</u>	<u>700,675</u>	<u>13,486</u>
Cain Park Arts Festival				
Other than Personal Services	31,200	31,200	30,889	311
Cain Park Arts Theater				
Personal Services	12,000	12,000	10,639	1,361
Other than Personal Services	42,641	42,641	42,192	449
Total Cain Park Arts Theater	<u>54,641</u>	<u>54,641</u>	<u>52,831</u>	<u>1,810</u>
<i>Total Expenditures</i>	<u>800,002</u>	<u>800,002</u>	<u>784,395</u>	<u>15,607</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(80,002)	(240,002)	(224,060)	15,942
Other Financing Sources (Uses)				
Transfers In	80,000	240,000	223,667	(16,333)
<i>Net Change in Fund Balance</i>	(2)	(2)	(393)	(391)
<i>Fund Balance Beginning of Year</i>	392	392	392	0
Unexpended Prior Year Encumbrances	1	1	1	0
<i>Fund Balance End of Year</i>	<u>\$391</u>	<u>\$391</u>	<u>\$0</u>	<u>(\$391)</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses, Permits and Fees	\$8,000	\$8,000	\$1,963	(\$6,037)
Expenditures				
	0	0	0	0
<i>Net Change in Fund Balance</i>	8,000	8,000	1,963	(6,037)
<i>Fund Balance Beginning of Year</i>	23,788	23,788	23,788	0
<i>Fund Balance End of Year</i>	<u>\$31,788</u>	<u>\$31,788</u>	<u>\$25,751</u>	<u>(\$6,037)</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, 2016

	<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	\$15,500	\$13,500
Expenditures				
Current:				
General Government:				
Indigent DUI Treatment				
Other than Personal Services	14,000	14,000	4,500	9,500
<i>Net Change in Fund Balance</i>	(12,000)	(12,000)	11,000	23,000
<i>Fund Balance Beginning of Year</i>	197,850	197,850	197,850	0
<i>Fund Balance End of Year</i>	<u>\$185,850</u>	<u>\$185,850</u>	<u>\$208,850</u>	<u>\$23,000</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$200,000	\$80,000	\$61,621	(\$18,379)
Expenditures				
Current:				
General Government:				
Court Computer				
Personal Services	86,575	88,429	88,429	0
Other than Personal Services	86,000	29,146	21,934	7,212
Capital Outlay	212,000	57,000	56,524	476
<i>Total Expenditures</i>	<u>384,575</u>	<u>174,575</u>	<u>166,887</u>	<u>7,688</u>
<i>Net Change in Fund Balance</i>	(184,575)	(94,575)	(105,266)	(10,691)
<i>Fund Balance Beginning of Year</i>	157,242	157,242	157,242	0
Unexpended Prior Year Encumbrances	<u>3,828</u>	<u>3,828</u>	<u>3,828</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$23,505)</u></u>	<u><u>\$66,495</u></u>	<u><u>\$55,804</u></u>	<u><u>(\$10,691)</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, 2016

	<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	\$5,948	\$948
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)	5,948	10,948
<i>Fund Balance Beginning of Year</i>	95,982	95,982	95,982	0
<i>Fund Balance End of Year</i>	<u>\$90,982</u>	<u>\$90,982</u>	<u>\$101,930</u>	<u>\$10,948</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$150,000	\$150,000	\$102,727	(\$47,273)
Expenditures				
Current:				
General Government:				
Court Special Projects				
Personal Services	50,376	20,376	8,856	11,520
Other than Personal Services	79,000	29,000	2,000	27,000
Capital Outlay	170,000	25,000	3,593	21,407
<i>Total Expenditures</i>	<u>299,376</u>	<u>74,376</u>	<u>14,449</u>	<u>59,927</u>
<i>Net Change in Fund Balance</i>	(149,376)	75,624	88,278	12,654
<i>Fund Balance Beginning of Year</i>	1,763,837	1,763,837	1,763,837	0
Unexpended Prior Year Encumbrances	<u>84</u>	<u>84</u>	<u>84</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,614,545</u></u>	<u><u>\$1,839,545</u></u>	<u><u>\$1,852,199</u></u>	<u><u>\$12,654</u></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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$516,874	\$541,791	\$84,512	(\$457,279)
Expenditures				
Current:				
Community Development:				
LEAD Safe Cuyahoga				
Personal Services	18,750	18,750	6,750	12,000
Other than Personal Services	500,000	524,917	78,896	446,021
<i>Total Expenditures</i>	518,750	543,667	85,646	458,021
<i>Net Change in Fund Balance</i>	(1,876)	(1,876)	(1,134)	742
<i>Fund Balance Beginning of Year</i>	1,876	1,876	1,876	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$742	\$742

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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$656	\$656
Expenditures				
Current:				
Community Development:				
Neighborhood Stabilization				
Other than Personal Services	<u>120,668</u>	<u>14,000</u>	<u>0</u>	<u>14,000</u>
<i>Net Change in Fund Balance</i>	(120,668)	(14,000)	656	14,656
<i>Fund Balance Beginning of Year</i>	<u>122,943</u>	<u>122,943</u>	<u>122,943</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,275</u></u>	<u><u>\$108,943</u></u>	<u><u>\$123,599</u></u>	<u><u>\$14,656</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$1,039,300	\$1,039,300	\$1,027,059	(\$12,241)
Expenditures				
Current:				
Public Safety:				
Street Lighting				
Other than Personal Services	1,035,000	1,034,660	922,516	112,144
Non-Governmental	0	340	340	0
<i>Total Expenditures</i>	<i>1,035,000</i>	<i>1,035,000</i>	<i>922,856</i>	<i>112,144</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>4,300</i>	<i>4,300</i>	<i>104,203</i>	<i>99,903</i>
Other Financing Sources (Uses)				
Transfers In	20,700	20,700	18,457	(2,243)
<i>Net Change in Fund Balance</i>	<i>25,000</i>	<i>25,000</i>	<i>122,660</i>	<i>97,660</i>
<i>Fund Balance Beginning of Year</i>	<i>580,249</i>	<i>580,249</i>	<i>580,249</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$605,249</i>	<i>\$605,249</i>	<i>\$702,909</i>	<i>\$97,660</i>

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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses, Permits and Fees	\$39	\$46	\$40	(\$6)
Special Assessments	954,469	1,133,042	986,782	(146,260)
Miscellaneous	114,492	135,912	118,368	(17,544)
<i>Total Revenues</i>	<u>1,069,000</u>	<u>1,269,000</u>	<u>1,105,190</u>	<u>(163,810)</u>
Expenditures				
Current:				
Community Development:				
Tree				
Personal Services	691,764	691,764	658,111	33,653
Other than Personal Services	384,450	384,450	346,971	37,479
<i>Total Expenditures</i>	<u>1,076,214</u>	<u>1,076,214</u>	<u>1,005,082</u>	<u>71,132</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,214)</u>	<u>192,786</u>	<u>100,108</u>	<u>(92,678)</u>
Other Financing Sources (Uses)				
Transfers In	21,780	21,780	20,154	(1,626)
Transfers Out	(12,780)	(12,780)	(7,516)	5,264
<i>Total Other Financing Sources (Uses)</i>	<u>9,000</u>	<u>9,000</u>	<u>12,638</u>	<u>3,638</u>
<i>Net Change in Fund Balance</i>	1,786	201,786	112,746	(89,040)
<i>Fund Balance Beginning of Year</i>	366,064	366,064	366,064	0
Unexpended Prior Year Encumbrances	1	1	1	0
<i>Fund Balance End of Year</i>	<u>\$367,851</u>	<u>\$567,851</u>	<u>\$478,811</u>	<u>(\$89,040)</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$197,955	\$197,955	\$208,905	\$10,950
Intergovernmental	29,620	29,620	31,259	1,639
<i>Total Revenues</i>	227,575	227,575	240,164	12,589
Expenditures				
Current:				
Public Safety:				
Police Pension				
Personal Services	1,107,850	1,107,850	1,100,261	7,589
<i>Excess of Revenues Over (Under) Expenditures</i>	(880,275)	(880,275)	(860,097)	20,178
Other Financing Sources (Uses)				
Transfers In	516,873	880,275	860,097	(20,178)
<i>Net Change in Fund Balance</i>	(363,402)	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$363,402)	\$0	\$0	\$0

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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$197,955	\$197,955	\$208,905	\$10,950
Intergovernmental	29,620	29,620	31,258	1,638
<i>Total Revenues</i>	227,575	227,575	240,163	12,588
Expenditures				
Current:				
Public Safety:				
Fire Pension				
Personal Services	1,365,995	1,415,995	1,460,648	(44,653)
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,138,420)	(1,188,420)	(1,220,485)	(32,065)
Other Financing Sources (Uses)				
Transfers In	1,365,995	1,543,570	1,220,649	(322,921)
<i>Net Change in Fund Balance</i>	227,575	355,150	164	(354,986)
<i>Fund Balance Beginning of Year</i>	1	1	1	0
<i>Fund Balance End of Year</i>	<u>\$227,576</u>	<u>\$355,151</u>	<u>\$165</u>	<u>(\$354,986)</u>

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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$7,000	\$7,000	\$27,124	\$20,124
Expenditures				
Current:				
Community Development:				
First Suburbs Development Council				
Personal Services	<u>29,590</u>	<u>29,590</u>	<u>20,877</u>	<u>8,713</u>
<i>Net Change in Fund Balance</i>	(22,590)	(22,590)	6,247	28,837
<i>Fund Balance Beginning of Year</i>	<u>41,512</u>	<u>41,512</u>	<u>41,512</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,922</u></u>	<u><u>\$18,922</u></u>	<u><u>\$47,759</u></u>	<u><u>\$28,837</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,143,400	\$1,143,400	\$1,117,603	(\$25,797)
Expenditures				
Current:				
General Government:				
Off-Street Parking				
Personal Services	166,905	170,905	169,912	993
Other than Personal Services	899,992	789,070	824,865	(35,795)
Capital Outlay	317,400	351,466	355,697	(4,231)
Non-Governmental	4,000	4,070	4,067	3
<i>Total General Government</i>	<u>1,388,297</u>	<u>1,315,511</u>	<u>1,354,541</u>	<u>(39,030)</u>
Debt Service:				
Principal Retirement	0	57,921	57,921	0
Interest and Fiscal Charges	0	20,911	20,911	0
Bond Issuance Costs	0	5,709	5,709	0
<i>Total Debt Service</i>	<u>0</u>	<u>84,541</u>	<u>84,541</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,388,297</u>	<u>1,400,052</u>	<u>1,439,082</u>	<u>(39,030)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(244,897)	(256,652)	(321,479)	(64,827)
Other Financing Sources (Uses)				
General Obligation Bonds Issued	300,000	300,000	299,709	(291)
<i>Net Change in Fund Balance</i>	55,103	43,348	(21,770)	(65,118)
<i>Fund Balance Beginning of Year</i>	437,656	437,656	437,656	0
Unexpended Prior Year Encumbrances	1,728	1,728	1,728	0
<i>Fund Balance End of Year</i>	<u>\$494,487</u>	<u>\$482,732</u>	<u>\$417,614</u>	<u>(\$65,118)</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$831,635	\$831,635	\$900,382	\$68,747
Intergovernmental	9,236	9,236	10,000	764
Miscellaneous	8,987	8,987	8,988	1
<i>Total Revenues</i>	<u>849,858</u>	<u>849,858</u>	<u>919,370</u>	<u>69,512</u>
Expenditures				
Current:				
Public Safety:				
Ambulance Services				
Personal Services	212,582	212,952	211,461	1,491
Other than Personal Services	338,700	338,700	316,505	22,195
Capital Outlay	53,001	53,001	42,595	10,406
<i>Total Public Safety</i>	<u>604,283</u>	<u>604,653</u>	<u>570,561</u>	<u>34,092</u>
Debt Service:				
Principal Retirement	69,093	69,093	69,093	0
Interest and Fiscal Charges	16,061	16,061	16,061	0
<i>Total Debt Service</i>	<u>85,154</u>	<u>85,154</u>	<u>85,154</u>	<u>0</u>
<i>Total Expenditures</i>	<u>689,437</u>	<u>689,807</u>	<u>655,715</u>	<u>34,092</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>160,421</u>	<u>160,051</u>	<u>263,655</u>	<u>103,604</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,142	5,142	6,308	1,166
Transfers Out	(61,500)	(61,500)	(61,500)	0
<i>Total Other Financing Sources</i>	<u>(56,358)</u>	<u>(56,358)</u>	<u>(55,192)</u>	<u>1,166</u>
<i>Net Change in Fund Balance</i>	104,063	103,693	208,463	104,770
<i>Fund Balance Beginning of Year</i>	667,706	667,706	667,706	0
Unexpended Prior Year Encumbrances	3,672	3,672	3,672	0
<i>Fund Balance End of Year</i>	<u>\$775,441</u>	<u>\$775,071</u>	<u>\$879,841</u>	<u>\$104,770</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$0	\$0	\$13	\$13
Contributions and Donations	6,000	8,000	7,678	(322)
<i>Total Revenues</i>	<u>6,000</u>	<u>8,000</u>	<u>7,691</u>	<u>(309)</u>
Expenditures				
Current:				
Public Health Services:				
Office on Aging Computer Center				
Other than Personal Services	8,840	10,416	10,416	0
Office on Aging				
Other than Personal Services	2,700	1,124	0	1,124
Capital	3,000	1,500	0	1,500
Total Office on Aging	<u>5,700</u>	<u>2,624</u>	<u>0</u>	<u>2,624</u>
<i>Total Expenditures</i>	<u>14,540</u>	<u>13,040</u>	<u>10,416</u>	<u>2,624</u>
<i>Net Change in Fund Balance</i>	(8,540)	(5,040)	(2,725)	2,315
<i>Fund Balance Beginning of Year</i>	<u>5,835</u>	<u>5,835</u>	<u>5,835</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$2,705)</u></u>	<u><u>\$795</u></u>	<u><u>\$3,110</u></u>	<u><u>\$2,315</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$5,000	\$5,000	\$14,414	\$9,414
Expenditures				
Current:				
General Government:				
Youth Donations				
Other than Personal Services	<u>5,500</u>	<u>5,500</u>	<u>3,170</u>	<u>2,330</u>
<i>Net Change in Fund Balance</i>	(500)	(500)	11,244	11,744
<i>Fund Balance Beginning of Year</i>	<u>22,841</u>	<u>22,841</u>	<u>22,841</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,341</u></u>	<u><u>\$22,341</u></u>	<u><u>\$34,085</u></u>	<u><u>\$11,744</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, 2016

	<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	\$0	\$0	\$10,000	\$10,000
Expenditures				
Current:				
General Government:				
Police Trust				
Other than Personal Services	<u>608</u>	<u>608</u>	<u>0</u>	<u>608</u>
<i>Net Change in Fund Balance</i>	(608)	(608)	10,000	10,608
<i>Fund Balance Beginning of Year</i>	<u>608</u>	<u>608</u>	<u>608</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$10,608</u></u>	<u><u>\$10,608</u></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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$100	\$100	\$0	(\$100)
Expenditures				
Current:				
General Government:				
Youth Advisory				
Other than Personal Services	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>71</u>	<u>71</u>	<u>71</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$71</u></u>	<u><u>\$71</u></u>	<u><u>\$71</u></u>	<u><u>\$0</u></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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$11,600	\$14,600	\$8,400	(\$6,200)
Expenditures				
Current:				
Public Safety:				
Juvenile Diversion Program				
Other than Personal Services	<u>12,000</u>	<u>12,000</u>	<u>6,884</u>	<u>5,116</u>
<i>Net Change in Fund Balance</i>	(400)	2,600	1,516	(1,084)
<i>Fund Balance Beginning of Year</i>	<u>3,479</u>	<u>3,479</u>	<u>3,479</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,079</u></u>	<u><u>\$6,079</u></u>	<u><u>\$4,995</u></u>	<u><u>(\$1,084)</u></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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$19,100	\$97,970	\$77,583	(\$20,387)
Expenditures				
Current:				
General Government:				
Personal Services	125,486	191,216	168,199	23,017
Public Safety:				
Personal Services	227,688	346,950	305,187	41,763
Public Health Services:				
Personal Services	3,215	4,899	4,309	590
Transportation:				
Personal Services	76,528	116,613	102,576	14,037
Community Development:				
Personal Services	81,000	123,430	108,572	14,858
Sanitation:				
Personal Services	91,780	139,855	123,020	16,835
Culture and Recreation:				
Personal Services	43,403	66,137	58,176	7,961
<i>Total Expenditures</i>	<u>649,100</u>	<u>989,100</u>	<u>870,039</u>	<u>119,061</u>
<i>Excess of Revenues Under Expenditures</i>	(630,000)	(891,130)	(792,456)	98,674
Other Financing Sources				
Transfers In	630,000	1,091,130	862,680	(228,450)
<i>Net Change in Fund Balance</i>	0	200,000	70,224	(129,776)
<i>Fund Balance Beginning of Year</i>	<u>22</u>	<u>22</u>	<u>22</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$22</u>	<u>\$200,022</u>	<u>\$70,246</u>	<u>(\$129,776)</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Budget Stabilization Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	2,100,000	2,100,000	2,100,000	0
<i>Fund Balance End of Year</i>	<u>\$2,100,000</u>	<u>\$2,100,000</u>	<u>\$2,100,000</u>	<u>\$0</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, 2016

	<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	\$50,000	\$28,745	(\$21,255)
Expenditures				
Current:				
Public Safety:				
Police Facility Improvement				
Other than Personal Services	19,500	19,500	17,124	2,376
Capital Outlay	15,000	15,000	0	15,000
<i>Total Expenditures</i>	<u>34,500</u>	<u>34,500</u>	<u>17,124</u>	<u>17,376</u>
<i>Net Change in Fund Balance</i>	(14,500)	15,500	11,621	(3,879)
<i>Fund Balance Beginning of Year</i>	<u>32,481</u>	<u>32,481</u>	<u>32,481</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$17,981</u>	<u>\$47,981</u>	<u>\$44,102</u>	<u>(\$3,879)</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$461,894	\$461,894	\$487,403	\$25,509
Intergovernmental	69,113	69,113	72,930	3,817
Miscellaneous	0	0	306	306
<i>Total Revenues</i>	<u>531,007</u>	<u>531,007</u>	<u>560,639</u>	<u>29,632</u>
Expenditures				
Current:				
Culture and Recreation:				
Recreation Facility Improvement				
Other than Personal Services	85,000	511,932	471,597	40,335
Capital Outlay	410,000	66,145	40,257	25,888
<i>Total Expenditures</i>	<u>495,000</u>	<u>578,077</u>	<u>511,854</u>	<u>66,223</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	36,007	(47,070)	48,785	95,855
Other Financing Sources (Uses)				
Transfers Out	(27,612)	(27,612)	(27,612)	0
<i>Net Change in Fund Balance</i>	8,395	(74,682)	21,173	95,855
<i>Fund Balance Beginning of Year</i>	628,221	628,221	628,221	0
Unexpended Prior Year Encumbrances	4,634	4,634	4,634	0
<i>Fund Balance End of Year</i>	<u>\$641,250</u>	<u>\$558,173</u>	<u>\$654,028</u>	<u>\$95,855</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay	1,408,000	1,914,388	1,793,271	121,117
Debt Service:				
Bond Issuance Costs	<u>0</u>	<u>24,741</u>	<u>24,741</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,408,000</u>	<u>1,939,129</u>	<u>1,818,012</u>	<u>121,117</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,408,000)</u>	<u>(1,939,129)</u>	<u>(1,818,012)</u>	<u>121,117</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	1,408,000	1,159,100	1,298,741	139,641
Transfers In	0	248,900	248,900	0
Transfers Out	<u>0</u>	<u>(69,490)</u>	<u>(69,490)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,408,000</u>	<u>1,338,510</u>	<u>1,478,151</u>	<u>139,641</u>
<i>Net Change in Fund Balance</i>	0	(600,619)	(339,861)	260,758
<i>Fund Balance Beginning of Year</i>	1,106,928	1,106,928	1,106,928	0
Unexpended Prior Year Encumbrances	<u>2,036</u>	<u>2,036</u>	<u>2,036</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,108,964</u></u>	<u><u>\$508,345</u></u>	<u><u>\$769,103</u></u>	<u><u>\$260,758</u></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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$36,000	\$36,000	\$51,362	\$15,362
Expenditures				
Current:				
Community Development:				
Economic Development				
Personal Services	0	26,300	14,862	11,438
Other than Personal Services	50,000	132,000	123,157	8,843
<i>Total Expenditures</i>	50,000	158,300	138,019	20,281
<i>Net Change in Fund Balance</i>	(14,000)	(122,300)	(86,657)	35,643
<i>Fund Balance Beginning of Year</i>	1,688,046	1,688,046	1,688,046	0
<i>Fund Balance End of Year</i>	<u>\$1,674,046</u>	<u>\$1,565,746</u>	<u>\$1,601,389</u>	<u>\$35,643</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, 2016

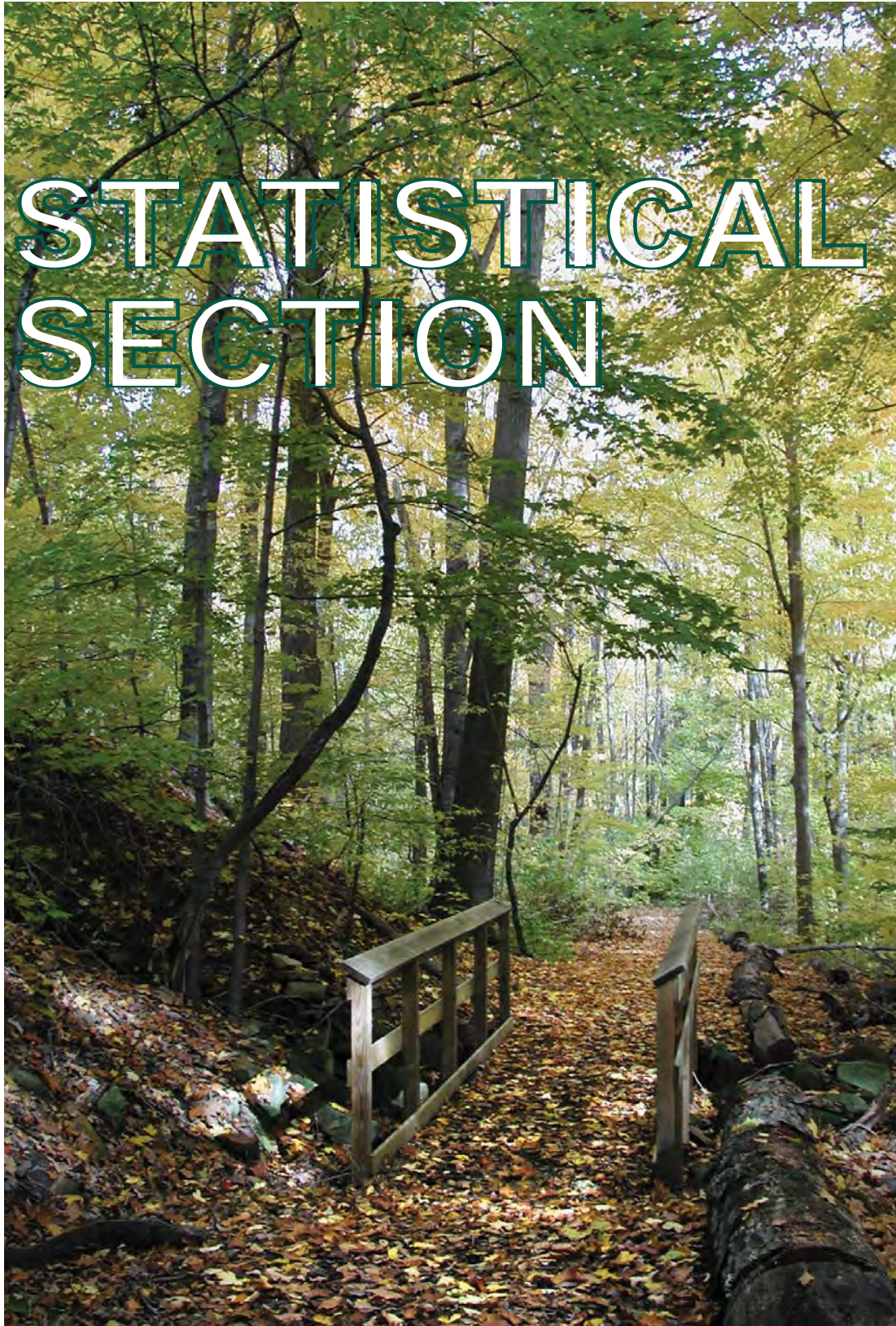
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Rentals	\$35,000	\$35,000	\$22,200	(\$12,800)
Expenditures				
Current:				
General Government:				
City Hall Maintenance				
Other than Personal Services	72,655	16,080	15,000	1,080
Capital Outlay	0	46,720	46,720	0
<i>Total Expenditures</i>	<u>72,655</u>	<u>62,800</u>	<u>61,720</u>	<u>1,080</u>
<i>Net Change in Fund Balance</i>	(37,655)	(27,800)	(39,520)	(11,720)
<i>Fund Balance Beginning of Year</i>	<u>98,130</u>	<u>98,130</u>	<u>98,130</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$60,475</u></u>	<u><u>\$70,330</u></u>	<u><u>\$58,610</u></u>	<u><u>(\$11,720)</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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$5,000	\$5,000	\$0	(\$5,000)
Expenditures				
Current:				
General Government:				
Ring Road Construction				
Other than Personal Services	15,000	0	0	0
Capital Outlay	25,000	0	0	0
<i>Total Expenditures</i>	40,000	0	0	0
<i>Net Change in Fund Balance</i>	(35,000)	5,000	0	(5,000)
<i>Fund Balance Beginning of Year</i>	35,045	35,045	35,045	0
<i>Fund Balance End of Year</i>	\$45	\$40,045	\$35,045	(\$5,000)

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**Cleveland Heights beautiful parks
beautiful community**



The
Nature
Trail
along
Dugway
Brook
at
Forest Hill
Park.

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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 - S26
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>	S27 – S31
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>	S32 - S37
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)

	2016	2015	2014 (2)	2013
Governmental Activities				
Net Investment in Capital Assets	\$65,661,604	\$63,355,613	\$63,242,503	\$64,402,234
Restricted	14,526,578	16,344,332	15,988,947	16,261,342
Unrestricted	<u>(17,475,658)</u>	<u>(14,732,685)</u>	<u>(20,086,683)</u>	<u>13,108,074</u>
<i>Total Governmental Activities Net Position</i>	<u>62,712,524</u>	<u>64,967,260</u>	<u>59,144,767</u>	<u>93,771,650</u>
Business-Type Activities				
Net Investment in Capital Assets	20,305,226	20,428,734	20,507,524	20,927,544
Unrestricted	<u>3,178,139</u>	<u>2,464,954</u>	<u>(43,529)</u>	<u>2,028,666</u>
<i>Total Business-Type Activities Net Position</i>	<u>23,483,365</u>	<u>22,893,688</u>	<u>20,463,995</u>	<u>22,956,210</u>
Primary government				
Net Investment in Capital Assets	85,966,830	83,784,347	83,750,027	85,329,778
Restricted	14,526,578	16,344,332	15,988,947	16,261,342
Unrestricted	<u>(14,297,519)</u>	<u>(12,267,731)</u>	<u>(20,130,212)</u>	<u>15,136,740</u>
<i>Total Primary Government Net Position</i>	<u>\$86,195,889</u>	<u>\$87,860,948</u>	<u>\$79,608,762</u>	<u>\$116,727,860</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.

2012	2011 (1)	2010 (1)	2009	2008	2007
\$66,164,102	\$61,261,817	\$60,655,783	\$52,671,861	\$49,880,927	\$47,989,231
16,014,581	14,783,716	10,212,831	10,039,038	9,455,828	9,333,918
14,583,025	13,789,209	11,467,878	8,480,557	8,228,404	6,636,083
96,761,708	89,834,742	82,336,492	71,191,456	67,565,159	63,959,232
21,386,384	21,461,778	21,995,967	29,105,885	29,365,271	29,324,738
2,017,605	2,882,395	3,647,070	3,246,059	3,309,986	4,224,348
23,403,989	24,344,173	25,643,037	32,351,944	32,675,257	33,549,086
87,550,486	82,723,595	82,651,750	81,777,746	79,246,198	77,313,969
16,014,581	14,783,716	10,212,831	10,039,038	9,455,828	9,333,918
16,600,630	16,671,604	15,114,948	11,726,616	11,538,390	10,860,431
<u>\$120,165,697</u>	<u>\$114,178,915</u>	<u>\$107,979,529</u>	<u>\$103,543,400</u>	<u>\$100,240,416</u>	<u>\$97,508,318</u>

City of Cleveland Heights, Ohio

Changes in Net Position

Last Ten Years (1)

(accrual basis of accounting)

	2016	2015	2014	2013
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$4,172,508	\$4,368,875	\$4,406,803	\$4,287,936
Public Safety	5,833,368	5,614,727	5,625,274	5,903,861
Public Health Services	69,414	75,245	74,658	70,591
Transportation	536,527	660,114	757,961	695,236
Community Development	1,411,096	508,653	1,684,767	1,667,890
Sanitation	407,540	1,037,224	468,649	460,342
Culture and Recreation	856,391	1,486,855	955,160	614,650
Operating Grants and Contributions	6,276,236	5,136,553	6,296,657	4,337,755
Capital Grants and Contributions	72,096	37,300	73,446	74,496
<i>Total Governmental Activities Program Revenues</i>	<u>19,635,176</u>	<u>18,925,546</u>	<u>20,343,375</u>	<u>18,112,757</u>
Business-Type Activities:				
Charges for Services:				
Water	14,242,180	14,282,892	13,045,233	12,424,417
Sewer	1,398,962	1,622,110	1,553,903	1,663,242
Utilities	0	0	0	0
Operating Grants and Contributions	0	0	0	0
Capital Grants and Contributions	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>15,641,142</u>	<u>15,905,002</u>	<u>14,599,136</u>	<u>14,087,659</u>
<i>Total Primary Government Program Revenues</i>	<u>35,276,318</u>	<u>34,830,548</u>	<u>34,942,511</u>	<u>32,200,416</u>
Expenses				
Governmental Activities:				
General Government	16,358,242	12,914,350	14,768,680	14,369,538
Public Safety	25,334,587	21,488,717	21,856,257	20,891,754
Public Health Services	359,185	332,708	363,067	360,462
Transportation	8,278,949	7,123,967	8,330,208	10,621,023
Community Development	6,350,784	5,009,520	6,147,040	5,164,372
Sanitation	2,217,216	2,531,508	1,829,229	2,511,148
Culture and Recreation	3,220,376	3,007,590	3,117,836	3,565,494
Interest and Fiscal Charges	583,113	498,182	668,496	748,771
<i>Total Governmental Activities Expenses</i>	<u>62,702,452</u>	<u>52,906,542</u>	<u>57,080,813</u>	<u>58,232,562</u>
Business-Type Activities:				
Water	13,422,399	12,225,265	14,023,023	12,743,834
Sewer	1,649,888	1,539,528	2,045,581	1,790,551
Utilities	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>15,072,287</u>	<u>13,764,793</u>	<u>16,068,604</u>	<u>14,534,385</u>
<i>Total Primary Government Expenses</i>	<u>\$77,774,739</u>	<u>\$66,671,335</u>	<u>\$73,149,417</u>	<u>\$72,766,947</u>

2012	2011	2010	2009	2008	2007
\$3,896,511	\$5,173,902	\$5,899,281	\$5,426,842	\$5,167,813	\$4,347,482
5,078,988	4,063,337	2,787,809	641,586	1,117,854	2,913,059
61,303	60,043	1,320	1,140	875	1,580
589,434	575,647	4,324	40,283	0	0
1,320,804	1,264,852	1,682,112	824,958	1,232,524	2,365,009
429,204	394,745	1,522,649	1,456,358	640,906	978,584
981,803	727,363	1,721,728	1,700,627	1,801,819	2,050,639
5,657,962	4,953,832	2,913,883	2,321,296	2,471,445	3,474,217
3,877,741	0	2,493,496	413,457	506,820	273,750
<u>21,893,750</u>	<u>17,213,721</u>	<u>19,026,602</u>	<u>12,826,547</u>	<u>12,940,056</u>	<u>16,404,320</u>
11,466,957	10,125,904	0	0	0	0
1,727,854	1,584,611	0	0	0	0
0	0	12,746,117	13,772,780	13,039,119	13,389,917
0	0	0	4,990	0	5,975
0	0	547,852	111,469	0	0
<u>13,194,811</u>	<u>11,710,515</u>	<u>13,293,969</u>	<u>13,889,239</u>	<u>13,039,119</u>	<u>13,395,892</u>
<u>35,088,561</u>	<u>28,924,236</u>	<u>32,320,571</u>	<u>26,715,786</u>	<u>25,979,175</u>	<u>29,800,212</u>
16,048,638	15,240,828	16,283,136	14,221,696	12,147,129	11,941,290
21,239,342	19,139,951	19,266,592	17,365,410	18,628,409	19,723,818
363,703	342,507	360,546	374,224	418,430	426,606
5,718,551	5,620,385	6,755,636	4,608,968	6,881,110	7,052,660
6,347,777	6,330,335	7,154,037	5,754,860	6,368,068	6,453,726
2,670,357	2,470,427	2,396,825	2,328,083	3,439,963	3,002,530
3,385,120	3,466,238	3,562,465	3,721,292	3,947,966	4,259,479
798,771	1,159,987	96,930	635,984	815,057	969,947
<u>56,572,259</u>	<u>53,770,658</u>	<u>55,876,167</u>	<u>49,010,517</u>	<u>52,646,132</u>	<u>53,830,056</u>
13,213,185	10,800,301	0	0	0	0
1,787,713	2,217,378	0	0	0	0
0	0	12,374,470	14,806,270	14,336,588	13,501,152
<u>15,000,898</u>	<u>13,017,679</u>	<u>12,374,470</u>	<u>14,806,270</u>	<u>14,336,588</u>	<u>13,501,152</u>
<u>\$71,573,157</u>	<u>\$66,788,337</u>	<u>\$68,250,637</u>	<u>\$63,816,787</u>	<u>\$66,982,720</u>	<u>\$67,331,208</u>

(continued)

City of Cleveland Heights, Ohio

Changes in Net Position (continued)

Last Ten Years (1)

(accrual basis of accounting)

	2016	2015	2014	2013
Net (Expense)/Revenue				
Governmental Activities	(\$43,067,276)	(\$33,980,996)	(\$36,737,438)	(\$40,119,805)
Business-Type Activities	568,855	2,140,209	(1,469,468)	(446,726)
<i>Total Primary Government Net Expense</i>	<u>(42,498,421)</u>	<u>(31,840,787)</u>	<u>(38,206,906)</u>	<u>(40,566,531)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	6,816,312	7,465,977	6,581,283	6,516,716
Other Purposes	423,916	434,668	431,946	449,426
Debt Service	2,175,486	1,935,505	1,762,903	2,261,326
Capital Outlay	494,532	507,033	503,935	524,333
Municipal Income Taxes Levied For:				
General Purposes	25,911,464	24,221,436	24,035,692	21,620,891
Admissions Taxes	83,402	94,087	158,849	101,414
Grants and Entitlements not Restricted to Specific Programs	2,973,822	2,938,207	3,297,881	3,793,292
Franchise Taxes	606,056	560,558	490,496	551,694
Payment in Lieu of Taxes	0	0	0	0
Investment Earnings	133,571	77,437	70,034	43,610
Gain on Sale of Capital Assets	11,751	15,219	0	0
Miscellaneous	1,202,894	1,838,614	1,259,270	1,244,120
Transfers	(20,666)	(285,252)	16,421	22,925
<i>Total Governmental Activities</i>	<u>40,812,540</u>	<u>39,803,489</u>	<u>38,608,710</u>	<u>37,129,747</u>
Business-Type Activities:				
Investment Earnings	0	0	0	0
Gain (Loss) on Sale of Capital Assets	0	0	0	0
Miscellaneous	156	4,232	19,361	21,872
Transfers	20,666	285,252	(16,421)	(22,925)
<i>Total Business-Type Activities</i>	<u>20,822</u>	<u>289,484</u>	<u>2,940</u>	<u>(1,053)</u>
<i>Total Primary Government</i>	<u>40,833,362</u>	<u>40,092,973</u>	<u>38,611,650</u>	<u>37,128,694</u>
Change in Net Position				
Governmental Activities	(2,254,736)	5,822,493	1,871,272	(2,990,058)
Business-Type Activities	589,677	2,429,693	(1,466,528)	(447,779)
<i>Total Primary Government Change in Net Position</i>	<u>(\$1,665,059)</u>	<u>\$8,252,186</u>	<u>\$404,744</u>	<u>(\$3,437,837)</u>

(1) Business-Type Activities funds are presented together under "utilities" from 2007 - 2010.

2012	2011	2010	2009	2008	2007
(\$34,678,509)	(\$36,556,937)	(\$36,849,565)	(\$36,183,970)	(\$39,706,076)	(\$37,425,736)
(1,806,087)	(1,307,164)	919,499	(917,031)	(1,297,469)	(105,260)
(36,484,596)	(37,864,101)	(35,930,066)	(37,101,001)	(41,003,545)	(37,530,996)
6,720,122	6,955,676	7,865,388	7,236,862	7,076,452	8,216,507
463,456	477,254	482,529	514,132	515,736	531,102
2,240,041	2,306,722	2,332,232	3,570,713	3,610,165	3,806,226
540,700	556,794	485,169	0	0	0
24,772,161	24,162,250	20,202,521	19,994,781	21,877,327	21,869,012
107,516	273,716	0	0	0	0
4,418,417	4,919,000	7,521,076	7,829,289	8,310,262	6,607,694
588,325	565,476	0	0	0	0
1,150,000	141,241	0	0	0	0
45,811	127,999	169,445	112,881	416,225	668,428
103,497	0	0	0	0	0
1,318,978	1,694,674	1,295,993	1,054,747	1,789,096	717,745
(863,549)	14,385	0	(503,138)	(283,260)	(755,466)
41,605,475	42,195,187	40,354,353	39,810,267	43,312,003	41,661,248
0	0	4,085	21,561	86,224	351,419
0	0	0	0	0	0
2,354	22,685	7,757	69,019	54,156	16,352
863,549	(14,385)	0	503,138	283,260	755,466
865,903	8,300	11,842	593,718	423,640	1,123,237
42,471,378	42,203,487	40,366,195	40,403,985	43,735,643	42,784,485
6,926,966	5,638,250	3,504,788	3,626,297	3,605,927	4,235,512
(940,184)	(1,298,864)	931,341	(323,313)	(873,829)	1,017,977
\$5,986,782	\$4,339,386	\$4,436,129	\$3,302,984	\$2,732,098	\$5,253,489

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

	2016	2015	2014	2013
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	657,693	272,287	653,120	403,831
Assigned	1,775,739	113,116	36,452	6,535,767
Unassigned	9,152,182	7,872,648	3,975,918	(2,980,886)
<i>Total General Fund</i>	<u>11,585,614</u>	<u>8,258,051</u>	<u>4,665,490</u>	<u>3,958,712</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 (Deficit)	0	0	0	0
Nonspendable	90,294	75,102	45,930	65,630
Restricted	7,787,747	9,244,854	7,213,016	7,540,793
Committed	1,046,209	964,170	904,809	949,701
Assigned	2,570,520	3,346,090	2,769,393	1,651,700
Unassigned (Deficit)	(1,607,207)	(583,989)	(311,850)	(803,088)
<i>Total All Other Governmental Funds</i>	<u>9,887,563</u>	<u>13,046,227</u>	<u>10,621,298</u>	<u>9,404,736</u>
<i>Total Governmental Funds</i>	<u><u>\$21,473,177</u></u>	<u><u>\$21,304,278</u></u>	<u><u>\$15,286,788</u></u>	<u><u>\$13,363,448</u></u>

(1) During 2011, the City implemented GASB 54.

2012	2011 (1)	2010	2009	2008	2007
\$0	\$0	\$0	\$524,144	\$566,116	\$504,536
0	0	0	5,282,107	3,369,353	3,239,649
380,439	282,323	329,078	0	0	0
2,960,821	4,978,336	358,103	0	0	0
3,157,559	2,764,002	7,740,531	0	0	0
<u>6,498,819</u>	<u>8,024,661</u>	<u>8,427,712</u>	<u>5,806,251</u>	<u>3,935,469</u>	<u>3,744,185</u>
0	0	0	2,135,795	2,315,658	1,830,706
0	0	0	3,078,106	2,846,750	2,828,052
0	0	0	3,642,458	3,304,603	2,869,545
0	0	0	1,764,568	719,201	586,408
65,780	95,526	1,608,483	0	0	0
8,109,130	7,363,926	9,003,123	0	0	0
1,186,778	1,263,138	1,225,246	0	0	0
1,663,977	356,140	1,409,066	0	0	0
(1,338,387)	(987,173)	(2,301,471)	0	0	0
<u>9,687,278</u>	<u>8,091,557</u>	<u>10,944,447</u>	<u>10,620,927</u>	<u>9,186,212</u>	<u>8,114,711</u>
<u>\$16,186,097</u>	<u>\$16,116,218</u>	<u>\$19,372,159</u>	<u>\$16,427,178</u>	<u>\$13,121,681</u>	<u>\$11,858,896</u>

City of Cleveland Heights, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2016	2015	2014	2013
Revenues				
Property Taxes	\$9,767,040	\$10,154,350	\$9,329,219	\$9,476,596
Municipal Income Taxes	26,552,239	24,797,290	23,281,969	21,676,288
Admissions Taxes	83,402	94,087	158,849	101,414
Charges for Services	3,620,781	3,831,395	3,819,341	5,541,130
Licenses, Permits and Fees	4,841,715	5,083,144	4,941,868	2,042,386
Fines and Forfeitures	2,113,387	2,437,592	2,596,790	3,215,569
Intergovernmental	9,334,689	8,052,404	9,891,209	7,900,584
Special Assessments	2,134,257	2,207,781	2,158,785	1,944,755
Interest	133,571	77,437	70,034	43,610
Rentals	25,200	22,200	50,198	27,932
Contributions and Donations	40,492	30,999	21,902	12,336
Franchise Taxes	606,056	560,558	490,496	551,694
Payment in Lieu of Taxes	0	0	0	0
Miscellaneous	1,202,894	1,838,614	1,259,270	1,244,120
<i>Total Revenues</i>	<u>60,455,723</u>	<u>59,187,851</u>	<u>58,069,930</u>	<u>53,778,414</u>
Expenditures				
Current:				
General Government	16,212,345	14,994,218	14,836,528	15,394,711
Public Safety	21,375,902	21,499,555	22,462,442	21,216,050
Public Health Services	355,707	382,879	366,334	362,178
Transportation	7,703,370	4,912,147	6,014,505	5,877,513
Community Development	6,246,063	5,204,623	6,138,590	5,065,872
Sanitation	2,122,964	2,272,075	2,258,106	2,350,856
Culture and Recreation	3,052,494	2,853,367	2,642,396	2,489,045
Capital Outlay	1,820,801	1,887,039	2,630,003	1,778,253
Debt Service:				
Principal Retirement	4,009,532	2,404,860	2,045,393	1,964,862
Interest and Fiscal Charges	469,202	397,428	599,873	693,272
Bond Issuance Costs	41,347	117,332	95,463	0
<i>Total Expenditures</i>	<u>63,409,727</u>	<u>56,925,523</u>	<u>60,089,633</u>	<u>57,192,612</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,954,004)</u>	<u>2,262,328</u>	<u>(2,019,703)</u>	<u>(3,414,198)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	17,358	15,219	26,477	0
General Obligation Notes and Bonds Issued	3,115,000	8,477,000	5,635,000	1,590,000
General Obligation Notes and Bonds Premium	11,211	0	0	9,185
Loans Issued	0	0	0	482,601
Inception of Capital Lease	0	0	730,133	0
Payment to Refunded Bond Escrow Agent	0	(4,728,842)	(2,464,988)	(1,513,662)
Transfers In	3,104,993	2,550,316	3,325,327	3,998,494
Transfers Out	(3,125,659)	(2,550,316)	(3,308,906)	(3,975,069)
<i>Total Other Financing Sources (Uses)</i>	<u>3,122,903</u>	<u>3,763,377</u>	<u>3,943,043</u>	<u>591,549</u>
<i>Net Change in Fund Balances</i>	<u>\$168,899</u>	<u>\$6,025,705</u>	<u>\$1,923,340</u>	<u>(\$2,822,649)</u>
Debt Service as a Percentage of Noncapital Expenditures	7.9%	5.4%	4.8%	5.0%

2012	2011	2010	2009	2008	2007
\$9,906,172	\$10,040,053	\$10,576,318	\$11,123,154	\$11,223,599	\$11,634,160
23,022,254	19,359,768	20,623,037	20,282,703	21,826,496	22,022,446
107,516	273,716	0	0	0	0
5,156,842	4,909,865	3,571,709	3,535,575	2,895,109	3,520,404
1,957,712	1,664,970	1,865,516	1,845,466	1,721,725	1,546,256
2,937,542	2,789,862	2,956,629	3,062,880	2,994,955	2,377,640
10,602,604	9,983,844	12,879,753	10,780,543	11,248,160	11,351,954
1,982,802	1,939,289	1,451,905	1,504,940	1,525,849	1,469,507
45,811	127,999	169,445	112,881	416,354	657,279
50,476	54,571	0	0	0	0
12,348	15,880	0	0	0	0
588,325	565,476	0	0	0	0
1,150,000	141,241	0	0	0	0
1,318,978	1,694,674	2,530,200	2,533,055	3,551,511	1,978,668
<u>58,839,382</u>	<u>53,561,208</u>	<u>56,624,512</u>	<u>54,781,197</u>	<u>57,403,758</u>	<u>56,558,314</u>
15,354,284	14,645,346	15,815,325	13,832,810	15,579,103	14,907,466
20,796,144	19,736,539	18,400,270	17,132,779	17,469,045	17,607,171
362,103	385,716	360,312	386,646	400,213	414,663
5,162,780	5,057,282	3,069,299	2,970,122	3,673,791	3,819,214
6,163,082	5,944,549	6,302,268	5,255,571	5,785,519	5,909,549
2,417,960	2,248,499	2,134,046	2,119,740	2,598,622	2,618,865
2,628,806	2,477,521	2,767,008	2,933,068	3,037,248	3,460,288
2,330,729	1,276,062	6,274,534	3,555,156	4,965,356	4,353,749
2,094,509	4,318,896	1,859,529	2,136,867	1,292,366	1,880,646
748,794	832,804	627,819	707,451	913,376	1,045,066
0	0	0	0	214,813	0
<u>58,059,191</u>	<u>56,923,214</u>	<u>57,610,410</u>	<u>51,030,210</u>	<u>55,929,452</u>	<u>56,016,677</u>
<u>780,191</u>	<u>(3,362,006)</u>	<u>(985,898)</u>	<u>3,750,987</u>	<u>1,474,306</u>	<u>541,637</u>
128,697	34,260	24,273	17,796	16,056	14,531
0	0	0	0	8,695,000	0
0	0	0	0	228,332	0
24,540	57,420	191,460	39,852	439,992	67,050
0	0	450,000	0	136,000	0
0	0	0	0	(9,460,000)	0
3,982,694	2,808,707	3,351,610	3,966,923	3,923,161	4,584,852
<u>(4,846,243)</u>	<u>(2,794,322)</u>	<u>(3,351,610)</u>	<u>(4,470,061)</u>	<u>(4,190,062)</u>	<u>(5,340,318)</u>
<u>(710,312)</u>	<u>106,065</u>	<u>665,733</u>	<u>(445,490)</u>	<u>(211,521)</u>	<u>(673,885)</u>
<u>\$69,879</u>	<u>(\$3,255,941)</u>	<u>(\$320,165)</u>	<u>\$3,305,497</u>	<u>\$1,262,785</u>	<u>(\$132,248)</u>
5.2%	9.7%	4.8%	6.0%	4.3%	5.6%

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

	2016	2015	2014	2013
Inside Millage				
Operating	\$2.22000	\$2.57000	\$2.57000	\$2.22000
Debt	1.50000	1.15000	1.15000	1.50000
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)	1.50000	1.50000	1.40000	1.50000
2004 Charter/Recreation Improvements	0.70000	0.70000	0.70000	0.70000
2014 Charter/Current Expense	0.92000	0.92000	0.00000	0.00000
<i>Total Voted Millage by Type of Property</i>	<u>9.60000</u>	<u>9.60000</u>	<u>8.58000</u>	<u>8.68000</u>
<i>Total Millage</i>	<u>\$13.92000</u>	<u>\$13.92000</u>	<u>\$12.90000</u>	<u>\$13.00000</u>
Overlapping Rates by Taxing District				
<i>Cleveland Heights - University Heights</i>				
General Business and Public Utility Personal	\$149.59000	\$149.59000	\$149.59000	\$143.70000
Residential/Agricultural Real	81.30809	80.95140	80.38096	74.30494
Commercial/Industrial and Public Utility Real	98.15769	93.53970	92.77882	87.04456
<i>Cleveland Heights Library</i>				
Operating - continuing				
General Business and Public Utility Personal	10.00000	10.00000	7.80000	7.80000
Residential/Agricultural Real	8.20296	8.17220	5.92317	5.90716
Commercial/Industrial and Public Utility Real	8.88246	8.56850	6.31694	6.32897
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	14.05000	14.05000	14.05000	13.22000
Residential/Agricultural Real	13.86978	14.05000	14.05000	13.22000
Commercial/Industrial and Public Utility Real	14.05000	14.01950	13.94947	12.99676
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	6.88000	6.88000	5.98000	5.08000
Residential/Agricultural Real	6.76737	6.86430	5.96390	5.06349
Commercial/Industrial and Public Utility Real	6.86755	6.84010	5.88426	4.96214

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 - 2011-2003

Source: Cuyahoga County, Ohio; County Fiscal Officer

2012	2011	2010	2009	2008	2007
\$2.22000	\$2.22000	\$2.22000	\$0.92000	\$0.92000	\$0.92000
1.50000	1.50000	1.50000	2.80000	2.80000	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
<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>
6.48000	6.48000	6.48000	6.48000	6.48000	6.48000
1.40000	1.40000	1.40000	1.40000	1.40000	1.50000
0.70000	0.70000	0.70000	0.70000	0.70000	0.70000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<u>8.58000</u>	<u>8.58000</u>	<u>8.58000</u>	<u>8.58000</u>	<u>8.58000</u>	<u>8.68000</u>
<u>\$12.90000</u>	<u>\$12.90000</u>	<u>\$12.90000</u>	<u>\$12.90000</u>	<u>\$12.90000</u>	<u>\$13.00000</u>
\$143.70000	\$136.80000	\$136.80000	\$136.70000	\$136.70000	\$129.60000
71.72200	64.31560	64.19270	60.29800	60.15730	53.01450
84.67910	76.56090	77.75310	76.29060	75.86760	68.98630
7.80000	7.80000	7.80000	7.80000	5.90000	5.90000
5.71080	5.67410	5.66510	5.38950	3.47930	3.47620
6.17450	6.07140	6.17280	6.08370	4.15760	4.17030
13.22000	13.32000	13.32000	13.32000	13.42000	13.42000
13.11820	13.18660	13.17890	12.66070	11.86880	11.86550
12.78460	12.84120	12.84570	12.81530	12.45350	12.49410
5.08000	5.08000	4.78000	4.78000	4.78000	4.78000
5.00410	4.99000	4.50680	4.15970	4.15900	4.15760
4.86490	4.84500	4.41190	4.39110	4.38000	4.39620

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	Assessed Values	Estimated
			Actual Value		Actual Value
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
2008	819,665,980	148,540,150	2,766,303,229	9,479,500	10,772,159
2007	816,780,760	153,391,080	2,771,919,543	15,141,200	17,205,909

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 year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

During 2014 and 2015, the City did not include an assessed value for general business tangible personal property.

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

<u>Tangible Personal Property</u>						
<u>General Business</u>		<u>Total</u>				
<u>Assessed Values</u>	<u>Estimated Actual Value</u>	<u>Assessed Values</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	<u>Direct Tax Rate</u>	
\$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	
10,222,250	163,556,000	987,907,880	2,940,631,388	33.60	12.90	
17,850,430	142,803,440	1,003,163,470	2,931,928,892	34.22	13.00	

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)
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
2008	12,784,933	11,873,263	92.87	1,106,080	12,979,343	101.52
2007	12,956,143	12,012,023	92.71	1,149,571	13,161,594	101.59

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

2016 and 2007

Taxpayer	2016	
	Assessed Valuation	Percentage of Total Assessed Valuation
HS Acquisition	\$11,686,290	1.43%
Cleveland Electric Illuminating Co.	10,123,840	1.24
Severance Realty, LLC	3,675,020	0.45
East Ohio Gas Company	2,935,660	0.36
Kensington Ltd. Partnership	2,601,310	0.32
American Transmission System	2,412,920	0.29
Waldorf Partners Ltd. Partnership	2,292,020	0.28
Concord Apartments, LLC	2,120,270	0.26
Cleveland Heights BG Propco, LLC	2,058,220	0.25
Lancashire Towers Associates	1,948,490	0.23
Total	\$41,854,040	5.11%
Total Assessed Valuation	\$818,671,420	
Taxpayer	2007	
	Assessed Valuation	Percentage of Total Assessed Valuation
Severance SPE Lease Co., LLC (SCIT, Inc.)	\$19,141,860	1.91%
Kaiser Foundation Health Plan of Ohio	11,616,780	1.16
The Cleveland Electric Illuminating Company	6,908,750	0.69
Ohio Bell Telephone Company	3,848,090	0.38
American Retirement Corporation	3,415,590	0.34
Concord Company	2,591,190	0.26
Kensington Limited Partnership	2,415,000	0.24
Waldorf Partners Limited Partnership	2,311,800	0.23
Severance Housing Corporation	2,259,040	0.23
CAS Real Estate Company	1,849,090	0.18
Lancashire Towers Associates	1,542,210	0.15
	\$57,899,400	5.77%
	\$1,003,163,470	

Source: Cuyahoga County Fiscal Officer

City of Cleveland Heights, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Year	Tax Rate	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2016	2.00 %	\$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	33	662,329	3	12,709,152	63
2008	2.00	18,954,767	6,661,900	35	771,496	4	11,575,371	61
2007	2.00	19,845,822	6,716,031	34	668,921	3	12,460,870	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

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
2016	46,121	\$2,313,888,730	\$12,342,682	0.53%	\$267.62
2015	46,121	2,403,980,909	12,971,816	0.54	281
2014	46,121	2,437,138,015	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	2,623,900,772	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
2008	50,769	2,940,631,388	13,110,000	0.45	258
2007	50,769	2,931,928,892	14,785,000	0.50	291

(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
2016	\$12,342,682	\$0	\$2,260,000	\$1,526,211	\$577,825	\$1,345,630
2015	12,971,816	0	2,375,000	1,515,000	646,918	1,461,069
2014	12,202,733	0	2,490,000	0	816,338	1,576,509
2013	10,830,316	0	2,522,575	0	193,836	1,679,271
2012	12,462,539	0	2,613,206	0	283,615	1,286,753
2011	14,326,306	0	2,703,837	0	408,081	1,307,256
2010	15,895,000	235,000	2,770,000	1,850,000	637,743	1,399,070
2009	11,400,000	460,000	2,850,000	0	122,055	1,226,097
2008	13,110,000	680,000	2,930,000	905,000	172,280	1,262,887
2007	14,785,000	890,000	3,010,000	910,000	53,000	1,405,583

(1) Computation of percentage of personal income divided by total debt over total personal income.
See page S26 for total personal income data.

(2) Computation of per capita divided by total debt over population.
See page S26 for population data.

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)
\$0	\$186,369	\$607,822	\$397,971	\$0	\$19,244,510	1.38%	\$417
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
6,355,000	0	1,334,567	327,487	479,366	27,556,587	2.10	1,068
0	6,600,000	1,431,465	119,926	695,037	29,900,011	2.28	1,159

City of Cleveland Heights, Ohio

Legal Debt Margin

Last Ten Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Assessed Property Value	<u>\$818,671,420</u>	<u>\$849,994,610</u>	<u>\$861,088,460</u>	<u>\$865,300,800</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	12,307,000	12,902,000	12,085,000	10,680,000
Special Assessment Bonds	2,260,000	2,375,000	2,490,000	2,505,000
OPWC Loans	1,345,630	1,461,069	1,576,509	1,679,271
Notes	<u>1,526,211</u>	<u>1,752,527</u>	<u>1,976,277</u>	<u>2,193,000</u>
Total Gross Indebtedness	<u>17,438,841</u>	<u>18,490,596</u>	<u>18,127,786</u>	<u>17,057,271</u>
Less:				
Special Assessment Bonds	(2,260,000)	(2,375,000)	(2,490,000)	(2,505,000)
OPWC Loans	(1,345,630)	(1,461,069)	(1,576,509)	(1,679,271)
Notes	(1,526,211)	(1,752,527)	(1,976,277)	(2,193,000)
General Bond Retirement Fund Balance	<u>(1,773,910)</u>	<u>(277,889)</u>	<u>(482,039)</u>	<u>(1,306,909)</u>
Total Net Debt Applicable to Debt Limit	<u>10,533,090</u>	<u>12,624,111</u>	<u>11,602,961</u>	<u>9,373,091</u>
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	<u>85,960,499</u>	<u>89,249,434</u>	<u>90,414,288</u>	<u>90,856,584</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$75,427,409</u>	<u>\$76,625,323</u>	<u>\$78,811,327</u>	<u>\$81,483,493</u>
Legal Debt Margin as a Percentage of the Debt Limit	87.75%	85.86%	87.17%	89.68%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	<u>\$45,026,928</u>	<u>\$46,749,704</u>	<u>\$47,359,865</u>	<u>\$47,591,544</u>
Total Gross Indebtedness	17,438,841	18,490,596	18,127,786	17,057,271
Less:				
Special Assessment Bonds	(2,260,000)	(2,375,000)	(2,490,000)	(2,505,000)
OPWC Loans	(1,345,630)	(1,461,069)	(1,576,509)	(1,679,271)
Notes	(1,526,211)	(1,752,527)	(1,976,277)	(2,193,000)
General Bond Retirement Fund Balance	<u>(1,773,910)</u>	<u>(277,889)</u>	<u>(482,039)</u>	<u>(1,306,909)</u>
Net Debt Within 5 1/2% Limitations	<u>10,533,090</u>	<u>12,624,111</u>	<u>11,602,961</u>	<u>9,373,091</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$34,493,838</u>	<u>\$34,125,593</u>	<u>\$35,756,904</u>	<u>\$38,218,453</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	76.61%	73.00%	75.50%	80.31%

Source: City Financial Records

2012	2011	2010	2009	2008	2007
<u>\$911,825,870</u>	<u>\$924,844,430</u>	<u>\$924,330,040</u>	<u>\$978,289,310</u>	<u>\$987,907,880</u>	<u>\$1,003,163,470</u>
12,290,000	14,125,000	15,895,000	11,400,000	13,110,000	14,785,000
2,595,000	2,685,000	2,770,000	2,850,000	2,930,000	3,010,000
1,286,753	1,307,256	1,399,070	1,226,097	1,262,887	1,405,583
2,126,000	1,703,000	1,850,000	0	905,000	910,000
<u>18,297,753</u>	<u>19,820,256</u>	<u>21,914,070</u>	<u>15,476,097</u>	<u>18,207,887</u>	<u>20,110,583</u>
(2,595,000)	(2,685,000)	(2,770,000)	(2,850,000)	(2,930,000)	(3,010,000)
(1,286,753)	(1,307,256)	(1,399,070)	(1,226,097)	(1,262,887)	(1,405,583)
(2,126,000)	(1,703,000)	(1,850,000)	0	(905,000)	(910,000)
<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>	<u>(3,642,458)</u>	<u>(3,304,603)</u>	<u>(2,869,545)</u>
10,472,267	10,639,301	12,104,140	7,757,542	9,805,397	11,915,455
95,741,716	97,108,665	97,054,654	102,720,378	103,730,327	105,332,164
<u>\$85,269,449</u>	<u>\$86,469,364</u>	<u>\$84,950,514</u>	<u>\$94,962,836</u>	<u>\$93,924,930</u>	<u>\$93,416,709</u>
89.06%	89.04%	87.53%	92.45%	90.55%	88.69%
\$50,150,423	\$50,866,444	\$50,838,152	\$53,805,912	\$54,334,933	\$55,173,991
18,297,753	19,820,256	21,914,070	15,476,097	18,207,887	20,110,583
(2,595,000)	(2,685,000)	(2,770,000)	(2,850,000)	(2,930,000)	(3,010,000)
(1,286,753)	(1,307,256)	(1,399,070)	(1,226,097)	(1,262,887)	(1,405,583)
(2,126,000)	(1,703,000)	(1,850,000)	0	(905,000)	(910,000)
<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>	<u>(3,642,458)</u>	<u>(3,304,603)</u>	<u>(2,869,545)</u>
10,472,267	10,639,301	12,104,140	7,757,542	9,805,397	11,915,455
<u>\$39,678,156</u>	<u>\$40,227,143</u>	<u>\$38,734,012</u>	<u>\$46,048,370</u>	<u>\$44,529,536</u>	<u>\$43,258,536</u>
79.12%	79.08%	76.19%	85.58%	81.95%	78.40%

City of Cleveland Heights, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2016

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	\$12,342,682	100.00%	\$12,342,682
Special Assessment Bonds	2,260,000	100.00	2,260,000
OPWC Loans	1,345,630	100.00	1,345,630
Long-Term Notes	1,526,211	100.00	1,526,211
Capital Leases	577,825	100.00	577,825
Total Direct Debt	18,052,348		18,052,348
Overlapping Debt:			
Payable from Property Taxes			
Cuyahoga County Bonds	242,795,758	3.40	8,255,056
Regional Transit Authority Bonds	139,107,969	3.40	4,729,671
Cleveland Heights-			
University Heights City School District	167,880,127	75.64	126,984,528
East Cleveland City School District	4,208,435	23.80	1,001,608
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	597,515,568	3.40	20,315,529
Cuyahoga County Certificates of Participation	256,864,058	3.40	8,733,378
Cuyahoga County Loans	2,404,204	3.40	81,743
Cuyahoga County Leases	378,556,966	3.40	12,870,937
Cleveland Heights -			
University Heights City School District Leases	428,477	75.64	324,100
Total Overlapping Debt	1,789,761,562		183,296,550
Total	\$1,807,813,910		\$201,348,898

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

Pledged Revenue Coverage

Revenue Debt - Water Fund

Last Six Years (1)

Year	Operating Revenue	Expenses, Net of Depreciation *	Net Revenue Available for Debt Service	Debt Service Requirement**			Coverage
				Principal	Interest	Total	
2016	\$14,242,336	\$13,121,324	\$1,121,012	\$77,166	\$8,486	\$85,652	13.09
2015	14,285,529	11,923,715	2,361,814	76,729	11,925	88,654	26.64
2014	13,054,727	13,639,330	(584,603)	76,306	12,210	88,516	(6.60)
2013	12,437,636	12,307,103	130,533	10,485	8,579	19,064	6.85
2012	11,468,562	12,786,562	(1,318,000)	10,094	10,114	20,208	(65.22)
2011	10,125,904	10,378,779	(252,875)	9,167	0	9,167	(27.59)

(1) Information prior to 2011 unavailable.

* Total operating expenses exclusive of depreciation.

** Revenue debt includes OWDA and OPWC loans payable solely from net revenues in the water enterprise fund.

Source: City Financial Records

City of Cleveland Heights, Ohio

Pledged Revenue Coverage

Revenue Debt - Sewer Fund

Last Six Years (1)

Year	Operating Revenue	Expenses, Net of Depreciation *	Net Revenue Available for Debt Service	Debt Service Requirement**			Coverage
				Principal	Interest	Total	
2016	\$1,398,962	\$1,432,605	(\$33,643)	\$61,147	\$8,283	\$69,430	(0.48)
2015	1,623,705	1,319,667	304,038	59,962	9,795	69,757	4.36
2014	1,563,770	1,824,582	(260,812)	58,824	10,933	69,757	(3.74)
2013	1,671,895	1,568,459	103,436	26,247	12,026	38,273	2.70
2012	1,728,603	1,555,693	172,910	25,198	13,075	38,273	4.52
2011	1,607,296	1,921,205	(313,909)	11,392	7,151	18,543	(16.93)

(1) Information prior to 2011 unavailable.

* Total operating expenses exclusive of depreciation.

** Revenue debt includes OWDA and OPWC loans payable solely from net revenues in the sewer enterprise fund.

Source: City Financial Records

City of Cleveland Heights, Ohio

Principal Employers

2016 and 2007

2016

Employer	Employees
Cleve. Hts. - Univ. Hts. School District	763
City of Cleveland Heights	727
MetroHealth System	341
Cuyahoga County Fiscal Office	318
C A S Health Investors, Inc.	317
Dave's Supermarket, Inc.	311
Home Depot USA Inc.	268
Healthspan Integrated Care	178
Toyota on the Heights	119
Mororcars Honda, Inc.	112
Total	3,454
Total City Employment	n/a

2007

Employer	Employees	Percentage of Total City Employment
Cleveland Heights - University Heights City School District	851	2.71 %
City of Cleveland Heights	496	1.58
Kaiser Foundation	375	1.19
Walmart	250	0.79
Motorcars	200	0.63
Hebrew Academy	145	0.46
Home Depot	135	0.43
Cedarwood Plaza	130	0.41
Zagara's	125	0.40
Cleveland Heights University Heights Public Library	107	0.34
Total	2,814	8.95 %
Total City Employment	31,440	

Source: City of Cleveland Heights, Department of Income Tax - 2006

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
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
2008	50,769	1,310,043,276	25,804	47,400	35.2	91.6
2007	50,769	1,310,043,276	25,804	47,400	35.2	91.6

(a) Source: U. S. Census, Census of population
 2010- 2016: 2010 Federal Census
 2007-2009: 2000 Federal Census

(b) Source: Cuyahoga County Fiscal Officer

(c) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us>".

<u>School Enrollment (c)</u>	<u>Cuyahoga County Unemployment Rate</u>	<u>Average Sales Price of Residential Property</u>	<u>Total Assessed Property Value (b)</u>
5,393	5.4 %	n/a	\$818,671,420
5,393	4.0	n/a	849,994,610
5,693	5.3	n/a	861,088,460
5,300	7.2	n/a	865,300,800
5,870	8.3	n/a	911,825,870
5,870	8.0	n/a	924,844,430
5,832	8.6	131,300	924,330,040
5,899	9.0	131,300	978,289,310
6,286	7.1	131,300	987,907,880
6,286	6.1	131,300	1,003,163,470

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

<u>Function/program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government:					
Mangement/Council	3.0	6.0	7.2	7.1	6.1
City-Management	2.0	0.0	0.0	0.0	0.0
Finance	6.0	6.0	6.5	6.6	6.6
Off-Street Parking	2.0	3.0	3.0	3.0	3.0
Planning/Community					
Development	8.0	12.0	12.0	11.9	11.1
Building/Inspectional	10.0	15.0	16.1	15.0	17.4
Municipal Court	26.0	29.0	26.3	25.4	24.9
Other	21.0	14.5	18.0	20.2	18.4
Public Safety:					
Police					
Officers	98.0	115.8	114.6	113.8	113.1
Civilians/Crossing Guards	17.5	5.0	4.0	5.0	8.0
Fire					
Firefighters and officers	78.0	73.0	78.0	69.0	75.0
Civilians/Dispatch	11.0	8.0	10.3	8.6	9.9
Culture and Recreation:					
	75.0	55.0	55.9	58.6	57.0
Sanitation:					
	29.0	28.0	27.3	30.0	27.9
Transportation:					
	17.0	20.0	22.0	22.0	20.0
Other Public Works Departments					
	35.5	22.0	22.0	23.0	23.0
Public Utilities:					
Water	15.0	14.0	14.0	15.0	17.0
Wastewater	13.0	12.0	12.0	13.0	13.0
Totals:	<u>467.0</u>	<u>438.3</u>	<u>449.2</u>	<u>447.2</u>	<u>451.3</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.

2011	2010	2009	2008	2007
7.0	7.0	7.0	8.0	8.0
0.0	0.0	0.0	0.0	0.0
7.5	17.5	19.0	19.5	18.0
3.0	3.0	3.0	3.0	3.0
12.0	12.0	12.0	14.0	13.5
16.5	15.0	15.5	18.0	20.0
29.0	26.0	23.5	23.0	26.0
19.0	18.5	18.5	21.0	25.0
113.0	111.0	111.0	118.0	115.5
4.0	4.0	4.0	4.0	4.0
71.0	72.0	75.0	78.0	79.0
10.5	10.0	9.0	9.0	9.0
56.5	59.5	59.0	65.0	72.0
30.0	29.0	29.0	31.0	32.0
19.0	21.0	28.0	22.0	26.0
21.0	23.0	23.0	23.0	24.0
18.0	18.0	17.0	17.0	19.0
10.0	10.0	10.0	11.0	10.0
447.0	456.5	463.5	484.5	504.0

City of Cleveland Heights, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/program	2016	2015	2014	2013
General Government				
Council and Clerk				
Number of ordinances passed	22	29	36	68
Number of resolutions passed	85	115	102	143
Number of Planning Commission docket items	27	38	34	52
Number of Board of Zoning Appeals docket items	22	31	22	36
Finance Department				
Number of checks/ accounts payable vouchers issued	7,948	5,881	5,984	6,498
Amount of checks written	\$38,756,617	\$34,186,263	\$30,936,718	\$29,020,478
Interest earnings for fiscal year (cash basis)	\$140,731	\$78,721	\$71,505	\$77,695
Number of journal entries issued	606	499	526	501
Agency Ratings - Moody's Financial Services	A1	A1	Aa2	Aa2
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	1,687	1,075	1,559	1,511
Number of criminal cases	2,849	2,642	3,020	3,359
Public Safety				
Fire				
EMS calls	5,129	4,934	4,559	4,733
Fire calls	1,288	1,288	1,387	1,399
Fires with loss	16	59	50	62
Fire safety inspections/re-inspections	1,616	2,137	980	957
Number of times mutual aid given to Fire and EMS	40	98	99	110
Number of times mutual aid received from Fire and EMS	34	78	60	82
Civil Service				
Number of police entry tests administered	1	0	0	1
Number of fire entry tests administered	0	67	0	1
Number of fire promotional tests administered	0	0	3	2
Number of hires of police officers from certified lists	6	5	4	2
Number of hires of fire/medics from certified lists	4	0	13	2
Number of promotions from fire certified lists	0	0	5	4
Number of promotions from police certified lists	0	8	3	0
Public Health Services (b)				
Vital Statistics				
Number of birth certificates sold	0	0	0	0
Number of death certificates sold	0	0	0	0
Number of burial permits issued	0	0	0	0
Culture and Recreation				
Senior activity center receipts	\$50,298	\$37,829	\$39,914	\$0
Swimming pools receipts	\$104,225	\$99,904	\$105,963	\$97,222
Ice program receipts	\$44,621	\$49,129	\$36,747	\$36,356
General recreation program receipts	\$62,773	\$60,356	\$99,785	\$94,312
Child care/summer program receipts (a)	\$0	\$0	\$0	\$0
Sports programs receipts	\$219,884	\$201,040	\$171,016	\$183,743
Community center program receipts	\$674,170	\$655,843	\$640,367	\$587,822
Cain park program receipts	\$560,335	\$644,005	\$603,585	\$564,682

2012	2011	2010	2009	2008	2007
47	52	51	32	72	42
142	112	117	95	111	116
27	22	27	17	16	23
25	28	30	31	33	26
6,752	6,363	6,327	6,191	6,842	7,090
\$30,468,399	\$27,736,616	\$34,223,380	\$26,202,955	\$27,805,150	\$32,223,691
\$93,503	\$98,115	\$150,034	\$311,695	\$458,811	\$1,026,304
438	415	331	352	335	371
Aa2	Aa3	Aa3	Aa3	Aa3	Aa3
*	*	1,146	1,065	1,100	1,247
*	*	\$361,142	\$335,724	\$384,020	\$362,176
*	*	16,197	15,483	15,660	17,797
*	*	1,899	1,931	1,331	1,881
*	*	10,610	10,654	10,343	1,386
*	*	\$124,498	\$64,601	\$49,630	\$91,867
*	*	10,670	10,654	10,343	1,760
*	*	46,769	47,806	48,909	58,087
*	*	46,769	47,806	48,909	58,087
*	*	1,731	2,073	1,495	1,348
1,365	1,126	1,532	1,778	1,864	2,014
2,685	2,287	3,162	3,449	3,047	3,582
4,817	4,631	4,374	4,098	4,113	4,047
1,296	1,211	1,136	1,119	1,247	1,304
64	54	60	48	57	51
1000+	1000+	1000+	1000+	1000+	1000+
101	76	72	45	71	90
128	91	51	66	65	82
0	1	0	0	1	0
0	1	0	0	0	1
2	3	0	0	0	0
2	7	8	4	0	2
8	6	0	0	0	0
3	4	0	0	0	0
2	2	2	3	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$60,962	\$57,911	\$51,818	\$56,039	\$54,521	\$46,198
\$108,284	\$98,739	\$97,618	\$87,468	\$95,385	\$103,788
\$46,901	\$53,505	\$56,607	\$49,967	\$50,456	\$52,876
\$90,404	\$96,470	\$97,908	\$143,470	\$69,056	\$71,849
\$0	\$0	\$0	\$0	\$157,639	\$211,603
\$197,133	\$208,882	\$202,654	\$194,513	\$204,718	\$224,013
\$584,432	\$627,573	\$658,871	\$606,401	\$706,337	\$708,994
\$689,853	\$428,296	\$425,099	\$492,280	\$419,008	\$583,553

(continued)

City of Cleveland Heights, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years (1)

Function/program	2016	2015	2014	2013
Community Development				
Building Department				
Construction permits issued - residential	464	110	1,010	807
Construction permits issued - commercial	229	92	125	105
Estimated value of construction - residential	\$16,592,300	\$11,042,945	\$12,536,148	\$9,610,449
Estimated value of construction - commercial	\$20,249,000	\$8,749,163	\$14,159,210	\$8,644,284
Number of permits issued	3,058	3,364	3,234	3,185
Amount of revenue generated from permits	\$846,063	\$604,164	\$389,340	\$365,424
Amount of revenue generated from fees/contractors licenses	\$245,205	\$247,495	\$262,655	\$113,318
Number of contractor registrations issued	812	965	1,111	1,080
Number of inspections performed	3,153	1,533	5,721	7,843
Community Development				
Annual entitled grant award	\$2,031,567	\$1,461,454	\$1,476,666	\$1,496,443
Program income received	\$136,984	\$253,078	\$192,129	\$283,408
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
Sanitation				
Refuse disposal costs per year January through December (c)	n/a	n/a	n/a	n/a
Transportation				
Crackseal Coating Program (lbs.)	6,720	9,000	6,750	11,153
Street repair (curb, aprons, berms, asphalt) (hours)	5,520	8,640	5,520	2,880
Line striping (hours)	n/a	n/a	1,432	2,152
Street Sweeping (hours)	3,080	2,960	3,300	2,800
Cold Patch (hours)	4,960	4,800	5,440	4,960
Snow and ice removal - regular hours	4,816	6,832	6,384	8,400
Snow and ice removal - overtime hours	724	1,169	4,434	3,488
Landscaping Stump-Chipper Service (hours)	5,716	5,716	5,716	5,716
Leaf collection - fall (hours)	14,680	12,168	17,744	13,332
Equipment repair/body shop (hours)	16,640	16,640	14,560	15,680
Number of trees planted per year	313	203	263	246
Tons of snow melting salt purchased	5,400	4,001	13,077	7,225
Cost of snow/calcium chloride purchased	\$214,867	\$0	\$424,383	\$237,629
Skunk removals	n/a	n/a	n/a	n/a
Water Department				
Water rates per 1,000 cu ft of water used	88.0	70.0	70.0	70.0
Average number of water accounts billed monthly (cu ft)	15,350	15,536	15,476	15,487
Total water collections annually (including P&I)	\$18,637,752	\$17,757,000	\$17,063,701	\$16,154,339
Payments to Cleveland for bulk water purchases	\$4,132,247	\$12,217,352	\$10,752,942	\$10,314,487
Wastewater Department				
Wastewater rates per 1,000 cu ft of water used (local)	11.1	11.1	11.1	11.1
Sewer and sanitary calls for service	473	535	350	350

Source: City of Cleveland Heights departments

Notes:

- (a) Beginning 2009, child care/summer programs were merged with the general recreational programming.
- (b) Public health handled at the County level in 2007.
 - * 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.
- (c) Beginning 2004, expenses were paid out of Department 6203 prior to that, expenses were paid out of Department 6204.

2012	2011	2010	2009	2008	2007
906	792	964	928	1,307	1,741
95	92	108	97	110	171
\$10,674,213	\$10,638,000	\$11,304,000	\$7,369,000	\$9,392,000	\$12,902,000
\$5,656,276	\$9,091,000	\$4,803,000	\$4,563,000	\$8,490,000	\$27,378,000
3,291	3,172	3,599	3,406	3,813	4,563
\$314,110	\$311,809	\$383,576	\$211,663	\$227,462	\$309,977
\$120,724	\$113,420	\$117,625	\$349,193	\$348,592	\$568,550
1,134	853	1,407	1,151	1,078	1,269
7,090	8,193	9,004	8,190	7,385	9,150
\$1,446,726	\$1,601,941	\$1,909,731	\$1,757,055	\$1,723,214	\$1,778,281
\$208,548	\$506,829	\$344,680	\$308,859	\$409,675	\$373,184
\$0	\$0	\$0	\$467,840	\$0	\$0
\$0	\$250,000	\$0	\$2,351,526	\$0	\$0
\$0	\$0	\$0	\$715,677	\$0	\$0
n/a	n/a	n/a	n/a	n/a	n/a
6,761	5,065	7,155	5,145	12,000	12,000
5,520	5,520	5,520	5,972	6,240	8,000
1,736	1,792	1,848	1,704	2,024	700
2,960	2,960	2,960	8,255	1,867	2,400
5,440	5,760	5,440	3,723	3,120	3,916
3,360	6,720	7,840	2,688	7,840	5,107
3,002	3,191	4,257	2,856	6,441	4,476
5,500	5,668	5,200	4,610	4,972	5,198
11,433	11,047	10,828	10,613	12,647	17,875
16,818	16,640	16,640	16,640	16,173	19,720
273	250	309	145	369	270
4,977	4,469	5,443	3,418	14,128	13,403
\$226,927	\$210,907	\$238,918	\$144,305	\$492,377	\$438,970
n/a	n/a	n/a	n/a	n/a	165
56.6	56.6	56.6	56.6	48.8	46.7
15,460	15,419	15,439	15,500	15,876	15,920
\$11,083,365	\$10,050,111	\$10,628,905	\$12,676,221	\$9,621,815	\$9,429,481
\$8,993,685	\$779,438	\$9,332,522	\$7,673,574	\$7,656,758	\$7,355,075
11.1	11.1	11.1	10.2	10.1	10.1
318	326	360	1,400	515	526

City of Cleveland Heights, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/program	2016	2015	2014	2013
General Government				
Square Footage Occupied	68,000	68,000	68,000	68,000
Administrative Vehicles	1	10	9	9
Inspectional Vehicles	14	15	18	18
Municipal Court Vehicles	3	3	3	3
Land and Building Vehicles	5	5	21	21
Police				
Stations	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877
Vehicles	109	92	99	99
Fire				
Stations	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068
Vehicles	18	19	18	18
Recreation				
Number of Parks	7	6	6	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	11	5	7	7
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	129	105	105
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

2012	2011	2010	2009	2008	2007
68,000	68,000	68,000	68,000	68,000	68,000
14	14	16	18	22	16
14	14	22	17	18	18
2	2	2	2	2	2
14	14	22	21	16	16
1	1	1	1	1	1
18,877	18,877	18,877	18,877	18,877	18,877
100	100	106	120	153	118
2	2	2	2	2	2
24,068	24,068	24,068	24,068	24,068	24,068
19	19	18	20	20	19
6	6	6	6	6	6
1	1	1	1	1	2
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
12	12	27	10	34	13
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	125	132	153	145
150	150	150	150	150	150
150	150	150	150	150	150

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Dave Yost • Auditor of State

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
NOVEMBER 9, 2017**