

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

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2019**

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



OHIO AUDITOR OF STATE  
KEITH FABER



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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, 2019 through December 31, 2019. 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 "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 14, 2020

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**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Comprehensive Annual Financial Report	Under Separate Cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2-3
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	4-5
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	6-8
Schedule of Findings and Questioned Costs	9-19
Status of Prior Findings and Recommendations	20

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**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Amount Passed Through to Subrecipient	Total Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Programs</i>				
CDBG-Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 284,143	\$ 1,794,681
Total CDBG-Entitlement Grants Cluster			<u>284,143</u>	<u>1,794,681</u>
<i>Total Direct Programs</i>			<u>284,143</u>	<u>1,794,681</u>
<i>Pass-Through Cuyahoga County Housing Consortium:</i>				
HOME Investment Partnerships Program	14.239	M-05-DC-390216	<u>0</u>	<u>100,330</u>
<i>Pass-Through Cuyahoga County Department of Development</i>				
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	OHLHB0633-17	<u>0</u>	<u>281,060</u>
<i>Total Pass-Through Programs</i>			<u>0</u>	<u>381,390</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>284,143</u>	<u>2,176,071</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
<i>Pass-Through from State 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 Supportive Services and Senior Centers	93.044	N/A	<u>0</u>	<u>10,431</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>0</u>	<u>10,431</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Program</i>				
Equitable Sharing Program	16.922	OH0181500	<u>0</u>	<u>130,805</u>
<b>Total U.S. Department of Justice</b>			<u>0</u>	<u>130,805</u>
<b><u>U.S. Department of Transportation</u></b>				
<i>Passed Through the Ohio Department of Transportation (ODOT)</i>				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	PID 95106	<u>0</u>	<u>25,000</u>
Highway Planning and Construction	20.205	PID 106001	<u>0</u>	<u>100,000</u>
Total Highway Planning and Construction Cluster			<u>0</u>	<u>125,000</u>
<b>Total U.S. Department of Transportation</b>			<u>0</u>	<u>125,000</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 284,143</u>	<u>\$ 2,442,307</u>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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**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, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Cleveland Heights, Ohio, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Cleveland Heights, Ohio.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3: INDIRECT COST RATE**

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

**NOTE 4: MATCHING REQUIREMENTS**

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



**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (CONTINUED)**

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**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 2019 is as follows:

Beginning Loans Receivable balance as of January 1, 2019	\$ 1,143,667
Write offs	0
Loans made	150,000
Loan Principal Repaid	<u>(136,908)</u>
Ending Loans Receivable balance as of December 31, 2019	1,156,759
Cash Balance on hand in the Revolving Loan Fund as of December 31, 2019	<u>950,444</u>
Total value of Revolving Loan Fund portion of the CDBG 14.218 Program	2,107,203
Other grants administered through the 14.218 Program	<u>1,767,413</u>
<b>Total CDBG 14.218 Program</b>	<b><u>\$ 3,874,616</u></b>

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

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

The Honorable Keith Faber  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 19, 2020, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and restated loans receivable due to an understatement. In addition, the City created a tax incrementing financing (TIF) district and issued related debt.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we considered a material weakness as items **2019-001, 2019-002, 2019-005, 2019-007**.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items **2019-003, 2019-004, 2019-005, 2019-006**.

### ***City's Response to Findings***

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

### ***Purpose of This Report***

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



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

August 19, 2020

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

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

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

The Honorable Keith Faber  
Auditor of State  
State of Ohio

***Report on Compliance for Each Major Federal Program***

We have audited the City of Cleveland Heights, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2019. 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, 2019.

### ***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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 19, 2020, which contained unmodified opinions on those financial statements, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Also, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and restated loans receivable due to an understatement. In addition, the City created a tax incrementing financing (TIF) district and issued related debt. 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

August 19, 2020

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**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2019(i)	Type of Financial Statement Opinion	Unmodified
2019(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
2019(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2019(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
2019(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2019(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2019(v)	Type of Major Programs' Compliance Opinions	Unmodified
2019(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2019(vii)	Major Programs (list):  CDBG Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants - CFDA #14.218	
2019(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2019(ix)	Low Risk Auditee?	No

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)**

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

**Finding No. 2019-001 – Material Weakness – Cash Reconciliation**

**Condition/Criteria**

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

- The City did not perform bank reconciliations timely or accurately.
- We noted various errors in recording of disbursements, which resulted in multiple cash adjustments, such as:
  - the City had adjustments from the system conversion performed in 2016 that are currently not posted in the system. Encumbrances from prior system were not properly removed from current system. In addition, Accounts Payable needs to be adjusted in order to properly reconcile the cash balance.
  - on the payroll bank reconciliation, outstanding payroll did not match the bank to book variance reported. The variance was not material to the financial statements.
- During our testing of the outstanding check list, the following errors were noted:
  - out-of-sequence check numbers or no check numbers on the outstanding check list.
  - numerous outstanding checks that have been outstanding for greater than 6 months.

**Cause/Effect**

The bank reconciliations were not prepared or reviewed timely by the City. Posting errors were occurring and not timely corrected. The City has trained a person internally to perform bank reconciliations.

**Recommendation**

We recommend the City reconcile cash on a timely basis and accurately with proper supervision and approvals by the Finance Director and/or City Manager and City Council, as required per City procedures in prior years. By not reconciling cash on a monthly basis, there are more possibilities that errors or other problems might not be recognized or resolved on a timely basis. We also recommend obtaining training in using the software to assist in ensuring disbursements are posted correctly and timely. We recommend the City use check numbers in sequential order and list check numbers on the outstanding check list in order to properly account for all check numbers. We also recommend the City move outstanding checks that are greater than 6 months old to Unclaimed Funds. The City did contract with Local Government Services (LGS) to reconcile through December 31, 2019. The City was reconciled in early 2020 and the City had started training an individual internally to perform bank reconciliation.

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)**

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

**Finding No. 2019-001 – Material Weakness – Cash Reconciliation** (Continued)

*City's Response*

The City is aware of the deficiencies in the cash reconciliation process. The Finance Department experienced multiple transitions in the past three years comprising turnover of half of its personnel including the Finance Director, Payroll Administrator and Accountant positions. The department also implemented a new accounting software system and experienced significant complications in the process, which further delayed the reconciliation process. The deficiencies can be attributed to staffing capacity and performance, errors in the accounting software conversion process, and lack of training. In addressing prior audit findings several other deficiencies were identified which led to more staff departures and further setting back the reconciliation process. The City did contract with Local Government Services (LGS) of the Auditor of State's Office to reconcile the ledgers to the bank statements. LGS fully reconciled the City through December 2019 and the City continues to perform the bank reconciliation with existing staff. The City does have an agreement in place with the software vendor to address residual system configuration issues and to provide ongoing training and support to new staff members.

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)**

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

**Finding No. 2019-002 – Material Weakness – Payroll**

**Condition/Criteria**

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

- The City had two instances where timesheet corrections were performed verbally with no documentation to support the adjustment made by a department supervisor. The City stated that this was an occasional occurrence.
- The City records payroll activity into two bank accounts and makes multiple entries and deposits.
- The City's financial system operates on an accrual basis and payroll is booked into an agency account as a liability. The City did not properly reduce the liabilities within this account when payroll related deductions were paid out. As a result, the books had a material unreconciled cash balance.
- Payroll withholdings and deductions, including pension and deferred compensation, were posted to the financial system with differences between the bank and book balances, and were not paid timely. It was noted that late fees and penalties were incurred for late payments made to the pension system.
- Employer portion of Medicare premiums were not paid during 2018 to the IRS. This resulted in numerous penalties and fees being added to the outstanding balances already owed. The City had an outstanding balance to the IRS of approximately \$181,000 at year-end. This amount was subsequently paid during 2020.

**Cause/Effect**

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

**Recommendation**

We recommend the following to strengthen controls over payroll:

All timesheet corrections should be documented with proper approvals. The City has implemented procedures to ensure all timesheet adjustments have proper documentation. Training should be obtained in using the software to properly ensure payroll is posted completely and accurately. We also recommend the City consider simplifying the payroll banking process and include all payroll activity into one bank account to reduce the complexity of the process. Also, procedures should be followed for disbursing amounts due to vendors timely and overall monitoring implemented to verify complete and accurate payments and postings.

**City's Response**

The City is working towards correcting issues in the payroll system and process. Timesheet corrections should have proper authorization from a supervisor via email or other written form. The payroll liability account is being inspected as well as all withholding and deductions to ensure they have proper support and are made timely. All balances owed to the IRS for prior periods have been paid as of the time of this report. Staff is being trained on proper payroll procedures.

**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (CONTINUED)**

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

**Finding No. 2019-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances**

**Condition/Criteria**

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

Several funds had expenditures plus encumbrances in excess of appropriations plus prior year encumbrances at the legal level of control at December 31, 2019. Negative variances resulted from posting of numerous adjustments identified by the City at year end.

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<b><u>General Fund</u></b>			
General Government:			
Hospitalization			
Personal Services	\$ 4,086,374	\$ 4,454,455	\$ (368,081)
Water Administration:			
Personal Services	20	76,592	(76,572)
Public Safety:			
Fire Department:			
Capital Outlay	1,500	1,551	(51)
Community Development:			
Planning Commission:			
Other Than Personal Services	1,753	1,978	(225)
Culture and Recreation:			
Swimming Pools:			
Personal Services	265,023	313,719	(48,696)
<b><u>Community Development Block Grant</u></b>			
Community Development:			
Housing Preservation:			
Capital Outlay	80	3,650	(3,570)
CDBG - Program Income:			
Other than Personal Services	121	153	(32)
<b><u>Economic Development</u></b>			
Community Development:			
Economic Development:			
Personal Services	2,000	62,178	(60,178)
<b><u>Sewer Fund</u></b>			
Other than Personal Services:			
Sewer Administration	0	14,602	(14,602)

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)**

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

**Finding No. 2019-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances** (Continued)

**Cause/Effect**

The City has experienced a high rate of turnover within the Finance Department in the prior two years. In addition, the City's current software requires manual removal of encumbrances resulting in expenditures plus encumbrances exceeding appropriations plus prior year encumbrances.

**Recommendation**

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

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

**City's Response**

Adjustments were made after Council approved the final appropriations measure or the appropriations Council approved were not properly input into the accounting system. The City is taking steps to ensure this does not happen in 2020. The City is also establishing year end procedures to prevent expenditures or encumbrances from occurring that cause appropriations to be exceeded. Procedures over encumbrances will also be followed to ensure they carry over to the next year and are available for use.

**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019  
 (CONTINUED)**

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

**Finding No. 2019-004 – Material Noncompliance – Negative Cash Fund Balances**

**Condition/Criteria**

Ohio Revised Code Section 5705.10(H) provides money paid into any fund shall be used only for the purposes for which such fund is established. A fund with a negative cash balance signifies that monies from other funds were used to meet the fund’s obligations. During our review of the City’s general ledger, we noted that three funds had negative cash balances at December 31, 2019.

Fund	Amount
<i>Special Revenue Funds:</i>	
Fire Pension	\$ 122,962
Cain Park Operating	16,570
Drug Law Enforcement Trust	85,430

**Cause/Effect**

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

**Recommendation**

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

**City’s Response**

This finding was caused by late adjustments as well as a failure to follow year-end processes. In addition, adjustments that have not been booked to the system and system configurations prevent the City from maintaining a true cash balance within the system that is easily monitored. The City is working on correcting the system and has developed a process to monitor cash balances to ensure this finding is not repeated.

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)**

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

**Finding No. 2019-005 – Material Weakness/Non-Compliance – Financial Reporting**

**Condition/Criteria**

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

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

- Income tax revenue was understated by \$2,672,534 on the modified accrual statements.
- Special Assessment Receivable was overstated by \$492,022 and \$1,472,318 for the Street Lighting Fund and the Tree Fund, respectively. The General Fund and Community Development Block Grant Fund were understated by \$1,100,696 and \$581,993, respectively. The Business-type Sewer Fund was understated by \$281,651.
- The City reported a restatement for Loans Receivable in the amount of \$1,701,388 for previously unreported loans receivable. In addition, the audit determined there were \$421,518 in loans that should have been included with the original restatement.
- Interest Receivable relating to the previously unreported loans receivable was not reported in the amount of \$348,882.
- Accounts Payable was understated by \$269,793 for governmental funds and governmental activities.

As a result, audit adjustments have been proposed and made to correct the financial statements for fiscal year 2019. The City had additional proposed audit adjustments that were determined to be not material to the financial statements. The City did not confirm with the expenditure ledger when updating the outstanding loan balance spreadsheet. This resulted in inconsistencies in loan balance reporting.

**Cause/Effect**

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

**Recommendation**

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

**City's Response**

All errors listed above were as a result of GAAP accrual entries. On a daily basis, the City maintains accounting records on a cash method of accounting and converts records to a GAAP basis at the end of the year for financial reporting purposes. No errors in the cash basis records, other than those discussed in previous findings, were identified. The City will work to ensure these errors do not occur in future years.



**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)**

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

**Finding No. 2019-006 – Material Non-Compliance – Appropriations Exceed Estimated Resources**

**Condition/Criteria**

During our testing of compliance, we noted various funds which had original appropriations exceeding estimated resources and various funds which had final appropriations exceeding estimated resources. Ohio Revised Code Section 5705.39 provides, in part, that total appropriations from each fund shall not exceed the total estimated resources (estimated revenues plus unencumbered fund balances). Also, the City does not have estimated resources incorporated into its accounting system.

Fund	Original Appropriations Plus Prior Year Encumbrances	Estimated Resources Plus Available Balances	Excess
<b><u>Special Revenue Funds</u></b>			
Communications System	\$ 1,066,078	\$ 721,705	\$ (344,373)
Drug Law Enforcement Trust	179,274	178,122	(1,152)
Community Development Block Grant	2,084,875	2,066,117	(18,758)
Cain Park Operating	807,311	791,245	(16,066)
Fire Pension	1,645,963	1,607,904	(38,059)
Police Radios	152,938	0	(152,938)
<b><u>Debt Service Fund</u></b>	2,785,846	2,689,752	(96,094)
<b><u>Capital Projects Funds</u></b>			
Energy Improvements	329,232	216,896	(112,336)

Fund	Final Appropriations Plus Prior Year Encumbrances	Estimated Resources Plus Available Balances	Excess
<b><u>Special Revenue Funds</u></b>			
Street Construction, Maintenance, and Repair	\$ 2,854,897	\$ 2,820,033	\$ (34,864)
Foundation Grants	460,150	399,686	(60,464)
Drug Law Enforcement Trust	205,086	178,122	(26,964)
Community Development Block Grant	5,283,940	2,066,117	(3,217,823)
Cain Park Operating	1,039,336	791,245	(248,091)
Lead Safe Cuyahoga	481,993	433,155	(48,838)
Tree Fund	1,735,174	1,692,747	(42,427)
Fire Pension	1,645,963	1,607,904	(38,059)
Police Radios	152,938	0	(152,938)
<b><u>Debt Service Fund</u></b>	3,061,053	2,689,752	(371,301)
<b><u>Capital Projects Funds</u></b>			
Recreation Facility Improvement	876,589	808,919	(67,670)
Capital Improvements	745,231	688,346	(56,885)
Energy Improvements	329,232	216,896	(112,336)

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)**

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

**Finding No. 2019-006 – Material Non-Compliance – Appropriations Exceed Estimated Resources** (Continued)

**Cause/Effect**

The City's Finance Department has experienced a high turnover rate of employees over the prior two years. This has created issues in the budgetary process for the City. In addition, the City was unable to complete the final certificate measure in a timely manner. As a result, the City reported original certificate for their final certificate.

**Recommendation**

We recommend that the City follow the guidance provided in Ohio Revised Code Section 5705.39 by amending the appropriations to a level that does not exceed the amended certificate.

**City's Response**

This finding was caused due to staff turnover in the Finance Director position. As a result, a certificate of estimated resources that reflected sufficient revenue to cover appropriations approved by Council was not submitted by year end to the County Budget Commission. It should be noted that expenditures only exceeded the cash available in three of the funds listed. The City will ensure a certificate is submitted timely in the future and will work to monitor budget more closely.

**CITY OF CLEVELAND HEIGHTS  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(CONTINUED)**

---

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

**Finding No. 2019-007 – Material Weakness - Capital Assets**

**Condition/Criteria**

During our testing of capital assets, we noted the following:

- there is no formal Capital Assets Policy in place.
- the City does not maintain an accurate detail Capital Asset Listing report. Additions and deletions are added to the prior year summary amounts to determine current year book value.
- the City did not use actual depreciation but, instead, the City uses prior year depreciation value and adds/deletes current year additions/deletions.

This resulted in a governmental capital asset recorded in the amount of \$161,261 not being included on the additions list. We also noted a business-type capital asset was incorrectly reported when the City did not have the asset in its possession.

**Cause/Effect**

The City has not updated its Capital Asset Listing. Additions and deletions are not added/removed from the system through a formal approval process.

**Recommendation**

We recommend the City establish a formal Capital Assets Policy, including the acquisition and disposal of property and equipment, capital assets' useful lives, and capitalization threshold. To ensure accuracy, we recommend the City follow the procedures to record capital asset additions and deletions timely using a formal form and consolidate all capital assets into one system. We also recommend the City maintain a detail listing of all capital assets to ensure the proper depreciation amounts are being reported rather than using the prior year values.

**City's Response**

During 2019, the City transitioned the tracking of fixed assets to the new accounting system. It has been discovered the system was not fully implemented and the transfer of data was not validated. As such, the new system could not produce an accurate report. The City is aware of the issue and is working to ensure all information transitioned from the old system to the new system properly.

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

None.

**CITY OF CLEVELAND HEIGHTS  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2019**

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The prior audit report, as of December 31, 2018, included instances of material weaknesses and non-compliance.

Finding Number	Finding Summary	Status	Additional Information
2018-001	Cash Reconciliation	Partially corrected.	Repeated as Finding 2019-001
2018-002	Payroll	Partially corrected.	Repeated as Finding 2019-002
2018-003	Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances	Not corrected.	Repeated as Finding 2019-003
2018-004	Negative Cash Fund Balance	Not Corrected.	Repeated as Finding 2019-004
2018-005	Financial Reporting	Partially Corrected.	Repeated as Finding 2019-005

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



2019  
COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
CLEVELAND HEIGHTS, OHIO

for the fiscal year ended  
December 31, 2019



beautiful parks  
beautiful community





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

On the cover:  
Residents enjoy the annual Happy 5K;  
Cleveland Heights is a walkable friendly community;  
Another magical evening Cain Park;  
Police officers interact with residents on Halloween



Cleveland Heights beautiful parks  
beautiful community



Lee Road  
shops  
in the  
summer



Cleveland Heights, Ohio beautiful parks  
beautiful community



2019  
COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
CLEVELAND HEIGHTS, OHIO  
**for the fiscal year ended**  
December 31, 2019



Spring  
at  
City  
Hall

Prepared by The Department of Finance  
**Amy Himmelein**, Director  
Sharron McMichael, Assistant Director

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**City of Cleveland Heights, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2019*  
*Table of Contents*

	<i>Page</i>
<b>I. Introductory Section</b>	
Title Page .....	i
Table of Contents .....	ii
Letter of Transmittal .....	vi
List of Principal Officials.....	xiii
Organizational Chart - City.....	xiv
Organizational Chart - Department of Finance.....	xv
GFOA Certificate of Achievement .....	xvi
<b>II. Financial Section</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual: General Fund.....	22
Statement of Fund Net Position - Proprietary Fund.....	23
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund .....	24
Statement of Cash Flows - Proprietary Fund.....	25
Statement of Fiduciary Net Position – Custodial Funds .....	27
Statement of Changes in Fiduciary Net Position – Custodial Funds .....	28
Notes to the Basic Financial Statements .....	29

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Six Years .....	80
Schedule of the City’s Proportionate Share of the Net Pension Asset – Ohio Public Employees Retirement System – Combined Plan – Last Two Years .....	82
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Public Employees Retirement System – OPEB Plan – Last Three Years.....	83
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Six Years .....	84
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Three Years .....	86
Schedule of City Contributions – Ohio Public Employees Retirement System – Last Seven Years .....	88
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years .....	90
Notes to the Required Supplementary Information .....	92

Combining Statements and Individual Fund Statements and Schedules:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions .....	96
Combining Balance Sheet - Nonmajor Governmental Funds .....	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	100
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	106
Combining Balance Sheet - Nonmajor Capital Projects Funds .....	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds .....	114

Combining Statements - Fiduciary Funds:

Fund Descriptions .....	116
Combining Statement of Fiduciary Net Position - Custodial Funds.....	117
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds .....	118

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

Major Funds:

General Fund .....	120
Sewer Fund.....	126

Nonmajor Funds:

Street Construction, Maintenance and Repair Fund.....	127
Foundation Grants Fund.....	128
Communications System Fund.....	129
Law Enforcement Trust Fund.....	130
Drug Law Enforcement Fund.....	131
Community Development Block Grant Fund.....	132
Home Program Fund .....	134
Federal Emergency Management Agency (FEMA) Grant Fund.....	135
Cain Park Operating Fund.....	136
Public Right of Way Fund.....	137
Indigent Driver's Alcohol Treatment Fund.....	138
Municipal Court Clerk Computerization Fund.....	139
DUI Enforcement and Education Fund .....	140
Municipal Court Special Projects Fund.....	141
Lead Safe Cuyahoga Fund .....	142
Neighborhood Stabilization Program Fund.....	143
Street Lighting Fund.....	144
Tree Fund .....	145
Police Pension Fund .....	146
Fire Pension Fund.....	147
First Suburbs Development Council Fund .....	148
Police Radios Fund.....	149
Parking Fund .....	150
Ambulance Services Fund.....	151
Office on Aging Donations Fund .....	152
Youth Recreation Donation Fund.....	153
Police Memorial Trust Fund.....	154
Youth Advisory Commission Fund.....	155
Juvenile Diversion Program Fund .....	156
Fire Damage Deposits Fund .....	157
Earned Benefits Fund .....	158
General Bond Retirement Fund.....	159
Police Facility Improvement Fund .....	160
Recreation Facility Improvement Fund.....	161
Capital Improvements Fund .....	162
Energy Improvements Fund .....	163
Economic Development Fund .....	164
City Hall Maintenance Fund .....	165

**III. Statistical Section**

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

Changes in Fund Balances, Governmental Funds - Last Ten Years .....	S10
Property Tax Rates – Direct and Overlapping Governments - Last Ten Collection Years .....	S12
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years .....	S14
Property Tax Levies and Collections – Last Ten Years.....	S16
Principal Taxpayers – 2019 and 2010.....	S17
Income Tax Revenue Base and Collections - Last Ten Years .....	S18
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Ten Years.....	S19
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years .....	S20
Legal Debt Margin - Last Ten Years .....	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S24
Principal Employers - 2019 and 2010.....	S25
Demographic and Economic Statistics - Last Ten Years .....	S26
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Years.....	S28
Operating Indicators by Function/Program - Last Ten Years .....	S30
Capital Asset Statistics by Function/Program - Last Ten Years .....	S34





August 19, 2020

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, 2019. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believe the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

Management's discussion and analysis may be referenced to gain a better understanding of the City's financial activities. The management discussion and analysis serve to introduce the City's basic financial statements and gives the reader, management's analysis and explanation of the City's financial position for 2019. This discussion follows the Independent Auditor's Report.

#### CITY ORGANIZATION

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

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

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

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

On November 5, 2019, voters approved an amendment to the City's charter to revise the structure of its government into a mayor-council form of government. Under the amended charter, in November 2021 voters will directly elect a mayor as the City's chief executive. The mayor will take office on January 1, 2022, and appoint a City Administrator, with council approval, to run day-to-day operations. Until then, the City will continue under the council-manager form. After the mayor is elected, that office will have executive responsibilities for leading and managing the government, and Council will maintain its current legislative, policy-making, and fiscal responsibilities.

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

### ECONOMIC CONDITIONS

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

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

### MAJOR INITIATIVES

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

Cain Park, the municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater. Concert, dance and theatrical performances produced during 2019 included: Ragtime, Ani DiFranco, Lucy Wainwright Roche, Dionne Warwick, Lyle Lovett, Air Supply, Verb Ballets, InLet Dance, Peter White, Euge Groove, Sammy DeLeon, Summer of Love, Judy Collins and India.Arie. The Cain Park Arts Festival was again well attended in 2019 all three days in July, and is recognized as one of the best such events in the United States.

The City implemented a comprehensive five-year capital improvement program in 2014. This process is undertaken in correlation to the operating budget process. The following projects were included in the 2019 capital improvement program:

- Annual Street Resurfacing and Surface Treatment programs
- ADA compliant curb replacement throughout the City
- New Police vehicles
- New Fire engine/pumper
- New Sewer equipment



- New traffic signals and crosswalks were installed through the Safe Routes to School program
- Computing and network equipment upgrades
- A water main replacement on Selwyn Road
- Infrastructure improvements at playgrounds and parks
- Completion of the \$6 million energy efficiency project
- Continuation of the \$2.8 million Mayfield Signalization program

The City is committed to advancing the 2017 Master Plan’s economic and community development goals. Several initiatives were completed in 2019 and the work will continue into 2020. An \$80 million mixed-use development project in the Cedar-Fairmount district, one of the City’s major commercial districts, has progressed through the development approval and financing stages. Groundbreaking is planned for early 2020. The City also partnered with a developer to redevelop vacant City-owned land in its Cedar-Lee commercial district into another mixed-used project. The City’s new community wide community investment area (CRA) program has incentivized private investment into the housing stock through renovation and new construction with tax abatement. A new residential development, the College Club, is under construction after securing both State and Federal historic tax credits and as well as City tax abatement. Many of the new units have been pre-sold. The City is also working with three community development corporation partners to rehab homes acquired through tax foreclosure and resell those homes to new owner-occupants. The City also welcomed several new businesses to the community in 2019.

#### CITY UTILITIES

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

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

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

#### COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2019, the City was awarded \$1.6 million in CDBG dollars which were allocated to an array of projects including housing preservation, commercial district improvements, youth programs, senior services and fair housing.

The City received CDBG funding in 2019 to continue the new Geographic Information Systems (GIS) program which has been instrumental in programs across all City departments. The City also used CDBG funds to continue a program introduced in 2018 called the Strategic Impact Opportunity which is used in to implement initiatives in targeted areas outlined in the City's Master Plan.

## CITY SERVICES

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

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

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

In keeping with its primarily residential character, the City operates an Urban Forestry Division which is funded mainly through an annual special assessment on all properties. This division handles all aspects of tree care to the City's trees including, pruning, removing, stump grinding, and planting. Work is prioritized and recorded through an online tree inventory database. The City received its 42nd Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters and the National League of Cities.

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

## FINANCIAL CONDITION

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

### Government-Wide Financial Statements

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

### Fund Financial Statements

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

### Statement of Budgetary Comparisons

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

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

## INTERNAL ACCOUNTING AND REPORTING CONTROL

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

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

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

#### INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2019, have been audited by James G. Zupka, CPA, Inc. The auditor's unmodified 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). 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, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a 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-five (35) consecutive years (fiscal years ended December 31, 1984 through December 31, 2018). 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



Amy Himmelein  
Director of Finance



# CITY OF CLEVELAND HEIGHTS, OHIO

## PRINCIPAL OFFICIALS December 31, 2019

### ELECTED OFFICIALS

Mayor.....	Jason Stein
Vice Mayor.....	Melissa Yasinow(1)
Council Member.....	Mary Dunbar
Council Member.....	Kahlil Seren(1)
Council Member.....	Melody Joy Hart
Council Member.....	Davida Russell
Council Member.....	Michael N. Ungar
Municipal Judge.....	James Costello

### APPOINTED OFFICIALS

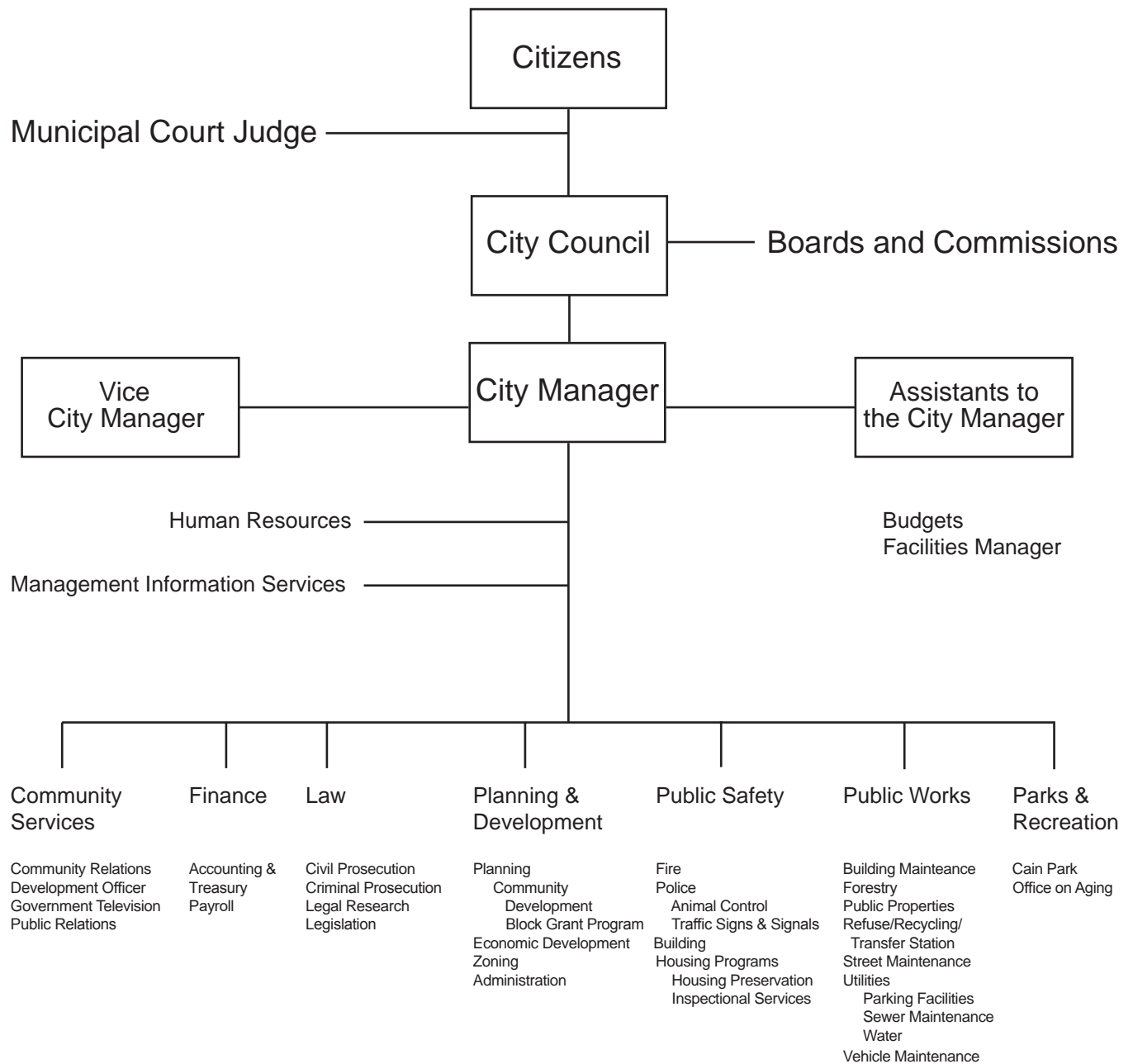
City Manager.....	Tanisha R. Briley
Vice City Manager/Director of Community Services.....	Susanna Niermann O’Neil
Interim Director of Finance.....	Charles Howard(2)
Assistant Director of Finance.....	Sharron McMichael
Director of Law.....	William Hanna
Assistant Director of Law.....	Alix Nouredine
Assistant Director of Law.....	Natalie Thomas(3)
Assistant Director of Law.....	Tiffany Hill
Director of Planning.....	Richard E. Wong
Director of Public Safety.....	Tanisha R. Briley
Director of Public Works.....	Collete Clinkscale
Chief of Fire.....	Dave Freeman
Chief of Police.....	Annette Mecklenburg

(1) Kahlil Seren replaced Melissa Yasinow as Vice Mayor effective March, 2020  
(2) Amy Himmelein was named Director of Finance in April 2020  
(3) Natalie Thomas left the City effective February, 2020



# CITY OF CLEVELAND HEIGHTS, OHIO

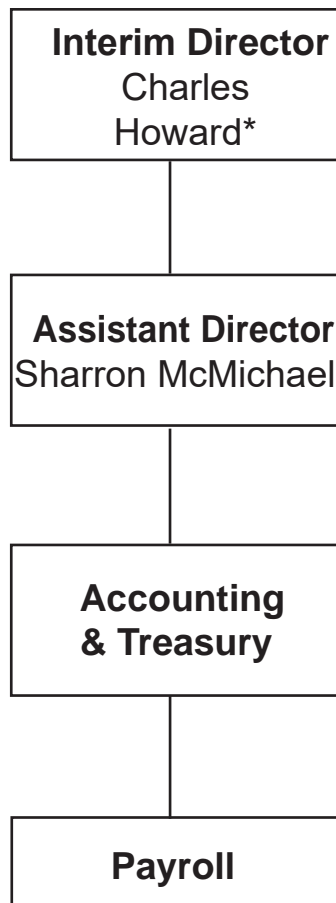
City Organization as of December 31, 2019





# CITY OF CLEVELAND HEIGHTS, OHIO

## Department of Finance Organizational Chart as of December 31, 2019



\*Amy Himmelein was named Finance Director effective April, 2020





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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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Cleveland Heights beautiful parks  
beautiful community

# FINANCIAL SECTION



Summer  
On A  
Quiet  
Street



Cleveland Heights, Ohio beautiful parks  
beautiful community



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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

The Honorable Keith Faber  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

***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, 2019, 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.

### ***Emphasis of Matter***

As discussed in Note 3 to the basic financial statements, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and restated loans receivable due to an understatement. In addition, as discussed in Note 23 to the basic financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. Also, as discussed in Note 23, the City created a tax incrementing financing (TIF) district and issued related debt. We did not modify our opinion regarding these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are

presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2020, 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

August 19, 2020

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**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

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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, 2019. 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 2019 are as follows:

- Overall, the City's total revenues of \$62,884,259 exceeded total expenses of \$46,965,379, thereby increasing total net position by \$15,918,880 for the year 2019. The total net position is \$51,091,230 compared to \$35,172,350 for the previous year.
- During 2019, the City's governmental fund's balance increased \$5,895,701 from 2018. This is largely due to a decrease in general government and capital outlay costs.
- The City implemented Governmental Accounting Standards Board (GASB) Statement No. 84 "Fiduciary Activities." This standard establishes specific criteria for identifying fiduciary activities of the City. Accordingly, only funds that meet this new definition are reported within the fiduciary funds and all other activity is now reported within other City funds.
- In 2019, the City entered into a loan of \$766,582 with the Ohio Public Works Commission (OPWC) for the City's Meadowbrook Boulevard reconstruction project.
- The City is committed to providing the Citizens of Cleveland Heights with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

### **Overview of the Financial Statements**

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

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

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

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

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

Both of the government-wide financial statements distinguish functions of the City of Cleveland Heights that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cleveland Heights include general government, public safety, public health services, transportation, community development, sanitation, culture and recreation, and interest and fiscal charges. The business-type activities include sewer operations.

The government-wide financial statements can be found starting on page 15 of this report.

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

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

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

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

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

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

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**Proprietary Funds** The City of Cleveland Heights maintains one type of the proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses one enterprise fund to account for its sewer operations which is considered a major fund.

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

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

**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 29 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 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 2019?" 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
- Transfers
- Net Position Beginning and End of Year

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*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 2019 compared to 2018.

<b>NET POSITION</b>						
TABLE 1						
	Governmental Activities		Business-Type Activity		Total	
	2019	Restated* 2018	2019	Restated* 2018	2019	Restated* 2018
<b>Assets</b>						
Current and Other Assets	\$69,898,267	\$67,610,599	\$5,608,290	\$4,737,552	\$75,506,557	\$72,348,151
Capital Assets, Net	81,680,236	86,099,254	7,405,173	7,602,376	89,085,409	93,701,630
<i>Total Assets</i>	<u>151,578,503</u>	<u>153,709,853</u>	<u>13,013,463</u>	<u>12,339,928</u>	<u>164,591,966</u>	<u>166,049,781</u>
<b>Deferred Outflows of Resources</b>						
Deferred Charge on Refunding	406,714	450,637	0	0	406,714	450,637
Pension	21,761,295	12,762,386	962,116	152,458	22,723,411	12,914,844
OPEB	5,104,217	5,750,327	306,094	31,191	5,410,311	5,781,518
<i>Total Deferred Outflows of Resources</i>	<u>27,272,226</u>	<u>18,963,350</u>	<u>1,268,210</u>	<u>183,649</u>	<u>28,540,436</u>	<u>19,146,999</u>
<b>Liabilities</b>						
Current and Other Liabilities	4,138,626	4,007,582	177,739	504,186	4,316,365	4,511,768
Long-Term Liabilities:						
Due within One Year	4,617,902	4,883,341	313,517	319,454	4,931,419	5,202,795
Due in More than One Year						
Net Pension Liability	69,285,993	52,179,121	2,011,711	632,668	71,297,704	52,811,789
Net OPEB Liability	16,996,220	44,229,145	921,909	419,863	17,918,129	44,649,008
Other Amounts	22,072,111	22,441,041	1,062,008	907,228	23,134,119	23,348,269
<i>Total Liabilities</i>	<u>117,110,852</u>	<u>127,740,230</u>	<u>4,486,884</u>	<u>2,783,399</u>	<u>121,597,736</u>	<u>130,523,629</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	8,180,093	8,618,441	0	0	8,180,093	8,618,441
Pension	6,733,439	8,734,141	159,036	442,389	6,892,475	9,176,530
OPEB	5,282,925	1,510,840	87,943	194,990	5,370,868	1,705,830
<i>Total Deferred Inflows of Resources</i>	<u>20,196,457</u>	<u>18,863,422</u>	<u>246,979</u>	<u>637,379</u>	<u>20,443,436</u>	<u>19,500,801</u>
Net Investment in Capital Assets	62,050,520	65,914,958	6,311,315	6,712,319	68,361,835	72,627,277
Restricted for:						
Capital Projects	498,710	485,940	0	0	498,710	485,940
Debt Service	1,618,952	2,477,764	0	0	1,618,952	2,477,764
Other Purposes	15,432,470	14,622,190	0	0	15,432,470	14,622,190
Unrestricted (Deficit)	<u>(38,057,232)</u>	<u>(57,431,301)</u>	<u>3,236,495</u>	<u>2,390,480</u>	<u>(34,820,737)</u>	<u>(55,040,821)</u>
<i>Total Net Position</i>	<u>\$41,543,420</u>	<u>\$26,069,551</u>	<u>\$9,547,810</u>	<u>\$9,102,799</u>	<u>\$51,091,230</u>	<u>\$35,172,350</u>

\*Restated due to the implementation of GASB 84 and to record an increase in loans receivable. See Note 3 for further explanation.

The net pension liability (NPL) and net OPEB liability (NOL) are the largest liabilities reported by the City at December 31, 2019. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Net position may serve as a useful indicator of a government's financial position over time. In the case of the City of Cleveland Heights, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41,543,420 at year-end for governmental activities. By far the largest portion of the City's net position is its investment in capital assets net of related debt. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Cleveland Heights's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The increase in governmental net position was due to increased deferred outflows and decreases in deferred inflows related to net pension liability and net OPEB liability. Total assets decreased mainly due to annual depreciation.

Table 2 shows the changes in net position for the years ended December 31, 2019, as compared to 2018.

**CHANGES IN NET POSITION**  
TABLE 2

	Governmental Activities		Business-Type Activity		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$13,102,517	\$13,864,038	\$5,126,352	\$4,502,792	\$18,228,869	\$18,366,830
Operating Grants, Interest and Contributions	4,767,431	5,614,681	0	0	4,767,431	5,614,681
Capital Grants and Contributions	76,250	71,438	0	0	76,250	71,438
Total Program Revenues	<u>\$17,946,198</u>	<u>\$19,550,157</u>	<u>\$5,126,352</u>	<u>\$4,502,792</u>	<u>\$23,072,550</u>	<u>\$24,052,949</u>

*(continued)*

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

**CHANGES IN NET POSITION**

TABLE 2

	Governmental Activities		Business-Type Activity		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues (Continued)</b>						
General Revenues:						
Property Taxes	\$8,759,596	\$8,512,315	\$0	\$0	\$8,759,596	\$8,512,315
Municipal Income Taxes	25,858,382	29,088,986	0	0	25,858,382	29,088,986
Admissions Taxes	49,873	51,930	0	0	49,873	51,930
Grants and Entitlements	3,185,196	2,783,621	0	0	3,185,196	2,783,621
Franchise Taxes	519,245	545,814	0	0	519,245	545,814
Investment Income	556,379	391,208	0	0	556,379	391,208
Miscellaneous	717,849	1,333,977	165,189	5,500	883,038	1,339,477
<b>Total General Revenues</b>	<b>39,646,520</b>	<b>42,707,851</b>	<b>165,189</b>	<b>5,500</b>	<b>39,811,709</b>	<b>42,713,351</b>
<i>Total Revenues</i>	<i>57,592,718</i>	<i>62,258,008</i>	<i>5,291,541</i>	<i>4,508,292</i>	<i>62,884,259</i>	<i>66,766,300</i>
<b>Program Expenses</b>						
General Government	16,751,225	17,535,489	0	0	16,751,225	17,535,489
Public Safety	1,674,058	28,171,172	0	0	1,674,058	28,171,172
Public Health Services	1,018,905	385,738	0	0	1,018,905	385,738
Transportation	8,264,796	8,201,178	0	0	8,264,796	8,201,178
Community Development	6,327,473	5,321,819	0	0	6,327,473	5,321,819
Sanitation	2,473,844	2,655,695	0	0	2,473,844	2,655,695
Culture and Recreation	4,963,586	3,732,443	0	0	4,963,586	3,732,443
Interest and Fiscal Charges	550,743	624,516	0	0	550,743	624,516
Sewer	0	0	4,940,749	2,501,275	4,940,749	2,501,275
<b>Total Program Expenses</b>	<b>42,024,630</b>	<b>66,628,050</b>	<b>4,940,749</b>	<b>2,501,275</b>	<b>46,965,379</b>	<b>69,129,325</b>
<i>Increase (Decrease) in Net Position</i>						
<i>Before Transfers</i>	15,568,088	(4,370,042)	350,792	2,007,017	15,918,880	(2,363,025)
Transfers	(94,219)	(85,884)	94,219	85,884	0	0
<b>Change in Net Position</b>	<b>15,473,869</b>	<b>(4,455,926)</b>	<b>445,011</b>	<b>2,092,901</b>	<b>15,918,880</b>	<b>(2,363,025)</b>
<i>Net Position Beginning of Year - Restated</i>						
	26,069,551	30,525,477	9,102,799	7,009,898	35,172,350	37,535,375
<b>Net Position End of Year</b>	<b>\$41,543,420</b>	<b>\$26,069,551</b>	<b>\$9,547,810</b>	<b>\$9,102,799</b>	<b>\$51,091,230</b>	<b>\$35,172,350</b>

**Governmental Activities**

Governmental activities increased the City's net position by \$15,473,869 during 2019, as compared to a decrease of \$4,455,926 during 2018.

Several types of revenues fund the governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2.25 percent for 2019. 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.



**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

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The income tax revenue for 2019 was \$25,858,382, a decrease of \$3,230,604 or 11.11 percent from 2018. Of the \$39,646,520 in total general revenues, income tax accounted for 65.22 percent, as compared to 68.11 percent of the total during 2018. Property taxes for 2019 were \$8,759,596, a \$247,281 increase from 2018. Income tax revenue decreased primarily due a decrease in income tax receivable related to a change in estimates by the Regional Income Tax Authority (RITA).

In 2019, general revenues from grants and entitlements, such as local government funds, are also revenue generators. Grants and entitlements increased due to an increase in local government revenue. The City monitors all sources of revenues very closely for fluctuations. Operating grants, interest and contributions decreased due to grants that were not applied for during 2019 as well as reduced State funded projects requiring reimbursement.

For 2019, OP&F recognized a change in benefit terms for their OPEB plan. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years. These changes contributed to OPEB expense decreasing from \$2,945,692 in 2018 to a negative (\$23,731,842) for 2019. Public safety expenses, which in other years is by far the largest of the City's expenses, accounted for program expenses of \$1,674,058, a decrease of \$26,497,114 from 2018 due to this change in net OPEB liability.

In 2019, the largest program is general government, which accounts for the basic operations of the City including council, city manager, finance, law, service administration, municipal court, among other services. General government expenses of \$16,751,225 decreased by \$784,264, as compared to expenses of \$17,535,489 for 2018.

The next largest program expense for 2019 is transportation with expenses of \$8,264,796. Transportation expenses remained relatively unchanged from 2018 due to few new State and Federal road projects completed that required reimbursement.

Community development expenses of \$6,327,473 increased from \$5,321,819 in 2018 due to an increase in charges for services and grants received for community development projects.

As can be seen in table 2, all programs have a heavy reliance on general revenues, with 68.84 percent of governmental activities total 2019 revenues coming from general revenues.

While general government 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.

***Business-Type Activity and Enterprise Fund***

The business-type activity of the City, which includes the City's sewer operations, increased the City's net position by \$445,011 during 2019, as compared to an increase of net position of \$2,092,901 during 2018. The increase in net position in business-type activities is due to an increase in charges for services.

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

---

Program expenses increased significantly during 2019 due to maintenance and management cost improvements made as a result of a partial consent decree with the USEPA in connection with discharges from the City's overflow structures. The costs of these improvements are paid from sewer rates. Program revenues exceeded program expenses in the amount of \$185,603 (before general revenues and transfers) for the sewer operations in 2019. This is due to careful monitoring of the City's revenue and expenses during the year.

### **Financial Analysis of the Government's Funds**

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

#### **Governmental Funds**

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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins with the balance sheet. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of the current year, the City of Cleveland Heights's governmental funds reported combined ending fund balances of \$37,356,122. This is an increase of \$5,895,701 over the prior year with revenues outpacing expenditures. This increase is mainly due to a decrease in general government and capital outlay costs. The City is monitoring their expenses to work on maintaining efficiency throughout the departments.

Nonspendable fund balance of \$843,051 includes inventory and unclaimed money. Fund balance in the amount of \$11,543,945 is restricted for capital projects, debt service payments, street maintenance, police and fire department operations, community development operations and aging and youth programs. Fund balance in the amount of \$2,003,869 is committed to public building maintenance, ambulance services, police facility improvements and Ring Road construction. Assigned fund balance includes \$5,088,791 for capital improvements, economic development, City Hall maintenance and 2020 operations. Unassigned fund balances of \$17,876,466 represents all balances not previously classified.

All governmental funds had total revenues of \$60,893,784 and expenditures of \$56,522,057. The decrease in revenues was primarily attributable to a decrease in intergovernmental and miscellaneous revenue received during the year. The decrease in expenditures was primarily due to a decrease in general government and capital outlay due to cost controls and fewer road improvements made during the year.

#### **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 \$21,848,767, of which \$785,196 was nonspendable because of inventory and unclaimed money, \$2,682,558 was assigned for 2020 operations and \$18,381,013 was unassigned for financial reporting purposes. During 2019, there was a decrease in revenues due to an increase in estimated uncollectable municipal income tax and a decrease in miscellaneous revenues. General fund expenditures saw a decrease during 2019 due to decreases in general government costs. Total fund balance of the City's general fund increased by \$4,251,000 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.



**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

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***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 2019, the City amended its general fund budget on various occasions. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (salaries and other expenses). The general fund supports many of the City's major activities such as police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original and final budgeted revenues (including other financing sources) were \$46,848,043, while actual revenues were at \$48,264,986. Original general fund budgeted expenditures (including other financing uses) were \$45,428,816, and the final amended budget (including other financing uses) was \$50,680,653. Actual general fund expenditures (including other financing uses) were \$45,698,103, or \$4,982,550 less than final budgeted expenditures (including other financing uses).

**Capital Assets and Debt Administration**

***Capital Assets***

At December 31, 2019, governmental capital assets amounted to \$81,680,236. This is a decrease of \$4,419,018 from the prior year mainly due to another year of depreciation. The most significant additions to governmental capital assets came in streets and sidewalks, which included \$1,774,353 of additions during 2019. The City also made improvements specific to the off-street parking lots and improvement of machinery and equipment. Total capital assets for business-type activities decreased from \$7,602,376 in 2018 to \$7,405,173 in 2019 mainly due to another year of depreciation.

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

***Long-Term Obligations***

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

The general obligation bonds in the amount of \$15,231,560 are composed of (1) 2014 Various Purpose Bonds; (2) 2015 Various Purpose Bonds; (3) 2016 Various Purpose Bonds; (4) 2017 Various Purpose Bonds; (5) 2015 Cedar Lee Parking Deck Refunding Bonds; (6) 2017 Building Improvement Bonds and (7) 2018 Vehicle Acquisition Bonds.

The special assessment bonds in the amount of \$1,890,000 consist of the 2014 Ring Road improvements Refunding Bonds. The principal and interest for these bonds are paid from the collection of special assessments by the County Fiscal Officer from the specific property owners who primarily benefited from the project.

The State Infrastructure Bank (SIB) loan in the amount of \$172,280 is financed through the Ohio Department of Transportation for the purposes of capital improvement.

**City of Cleveland Heights, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2019*  
*Unaudited*

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The Ohio Public Works Commission loans in the amount of \$2,083,018 and the Ohio Water Development Authority loans in the amount of \$263,304 are being paid semi-annually from the several projects: 2000 Cedar Road, 2001 Taylor Road rehabilitation, 2005 Coventry Road rehabilitation, 2006 Lee Road rehabilitation, 2006 Meadowbrook Boulevard rehabilitation, 2010 Monticello Boulevard rehabilitation, 2012 Monticello Boulevard rehabilitation, 2019 Meadowbrook Boulevard reconstruction, 2010 Runnymede water line project, 2000 Cedar Road sewer, 2006 Meadowbrook Boulevard sewer, and 2007 sewer rehabilitation project. These programs are funded by property taxes and user fees for various infrastructure projects being financed through the Ohio Public Works and Ohio Water Development Authority programs.

The notes payable of \$1,213,000 are notes issued in the anticipation of the issuance of bonds to pay costs related to the improvement of streets and computer and motorized equipment.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$75,457,914 at December 31, 2019.

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

### **Current Financial Related Activities**

The Administration and City Council developed a five year capital improvement plan for the acquisition of equipment and the building or upgrading of City facilities. This plan includes an investment of approximately \$12 million to control the sewer overflow and improve the efficiency of the sewer. In order to offset these costs, the City set up a sewer rate increase plan which was implemented in 2017.

### **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, 2019

	Governmental Activities	Business-Type Activity	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$30,534,725	\$3,379,407	\$33,914,132
Materials and Supplies Inventory	726,053	0	726,053
Accrued Interest Receivable	348,882	0	348,882
Accounts Receivable	3,362,326	2,265,929	5,628,255
Internal Balances	322,026	(322,026)	0
Intergovernmental Receivable	2,531,882	0	2,531,882
Municipal Income Taxes Receivable	11,921,982	0	11,921,982
Property Taxes Receivable	10,438,545	0	10,438,545
Loans Receivable	3,330,186	0	3,330,186
Special Assessments Receivable	5,756,734	281,651	6,038,385
Assets Held For Resale	580,701	0	580,701
Net Pension Asset	44,225	3,329	47,554
Nondepreciable Capital Assets	7,112,349	0	7,112,349
Depreciable Capital Assets, Net	74,567,887	7,405,173	81,973,060
<i>Total Assets</i>	<u>151,578,503</u>	<u>13,013,463</u>	<u>164,591,966</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding Pension	406,714	0	406,714
OPEB	21,761,295	962,116	22,723,411
	5,104,217	306,094	5,410,311
<i>Total Deferred Outflows of Resources</i>	<u>27,272,226</u>	<u>1,268,210</u>	<u>28,540,436</u>
<b>Liabilities</b>			
Accounts Payable	816,275	3,881	820,156
Contracts Payable	38,241	70,420	108,661
Accrued Wages	950,746	31,762	982,508
Matured Compensated Absences Payable	14,939	0	14,939
Intergovernmental Payable	1,351,744	67,267	1,419,011
Deposits Held Payable	809,365	0	809,365
Accrued Interest Payable	49,316	4,409	53,725
Notes Payable	108,000	0	108,000
Long-Term Liabilities:			
Due Within One Year	4,617,902	313,517	4,931,419
Due in More Than One Year:			
Net Pension Liability (See Note 13)	69,285,993	2,011,711	71,297,704
Net OPEB Liability (See Note 14)	16,996,220	921,909	17,918,129
Other Amounts Due In More Than One Year	22,072,111	1,062,008	23,134,119
<i>Total Liabilities</i>	<u>117,110,852</u>	<u>4,486,884</u>	<u>121,597,736</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	8,180,093	0	8,180,093
Pension	6,733,439	159,036	6,892,475
OPEB	5,282,925	87,943	5,370,868
<i>Total Deferred Inflows of Resources</i>	<u>20,196,457</u>	<u>246,979</u>	<u>20,443,436</u>
<b>Net Position</b>			
Net Investment in Capital Assets	62,050,520	6,311,315	68,361,835
Restricted for:			
Capital Projects	498,710	0	498,710
Debt Service	1,618,952	0	1,618,952
Road Improvements	1,887,714	0	1,887,714
Community Development	7,324,665	0	7,324,665
Municipal Court Special Projects	2,129,541	0	2,129,541
Street Lighting	2,825,687	0	2,825,687
Public Safety	730,608	0	730,608
Drug and Law Enforcement	345,104	0	345,104
Other Purposes	189,151	0	189,151
Unrestricted (Deficit)	(38,057,232)	3,236,495	(34,820,737)
<i>Total Net Position</i>	<u>\$41,543,420</u>	<u>\$9,547,810</u>	<u>\$51,091,230</u>

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2019

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants, Interest and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Government	\$16,751,225	\$4,216,412	\$37,936	\$0
Public Safety	1,674,058	4,535,659	96,637	0
Public Health Services	1,018,905	73,717	5,236	0
Transportation	8,264,796	575,016	2,113,382	0
Community Development	6,327,473	1,916,154	2,514,240	0
Sanitation	2,473,844	499,630	0	0
Culture and Recreation	4,963,586	1,285,929	0	76,250
Interest and Fiscal Charges	550,743	0	0	0
<i>Total Governmental Activities</i>	42,024,630	13,102,517	4,767,431	76,250
<b>Business-Type Activity</b>				
Sewer	4,940,749	5,126,352	0	0
<i>Total</i>	<u>\$46,965,379</u>	<u>\$18,228,869</u>	<u>\$4,767,431</u>	<u>\$76,250</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Police Pension

Fire Pension

Debt Service

Capital Outlay

Municipal Income Taxes Levied for:

General Purposes

Admissions Taxes

Grants and Entitlements not Restricted to Specific Programs

Franchise Taxes

Investment Earnings

Miscellaneous

*Total General Revenues Before Transfers*

Transfers

*Total General Revenues and Transfers*

*Change in Net Position*

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

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-Type Activity	Total
(\$12,496,877)	\$0	(\$12,496,877)
2,958,238	0	2,958,238
(939,952)	0	(939,952)
(5,576,398)	0	(5,576,398)
(1,897,079)	0	(1,897,079)
(1,974,214)	0	(1,974,214)
(3,601,407)	0	(3,601,407)
(550,743)	0	(550,743)
(24,078,432)	0	(24,078,432)
0	185,603	185,603
(24,078,432)	185,603	(23,892,829)
6,742,046	0	6,742,046
207,767	0	207,767
207,767	0	207,767
1,117,291	0	1,117,291
484,725	0	484,725
25,858,382	0	25,858,382
49,873	0	49,873
3,185,196	0	3,185,196
519,245	0	519,245
556,379	0	556,379
717,849	165,189	883,038
39,646,520	165,189	39,811,709
(94,219)	94,219	0
39,552,301	259,408	39,811,709
15,473,869	445,011	15,918,880
26,069,551	9,102,799	35,172,350
\$41,543,420	\$9,547,810	\$51,091,230

**City of Cleveland Heights, Ohio**

*Balance Sheet  
Governmental Funds  
December 31, 2019*

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$16,443,992	\$12,969,750	\$29,413,742
Restricted Asset:			
Equity in Pooled Cash and Cash Equivalents	926,719	194,264	1,120,983
Materials and Supplies Inventory	668,198	57,855	726,053
Accrued Interest Receivable	0	348,882	348,882
Accounts Receivable	1,159,157	2,203,169	3,362,326
Interfund Receivable	1,226,923	0	1,226,923
Intergovernmental Receivable	1,225,610	1,306,272	2,531,882
Municipal Income Taxes Receivable	11,921,982	0	11,921,982
Property Taxes Receivable	8,106,064	2,332,481	10,438,545
Special Assessments Receivable	1,100,696	4,656,038	5,756,734
Loans Receivable	0	3,330,186	3,330,186
Assets Held For Resale	0	580,701	580,701
<i>Total Assets</i>	<u>\$42,779,341</u>	<u>\$27,979,598</u>	<u>\$70,758,939</u>
<b>Liabilities</b>			
Accounts Payable	\$273,674	\$348,337	\$622,011
Contracts Payable	0	38,241	38,241
Accrued Wages	891,535	59,211	950,746
Interfund Payable	0	904,897	904,897
Intergovernmental Payable	752,296	599,092	1,351,388
Matured Compensated Absences Payable	14,939	0	14,939
Accrued Interest Payable	0	1,254	1,254
Notes Payable	0	108,000	108,000
<i>Payables from Restricted Assets:</i>			
Accounts Payable	0	194,264	194,264
Intergovernmental Payable	356	0	356
Deposits Held Payable	809,365	0	809,365
<i>Total Liabilities</i>	<u>2,742,165</u>	<u>2,253,296</u>	<u>4,995,461</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	6,352,256	1,827,837	8,180,093
Unavailable Revenue	11,836,153	8,391,110	20,227,263
<i>Total Deferred Inflows of Resources</i>	<u>18,188,409</u>	<u>10,218,947</u>	<u>28,407,356</u>
<b>Fund Balances</b>			
Nonspendable	785,196	57,855	843,051
Restricted	0	11,543,945	11,543,945
Committed	0	2,003,869	2,003,869
Assigned	2,682,558	2,406,233	5,088,791
Unassigned (Deficit)	18,381,013	(504,547)	17,876,466
<i>Total Fund Balances</i>	<u>21,848,767</u>	<u>15,507,355</u>	<u>37,356,122</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$42,779,341</u>	<u>\$27,979,598</u>	<u>\$70,758,939</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, 2019*

<b>Total Governmental Fund Balances</b>		\$37,356,122
 <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.		81,680,236
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	4,710,798	
Delinquent Property Taxes	2,258,452	
Municipal Income Tax	6,991,506	
Intergovernmental	1,753,931	
Interest	348,882	
Special Assessments	4,074,045	
Franchise Taxes	89,649	
<b>Total</b>	<b>20,227,263</b>	20,227,263
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(48,062)
Deferred Outflows of Resources represent deferred charges on refunding which are not reported in the funds.		406,714
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(14,716,560)	
Special Assessment Bonds	(1,890,000)	
OPWC Loans	(1,918,011)	
OWDA Loans	(173,262)	
State Infrastructure Bank Loan	(172,280)	
Notes	(851,611)	
Compensated Absences Payable	(5,398,053)	
Retrospective Workers' Compensation	(705,250)	
Solid Waste	(170,737)	
Capital Lease Obligation Payable	(694,249)	
<b>Total</b>	<b>(26,690,013)</b>	(26,690,013)
The net pension asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	44,225	
Deferred Outflows - Pension	21,761,295	
Deferred Inflows - Pension	(6,733,439)	
Net Pension Liability	(69,285,993)	
Deferred Outflows - OPEB	5,104,217	
Deferred Inflows - OPEB	(5,282,925)	
Net OPEB Liability	(16,996,220)	
<b>Total</b>	<b>(71,388,840)</b>	(71,388,840)
<i>Net Position of Governmental Activities</i>		<b>\$41,543,420</b>

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, 2019*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$6,844,489	\$2,047,269	\$8,891,758
Municipal Income Taxes	29,553,138	0	29,553,138
Admissions Taxes	49,873	0	49,873
Charges for Services	3,746,466	2,737,386	6,483,852
Licenses, Permits and Fees	2,079,246	35,981	2,115,227
Fines and Forfeitures	1,941,530	248,104	2,189,634
Intergovernmental	3,005,455	4,429,975	7,435,430
Special Assessments	0	2,165,003	2,165,003
Interest	552,779	3,600	556,379
Rentals	256,699	23,902	280,601
Contributions and Donations	0	25,444	25,444
Franchise Taxes	429,596	0	429,596
Miscellaneous	186,956	530,893	717,849
<i>Total Revenues</i>	<u>48,646,227</u>	<u>12,247,557</u>	<u>60,893,784</u>
<b>Expenditures</b>			
Current:			
General Government	13,467,757	1,162,614	14,630,371
Public Safety	17,005,497	4,259,085	21,264,582
Public Health Services	388,240	3,448	391,688
Transportation	3,024,896	2,066,188	5,091,084
Community Development	2,712,699	3,212,896	5,925,595
Sanitation	2,184,685	0	2,184,685
Culture and Recreation	2,407,628	1,177,648	3,585,276
Capital Outlay	0	478,783	478,783
Debt Service:			
Principal Retirement	0	2,451,291	2,451,291
Interest and Fiscal Charges	0	518,702	518,702
<i>Total Expenditures</i>	<u>41,191,402</u>	<u>15,330,655</u>	<u>56,522,057</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,454,825</u>	<u>(3,083,098)</u>	<u>4,371,727</u>
<b>Other Financing Sources (Uses)</b>			
OPWC Loan Issued	0	766,582	766,582
Bond Anticipation Notes Issued	0	851,611	851,611
Transfers In	0	3,271,354	3,271,354
Transfers Out	(3,203,825)	(161,748)	(3,365,573)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,203,825)</u>	<u>4,727,799</u>	<u>1,523,974</u>
<i>Net Change in Fund Balances</i>	4,251,000	1,644,701	5,895,701
<i>Fund Balances Beginning of Year -</i>			
<i>Restated (See Note 3)</i>	<u>17,597,767</u>	<u>13,862,654</u>	<u>31,460,421</u>
<i>Fund Balances End of Year</i>	<u>\$21,848,767</u>	<u>\$15,507,355</u>	<u>\$37,356,122</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, 2019*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$5,895,701</b>
<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 depreciation exceeded capital outlay in the current period:	
Capital Outlay	1,350,702
Current Year Depreciation	<u>(5,769,720)</u>
Total	(4,419,018)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:	
Delinquent Property Taxes	(132,162)
Municipal Income Taxes	(3,694,756)
Intergovernmental	219,121
Interest	348,882
Special Assessments	(1,809,547)
Charges for Services	1,677,747
Franchise Taxes	<u>89,649</u>
Total	(3,301,066)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
General Obligation Bonds	1,327,000
Special Assessment Bonds	125,000
Notes	582,000
OPWC Loans Payable	180,855
OWDA Loans Payable	13,173
SIB Loan Payable	54,091
Capital Leases	<u>169,172</u>
Total	2,451,291
Other financing sources in the governmental funds increase long-term liabilities in the statement of net position:	
OPWC Loan Issued	(766,582)
Bond Anticipation Notes Issued	<u>(851,611)</u>
Total	(1,618,193)
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	7,164
Amortization of Premium	8,253
Amortization of Discount	(3,535)
Amortization of Loss on Refunding	<u>(43,923)</u>
Total	(32,041)
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	(200,628)
Retrospective Workers' Compensation	<u>(2,819)</u>
Total	(203,447)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	4,424,976
OPEB	<u>67,553</u>
Total	4,492,529
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	
Pension	(10,539,064)
OPEB	<u>22,747,177</u>
Total	<u>12,208,113</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$15,473,869</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, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$6,331,466	\$6,331,466	\$6,844,489	\$513,023
Municipal Income Taxes	27,012,257	27,012,257	29,200,994	2,188,737
Admissions Taxes	48,089	48,089	51,986	3,897
Charges for Services	5,457,349	5,457,349	3,737,490	(1,719,859)
Licenses, Permits and Fees	1,862,052	1,862,052	2,012,930	150,878
Fines and Forfeitures	1,762,460	1,762,460	1,905,268	142,808
Intergovernmental	2,737,827	2,737,827	2,959,666	221,839
Interest	507,319	507,319	548,426	41,107
Rentals	237,458	237,458	256,699	19,241
Franchise Taxes	530,000	530,000	522,280	(7,720)
Miscellaneous	300,616	300,616	163,608	(137,008)
<i>Total Revenues</i>	<u>46,786,893</u>	<u>46,786,893</u>	<u>48,203,836</u>	<u>1,416,943</u>
<b>Expenditures</b>				
Current:				
General Government	14,689,062	16,357,958	13,838,273	2,519,685
Public Safety	16,671,785	17,823,842	17,159,870	663,972
Public Health Services	400,793	421,625	390,827	30,798
Transportation	3,714,502	3,775,252	3,395,461	379,791
Community Development	2,924,872	3,427,816	2,896,481	531,335
Sanitation	2,242,611	2,315,890	2,261,762	54,128
Culture and Recreation	2,231,724	2,438,749	2,229,578	209,171
<i>Total Expenditures</i>	<u>42,875,349</u>	<u>46,561,132</u>	<u>42,172,252</u>	<u>4,388,880</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,911,544</u>	<u>225,761</u>	<u>6,031,584</u>	<u>5,805,823</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	61,150	61,150	61,150	0
Transfers Out	(2,553,467)	(4,119,521)	(3,525,851)	593,670
<i>Total Other Financing Sources (Uses)</i>	<u>(2,492,317)</u>	<u>(4,058,371)</u>	<u>(3,464,701)</u>	<u>593,670</u>
<i>Net Change in Fund Balance</i>	1,419,227	(3,832,610)	2,566,883	6,399,493
<i>Fund Balance Beginning of Year</i>	12,554,461	12,554,461	12,554,461	0
Prior Year Encumbrances Appropriated	565,061	565,061	565,061	0
<i>Fund Balance End of Year</i>	<u>\$14,538,749</u>	<u>\$9,286,912</u>	<u>\$15,686,405</u>	<u>\$6,399,493</u>

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**

*Statement of Fund Net Position*

*Proprietary Fund*

*December 31, 2019*

	Business Type Activity Enterprise Fund
	Sewer
<b>Assets</b>	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$3,379,407
Accounts Receivable	2,265,929
Special Assessments Receivable	281,651
<i>Total Current Assets</i>	<u>5,926,987</u>
<i>Noncurrent Assets</i>	
Net Pension Asset	3,329
Capital Assets:	
Depreciable Capital Assets, Net	7,405,173
<i>Total Noncurrent Assets</i>	<u>7,408,502</u>
<i>Total Assets</i>	<u>13,335,489</u>
<b>Deferred Outflows of Resources</b>	
Pension	962,116
OPEB	306,094
<i>Total Deferred Outflows of Resources</i>	<u>1,268,210</u>
<b>Liabilities</b>	
<i>Current Liabilities</i>	
Accounts Payable	3,881
Contracts Payable	70,420
Accrued Wages	31,762
Interfund Payable	322,026
Accrued Interest Payable	4,409
Intergovernmental Payable	67,267
Compensated Absences Payable	202,855
General Obligation Bonds	60,000
OPWC Loans	15,743
OWDA Loans	34,919
<i>Total Current Liabilities</i>	<u>813,282</u>
<i>Long-Term Liabilities (Net of Current Portion)</i>	
Compensated Absences Payable	149,232
General Obligation Bonds	455,000
OPWC Loan Payable	149,264
OWDA Loan Payable	55,123
Notes Payable	253,389
Net Pension Liability (See Note 13)	2,011,711
Net OPEB Liability (See Note 14)	921,909
<i>Total Long-Term Liabilities</i>	<u>3,995,628</u>
<i>Total Liabilities</i>	<u>4,808,910</u>
<b>Deferred Inflows of Resources</b>	
Pension	159,036
OPEB	87,943
<i>Total Deferred Inflows of Resources</i>	<u>246,979</u>
<b>Net Position</b>	
Net Investment in Capital Assets	6,311,315
Unrestricted	3,236,495
<i>Total Net Position</i>	<u>\$9,547,810</u>

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended December 31, 2019*

	Business Type Activity Enterprise Fund
	Sewer
<b>Operating Revenues</b>	
Charges for Services	\$5,126,352
Miscellaneous	165,189
	<u>5,291,541</u>
<i>Total Operating Revenues</i>	
<b>Operating Expenses</b>	
Personal Services	1,590,542
Other Than Personal Services	3,059,075
Depreciation	267,623
	<u>4,917,240</u>
<i>Total Operating Expenses</i>	
<i>Operating Income</i>	374,301
<b>Non-Operating Revenues (Expenses)</b>	
Interest and Fiscal Charges	(23,509)
	<u>350,792</u>
<i>Income Before Transfers</i>	
Transfers In	94,219
	<u>445,011</u>
<i>Change in Net Position</i>	
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	9,102,799
	<u>9,547,810</u>
<i>Net Position End of Year</i>	<u>\$9,547,810</u>

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Year Ended December 31, 2019

	Business Type Activity Enterprise Fund
	Sewer
<i><b>Increase (Decrease) In Cash and Cash Equivalents</b></i>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$4,810,655
Cash Received from Other Operating Sources	165,189
Cash Payments to Suppliers for Goods and Services	(3,470,115)
Cash Payments for Employee Services and Benefits	(1,154,975)
	350,754
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers In	322,026
	206,734
<b>Cash Flows from Capital and Related Financing Activities</b>	
Bond Anticipation Notes Issued	253,389
Principal Paid on OPWC Loans	(8,520)
Principal Paid on OWDA Loans	(33,524)
Interest Paid on OWDA Loans	(4,611)
	206,734
<i>Net Cash Provided by Capital and Related Financing Activities</i>	206,734
<i>Cash and Cash Equivalents Beginning of Year</i>	2,499,893
<i>Cash and Cash Equivalents End of Year</i>	\$3,379,407

(continued)

**City of Cleveland Heights, Ohio**  
*Statement of Cash Flows*  
*Proprietary Fund (continued)*  
For the Year Ended December 31, 2019

	Business Type Activity Enterprise Fund
	Sewer
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
<i>Operating Income</i>	\$374,301
Adjustments:	
Depreciation	267,623
(Increase)/Decrease in Assets:	
Accounts Receivable	(34,046)
Special Assessments Receivable	(281,651)
Interfund Receivable	3,648
Net Pension Asset	(1,201)
Deferred Outflows - Pension	581,126
Deferred Outflows - OPEB	163,399
Increase/(Decrease) in Liabilities:	
Accounts Payable	(329,648)
Contracts Payable	(119,972)
Accrued Wages	370
Compensated Absences	15,462
Retainage Payable	(6,443)
Intergovernmental Payable	56,183
Net Pension Liability	(1,982)
Net OPEB Liability	50,500
Deferred Inflows - Pension	(293,112)
Deferred Inflows - OPEB	(93,803)
	<b>\$350,754</b>
<i>Net Cash Provided by Operating Activities</i>	<b>\$350,754</b>

**Non-Cash Capital Transactions**

During 2019, the general bond retirement fund paid \$55,000 in principal and \$16,255 interest on vehicle acquisition bonds for the sewer enterprise funds.

During 2019, the street construction, maintenance and repair special revenue fund paid \$22,964 in principal on an Ohio Public Works Commission loan for the sewer enterprise fund.

During 2019, the sewer fund had contracts payable for capital assets in the amount of \$70,420.

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Statement of Fiduciary Net Position*  
*Custodial Funds*  
*December 31, 2019*

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<b>Assets</b>	
Cash and Cash Equivalents in Segregated Accounts	<u>\$679,876</u>
<b>Liabilities</b>	
Accounts Payable	31,761
Intergovernmental Payable	<u>357,769</u>
<i>Total Liabilities</i>	<u>389,530</u>
<b>Net Position</b>	
Restricted for Individuals, Organizations	
Other Governments	<u><u>\$290,346</u></u>

See accompanying notes to the basic financial statements

**City of Cleveland Heights, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Funds*  
*For the Year Ended December 31, 2019*

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<b>Additions</b>	
Fines and Forfeitures for Other Governments	\$1,043,949
Fines and Forfeitures for Individuals	<u>237,965</u>
<i>Total Additions</i>	<u>1,281,914</u>
<b>Deductions</b>	
Fines and Forfeitures Distributions to Other Governments	1,043,553
Fines and Forfeitures Distributions to Individuals	<u>70,120</u>
<i>Total Deductions</i>	<u>1,113,673</u>
<i>Net Increase in Fiduciary Net Position</i>	168,241
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>122,105</u>
<i>Net Position End of Year</i>	<u><u>\$290,346</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, 2019*

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**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 following component unit meets the blended component unit criteria of Governmental Accounting Standards Board (GASB) Statement numbers 14, 39, and 61 and are reported as part of the primary government in both the fund financial statements and government-wide financial statements:

***Cleveland Heights Community Improvement Corporation*** Cleveland Heights Community Improvement Corporation (the CIC) is a legally separate organization created under chapter 1724 of the Ohio Revised Code governed by a five member Board of Directors composed of the City Manager, the Mayor, the Chairperson of the Planning and Development Committee of City Council, the Director of Housing and one member appointed by the City Manager. The CIC was created for the purposes of economic development related to real estate and community development. The CIC is fiscally dependent on the City and is therefore presented as a blended component unit of the City in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39. The CIC is newly formed and no significant financial activity has occurred. As a result, no financial information is presented at December 31, 2019.

The Cleveland Heights Municipal Court has been included in the City's financial statements as a custodial 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 three jointly governed organizations, the First Suburbs Consortium of Northeast Ohio Council of Governments, the Northeast Ohio Public Energy Council and the Regional Income Tax Agency (RITA). Information about these organizations is presented in Note 18 to the basic financial statements.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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**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 statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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

***Fund Accounting***

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

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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**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.

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

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

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

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

**Fiduciary Funds** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. The City's custodial funds account for amounts collected for the benefit of and distributed to other governments and individuals on behalf of the municipal court and evidence room.

**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.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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Like the government-wide statements, all proprietary funds and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, 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.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial funds.

***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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

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

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, pension and OPEB. A deferred

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance fiscal year 2020 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 taxes, intergovernmental grants, special assessments, accrued interest on loans receivable, charges for services and franchise taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 13 and 14).

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

***Budgetary Data***

All funds, except custodial funds, are legally required to be budgeted and appropriated. Budgetary information is not presented for funds that did not have any budgetary activity in 2019. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations resolution is City Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by Council at the department level for personal services, capital outlay, other than personal services, and non-governmental expenditures for all funds. The City Manager or Finance Director is authorized to transfer amounts between objects of expenditure within and between departments so long as the total appropriation for each department does not exceed that of the Council approved appropriation.

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

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



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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***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 2019, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2019 was \$552,779, which includes \$273,404 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.

The City has segregated bank accounts for monies held separate from the City's investment pool. These interest bearing depository accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City treasury.

***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 fund is reported both in the business-type activity column of the government-wide statement of net position and in the fund.

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

***Interfund Balances***

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

***Compensated Absences***

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

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

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

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

***Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

***Accrued Liabilities and Long-term Obligations***

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

***Fund Balance***

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

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

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

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by 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.



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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**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 2020's budget.

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

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

***Net Position***

Net position represents the difference between all other elements in 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 unclaimed monies, street maintenance and repair, municipal court clerk computerization, and youth programs.

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

***Operating Revenues and Expenses***

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

***Interfund Activity***

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

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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***Bond Premiums and Discounts***

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

***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.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies, amounts held on deposit for contractors and sales tax owed to the County for gift shop sales. Restricted assets in the fire damage deposits special revenue fund represent insurance payments held for homeowners to be paid when repairs caused by fire are completed.

***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 – Changes in Accounting Principles and Restatement of Fund Balance and Net Position**

***Changes in Accounting Principles***

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The City evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For 2019, the City implemented GASB Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

For 2019, the City also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the City's financial statements.

GASB Statement 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

***Restatement of Fund Balances and Net Position***

During 2019, it was determined that loans receivable were understated. This restatement along with the implementation of GASB 84 resulted in the following restatements of fund balance and net position at December 31, 2018:

	General	Other Governmental Funds	Total
Fund Balance at December 31, 2018	\$17,355,484	\$11,737,522	\$29,093,006
Adjustments:			
Loans Receivable	0	2,122,906	2,122,906
GASB Statement 84	242,283	2,226	244,509
Restated Fund Balance at December 31, 2018	\$17,597,767	\$13,862,654	\$31,460,421

	Governmental Activities	Business-Type Activity	Total
Net Position December 31, 2018	\$23,702,136	\$9,102,583	\$32,804,719
Adjustments:			
Loans Receivable	2,122,906	0	2,122,906
GASB Statement 84	244,509	216	244,725
Restated Net Position December 31, 2018	\$26,069,551	\$9,102,799	\$35,172,350

	Sewer
Net Position December 31, 2018	\$9,102,583
Adjustments:	
GASB Statement 84	216
Restated Net Position December 31, 2018	\$9,102,799

Also related to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds, at December 31, 2018, agency funds reported assets and liabilities of \$969,137.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

**Note 4 – Compliance and Accountability**

***Compliance***

The following accounts has 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
<b><i>General</i></b>			
General Government:			
Hospitalization Insurance:			
Personal Services	\$4,086,374	\$4,454,455	(\$368,081)
Water Administration:			
Personal Services	20	76,592	(76,572)
Public Safety:			
Fire Department:			
Capital Outlay:	1,500	1,551	(51)
Community Development:			
Planning Commission:			
Other than Personal Services	1,753	1,978	(225)
Culture and Recreation:			
Swimming Pools:			
Personal Services	265,023	313,719	(48,696)
<b><i>Community Development Block Grant</i></b>			
Community Development:			
Housing Preservation:			
Capital Outlay	80	3,650	(3,570)
CDBG - Program Income:			
Other than Personal Services	121	153	(32)
<b><i>Economic Development</i></b>			
Community Development:			
Economic Development:			
Personal Services	2,000	62,178	(60,178)
<b><i>Sewer</i></b>			
Other than Personal Services:			
Sewer Administration	0	14,602	(14,602)

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

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

Fund	Original Appropriations Plus Prior Year Encumbrance	Estimated Resources Plus Available Balances	Excess
<b><i>Special Revenue Funds:</i></b>			
Communications System	\$1,066,078	\$721,705	(\$344,373)
Drug Law Enforcement Trust	179,274	178,122	(1,152)
Community Development Block Grant	2,084,875	2,066,117	(18,758)
Cain Park Operating	807,311	791,245	(16,066)
Fire Pension	1,645,963	1,607,904	(38,059)
Police Radios	152,938	0	(152,938)
<b><i>Debt Service Fund</i></b>	<b>2,785,846</b>	<b>2,689,752</b>	<b>(96,094)</b>
<b><i>Capital Projects Funds:</i></b>			
Energy Improvements	329,232	216,896	(112,336)

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

Fund	Final Appropriations Plus Prior Year Encumbrance	Estimated Resources Plus Available Balances	Excess
<b><i>Special Revenue Funds:</i></b>			
Street Construction, Maintenance and Repair	\$2,854,897	\$2,820,033	(\$34,864)
Foundation Grants	460,150	399,686	(60,464)
Drug Law Enforcement Trust	205,086	178,122	(26,964)
Community Development Block Grant	5,283,940	2,066,117	(3,217,823)
Cain Park Operating	1,039,336	791,245	(248,091)
Lead Safe Cuyahoga	481,993	433,155	(48,838)
Tree Fund	1,735,174	1,692,747	(42,427)
Fire Pension	1,645,963	1,607,904	(38,059)
Police Radios	152,938	0	(152,938)
<b><i>Debt Service Fund</i></b>	<b>3,061,053</b>	<b>2,689,752</b>	<b>(371,301)</b>
<b><i>Capital Projects Funds:</i></b>			
Recreation Facility Improvement	876,589	808,919	(67,670)
Capital Improvements	745,231	688,346	(56,885)
Energy Improvements	329,232	216,896	(112,336)

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

Fund	Amount
<b><i>Special Revenue Funds:</i></b>	
Drug Law Enforcement Trust	\$85,430
Cain Park Operating	16,570
Fire Pension	122,962
Earned Benefits	163,739

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

**Accountability**

At December 31, 2019, the following funds had deficit fund balances.

Fund	Amounts
<b>Special Revenue Funds:</b>	
Drug Law Enforcement	\$86,500
Cain Park Operating	16,570
Lead Safe Cuyahoga	20,203
Fire Pension	381,274

The deficit fund balances in the drug law enforcement, cain park operating and lead safe Cuyahoga special revenue funds resulted from interfund payables from deficit cash balances. The fire pension special revenue fund deficit is the result of accrued liabilities. The general fund is liable for any deficits in these funds and provides transfers when cash is required not when accruals occur.

**Note 5 – Fund Balances**

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

Fund Balances	General	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>			
Inventory	\$668,198	\$57,855	\$726,053
Unclaimed Money	116,998	0	116,998
<b>Total Nonspendable</b>	<b>785,196</b>	<b>57,855</b>	<b>843,051</b>
<b>Restricted for:</b>			
Capital Projects	0	335,205	335,205
Debt Service	0	349,410	349,410
Road Improvements	0	1,121,573	1,121,573
Community Development	0	5,353,280	5,353,280
Municipal Court Special Projects	0	2,129,541	2,129,541
Street Lighting	0	1,177,152	1,177,152
Public Safety	0	660,527	660,527
Drug and Law Enforcement	0	345,104	345,104
Other Purposes:			
Aging and Youth Recreation	0	65,911	65,911
Juvenile Deversion Program	0	6,242	6,242
<b>Total Restricted</b>	<b>\$0</b>	<b>\$11,543,945</b>	<b>\$11,543,945</b>

(continued)

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

Fund Balances (continued)	General	Other Governmental Funds	Total Governmental Funds
<i>Committed to:</i>			
Public Building Maintenance	\$0	\$423	\$423
Ambulance Services	0	1,937,611	1,937,611
Police Facility Improvement	0	30,790	30,790
Ring Road Construction	0	35,045	35,045
<i>Total Committed</i>	<u>0</u>	<u>2,003,869</u>	<u>2,003,869</u>
<i>Assigned to:</i>			
Capital Improvements	0	903,800	903,800
Economic Development	0	1,412,515	1,412,515
City Hall Maintenance	0	89,918	89,918
2020 Operations	2,682,558	0	2,682,558
<i>Total Assigned</i>	<u>2,682,558</u>	<u>2,406,233</u>	<u>5,088,791</u>
Unassigned (Deficit)	<u>18,381,013</u>	<u>(504,547)</u>	<u>17,876,466</u>
Total Fund Balances	<u>\$21,848,767</u>	<u>\$15,507,355</u>	<u>\$37,356,122</u>

**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) Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
- (e) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (f) Budgetary revenues and expenditures of the earned benefits fund are 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).



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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	\$4,251,000
Net Adjustment for Revenue Accruals	(651,396)
Beginning Fair Value Adjustment for Investments	(7,580)
Beginning Unrecorded Cash	85,144
Ending Unrecorded Cash	753,683
Advances In	61,150
Net Adjustment for Expenditure Accruals	(1,375,790)
Excess of revenues and other financing sources over expenditures and other uses:	
Earned Benefits	(328,699)
Encumbrances	(220,629)
Budget Basis	\$2,566,883

**Note 7 – Deposits and Investments**

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

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

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

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

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

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

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



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

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.

**Investments**

At December 31, 2019, the City had \$30,919,315 invested in STAR Ohio with an average maturity of 55.7 days.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

**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** Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. STAR Ohio carries a rating of AAAm by Standard & Poor's. 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.

**Note 8 – Interfund Activity**

**Interfund Transfers**

At December 31, 2019 interfund transfers were as follows:

Transfers To	Transfers From		Total
	General	Other Governmental Funds	
Other Governmental Funds	\$3,203,825	\$67,529	\$3,271,354
Sewer	0	94,219	94,219
Total	\$3,203,825	\$161,748	\$3,365,573

The general fund transfers to other governmental funds were made to provide additional resources for capital improvements and current operations. The transfers from other governmental funds to other governmental funds were made for fund contributions for pension liabilities and for the portion of 2019 general obligation bond payments related to those funds. The transfers from the other governmental funds to the sewer enterprise fund were for debt service payments provided by governmental funds.

**Interfund Balances**

As of December 31, 2019, interfund balances were as follows:

Interfund Payable	Interfund Receivable
	General
<b>Governmental:</b>	
Other Governmental Funds	\$904,897
<b>Enterprise:</b>	
Sewer	322,026
Total	\$1,226,923

Interfund balances at December 31, 2019, consisted of general fund advances of \$978,538 to nonmajor special revenue funds due to deficit cash balances and due to the timing of reimbursement of expenditures. The general fund reports an interfund receivable from the sewer enterprise fund in the amount of \$322,026 related to sewer fund payments made by the general fund in 2019.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 9 – Receivables**

Receivables at December 31, 2019, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans receivable, accrued interest receivable and accounts (billings for water and utility services).

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

Special assessments expected to be collected in more than one year amount to \$5,756,734 in the general fund, community development block grant, tree and street lighting special revenue funds, the general bond retirement fund and the sewer enterprise fund. At December 31, 2019, the amount of delinquent special assessments was \$2,614,203.

Loans receivable presented in the community development and home program special revenue funds represent low interest loans for development projects and home improvements granted to eligible City residents and business under Federal Grant programs. The loans bear interest at annual rates ranging between zero and five percent. The loans are to be repaid over periods ranging from five to thirty years. Loans expected to be collected in more than one year amount to \$2,868,668. At December 31, 2019 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 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes are levied after October 1, 2019 on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2020 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019 was \$12.42 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2019 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	\$718,024,680
Other Real Estate	120,565,470
Public Utility Property	<u>17,436,360</u>
Total Assessed Valuation	<u><u>\$856,026,510</u></u>

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

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, 2019 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2019 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:

	Amount
<b>Governmental Activities</b>	
Gas Excise Tax	\$861,424
Local Government	675,945
Homestead and Rollback	623,750
Auto Registration	177,016
CDBG Grant	89,811
Targeting Addiction Assistance	75,326
HOME Grant	28,610
<i>Total Intergovernmental Receivables</i>	<b>\$2,531,882</b>

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

**Note 10 – Capital Assets**

A summary of changes in capital assets during 2019 follows:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
<b>Governmental Activities</b>				
<i>Nondepreciable Capital Assets</i>				
Land	\$5,288,136	\$0	\$0	\$5,288,136
Construction in Progress	2,981,775	793,888	(1,984,157)	1,791,506
Intangible Assets	32,707	0	0	32,707
<i>Total Nondepreciable Capital Assets</i>	<u>8,302,618</u>	<u>793,888</u>	<u>(1,984,157)</u>	<u>7,112,349</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	2,184,283	0	0	2,184,283
Building and Improvements	63,954,342	0	0	63,954,342
Machinery and Equipment	26,501,048	518,573	(543,182)	26,476,439
Infrastructure				
Streets and Sidewalks	64,422,138	1,774,353	0	66,196,491
Off-Street Parking	3,275,882	248,045	0	3,523,927
<i>Total Depreciable Capital Assets</i>	<u>160,337,693</u>	<u>2,540,971</u>	<u>(543,182)</u>	<u>162,335,482</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(1,489,662)	(88,423)	0	(1,578,085)
Building and Improvements	(29,741,114)	(1,607,187)	0	(31,348,301)
Machinery and Equipment	(20,106,480)	(1,459,401)	543,182	(21,022,699)
Infrastructure				
Streets and Sidewalks	(29,210,159)	(2,532,478)	0	(31,742,637)
Off-Street Parking	(1,993,642)	(82,231)	0	(2,075,873)
<i>Total Accumulated Depreciation</i>	<u>(82,541,057)</u>	<u>(5,769,720) *</u>	<u>543,182</u>	<u>(87,767,595)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>77,796,636</u>	<u>(3,228,749)</u>	<u>0</u>	<u>74,567,887</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$86,099,254</u>	<u>(\$2,434,861)</u>	<u>(\$1,984,157)</u>	<u>\$81,680,236</u>

\*Depreciation expense was charged to governmental functions as follows:

General Government	\$1,115,649
Public Safety	652,145
Transportation	2,800,072
Community Development	151,723
Sanitation	283,061
Culture and Recreation	767,070
Total	<u>\$5,769,720</u>

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
<b>Business-Type Activity</b>				
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	\$148,238	\$0	\$0	\$148,238
Machinery and Equipment	5,062,825	0	0	5,062,825
Infrastructure				
Sanitary Sewer Lines	7,538,699	70,420	0	7,609,119
Storm Sewer Lines	2,941,631	0	0	2,941,631
<i>Total Depreciable Capital Assets</i>	<u>15,691,393</u>	<u>70,420</u>	<u>0</u>	<u>15,761,813</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(76,588)	(6,385)	0	(82,973)
Machinery and Equipment	(4,343,135)	(60,783)	0	(4,403,918)
Infrastructure				
Sanitary Sewer Lines	(2,429,089)	(128,844)	0	(2,557,933)
Storm Sewer Lines	(1,240,205)	(71,611)	0	(1,311,816)
<i>Total Accumulated Depreciation</i>	<u>(8,089,017)</u>	<u>(267,623)</u>	<u>0</u>	<u>(8,356,640)</u>
<i>Total Business-Type Activity Capital Assets, Net</i>	<u>\$7,602,376</u>	<u>(\$197,203)</u>	<u>\$0</u>	<u>\$7,405,173</u>

**Note 11 – Significant Commitments**

***Contractual Commitments***

At December 31, 2019, the City had \$1,441,457 in significant contractual commitments which consisted of several projects, including the Mayfield Road Signalization, street resurfacing, service garage roof and fire alarm system. \$350,049 of the remaining commitments were encumbered at year-end. The amounts of \$38,241 in contracts payable for governmental activities and \$70,420 in contracts payable in the business-type activity have been capitalized.

***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 Fund:	
General Fund	\$220,629	Sewer	<u>\$273,538</u>
Other Governmental Funds	<u>128,545</u>		
Total Governmental Funds	<u>\$349,174</u>		

**Note 12 – Risk Management**

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	\$104,927,000	\$50,000
General Liability	10,000,000	100,000
Automobile Liability	10,000,000	100,000
Public Officials Liability	10,000,000	100,000
Police Professional Liability	10,000,000	100,000

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

The City participates in the State Workers' Compensation retrospective rating and payment system. Once the City receives notice of the 2019 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 \$705,250 have been accrued as a liability at December 31, 2019 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 2018 and 2019 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2018	\$725,031	611,658	634,258	\$702,431
2019	702,431	632,382	629,563	705,250

**Note 13 – Defined Benefit Pension Plans**

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

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

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

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



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

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

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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

	State and Local
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2019 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
 Employee	 10.0 %

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

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

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

For 2019, The City’s contractually required contribution was \$1,876,476 for the traditional plan, \$23,693 for the combined plan and \$20,521 for the member-directed plan. Of these amounts, \$387,783 is reported as an intergovernmental payable for the traditional plan, \$4,659 for the combined plan, and \$4,044 for the member-directed plan.

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

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the Consumer Price Index over the 13 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 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:

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

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$2,657,819 for 2019. Of this amount, \$847,022 is reported as an intergovernmental payable.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City’s proportion of the

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.1049320%	0.0425260%	0.5213870%	
Prior Measurement Date	<u>0.1008200%</u>	<u>0.0390650%</u>	<u>0.6027760%</u>	
Change in Proportionate Share	<u>0.0041120%</u>	<u>0.0034610%</u>	<u>-0.0813890%</u>	
Proportionate Share of the:				
Net Pension Liability	\$28,738,748	\$0	\$42,558,956	\$71,297,704
Net Pension Asset	0	47,554	0	47,554
Pension Expense	5,568,424	13,205	5,375,278	10,956,907

2019 pension expense for the member-directed defined contribution plan was \$20,521. The aggregate pension expense for all pension plans was \$10,977,428 for 2019.

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

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$1,326	\$0	\$1,748,578	\$1,749,904
Changes of assumptions	2,501,779	10,621	1,128,295	3,640,695
Net difference between projected and actual earnings on pension plan investments	3,900,652	10,244	5,243,228	9,154,124
Changes in proportion and differences between City contributions and proportionate share of contributions	470,275	3,599	3,146,826	3,620,700
City contributions subsequent to the measurement date	<u>1,876,476</u>	<u>23,693</u>	<u>2,657,819</u>	<u>4,557,988</u>
Total Deferred Outflows of Resources	<u>\$8,750,508</u>	<u>\$48,157</u>	<u>\$13,924,746</u>	<u>\$22,723,411</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$377,356	\$19,422	\$39,741	\$436,519
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>450,937</u>	<u>2,652</u>	<u>6,002,367</u>	<u>6,455,956</u>
Total Deferred Inflows of Resources	<u>\$828,293</u>	<u>\$22,074</u>	<u>\$6,042,108</u>	<u>\$6,892,475</u>

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

\$4,557,988 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2020	\$2,389,610	\$1,773	\$2,025,846	\$4,417,229
2021	1,480,172	(274)	879,311	2,359,209
2022	361,865	(57)	505,821	867,629
2023	1,814,092	3,150	1,739,615	3,556,857
2024	0	(1,061)	74,226	73,165
Thereafter	0	(1,141)	0	(1,141)
Total	<u>\$6,045,739</u>	<u>\$2,390</u>	<u>\$5,224,819</u>	<u>\$11,272,948</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

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 2018 and the long-term expected real rates of return:

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



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

**Discount Rate** For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
<b>City's proportionate share of the net pension liability (asset)</b>			
OPERS Traditional Plan	\$42,455,487	\$28,738,748	\$17,340,013
OPERS Combined Plan	(15,735)	(47,554)	(70,593)

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented below.

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

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

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

Note: Assumptions are geometric.

\* levered 2x



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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

**Discount Rate** The total pension liability was calculated using the discount rate of 8.00 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 of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$55,940,815	\$42,558,956	\$31,376,481

**Note 14 – Defined Benefit OPEB Plans**

See Note 13 for a description of the net OPEB liability.

**Plan Description – Ohio Public Employees Retirement System (OPERS)**

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2019, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

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

The City's contractually required contribution was \$5,863 for 2019. Of this amount, \$1,155 is reported as an intergovernmental payable.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2019, 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.

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

The City’s contractually required contribution to OP&F was \$62,100 for 2019. Of this amount, \$19,866 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F’s total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City’s proportion of the net OPEB liability was based on the City’s share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.1010160%	0.5213870%	
Prior Measurement Date	<u>0.0966600%</u>	<u>0.6027760%</u>	
Change in Proportionate Share	<u>0.0043560%</u>	<u>-0.0813890%</u>	
Proportionate Share of the Net OPEB Liability	\$13,170,101	\$4,748,028	<u>Total</u>
OPEB Expense	\$1,105,171	(\$23,731,842)	(\$22,626,671)

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

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

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$4,459	\$0	\$4,459
Changes of assumptions	424,620	2,461,149	2,885,769
Net difference between projected and actual earnings on OPEB plan investments	603,771	160,725	764,496
Changes in proportion and differences between City contributions and proportionate share of contributions	317,226	1,370,398	1,687,624
City contributions subsequent to the measurement date	<u>5,863</u>	<u>62,100</u>	<u>67,963</u>
Total Deferred Outflows of Resources	<u>\$1,355,939</u>	<u>\$4,054,372</u>	<u>\$5,410,311</u>
	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$35,734	\$127,210	\$162,944
Changes of assumptions	0	1,314,479	1,314,479
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>274,961</u>	<u>3,618,484</u>	<u>3,893,445</u>
Total Deferred Inflows of Resources	<u>\$310,695</u>	<u>\$5,060,173</u>	<u>\$5,370,868</u>

\$67,963 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2020	\$376,393	(\$151,688)	\$224,705
2021	254,614	(151,688)	102,926
2022	104,213	(151,688)	(47,475)
2023	304,161	(103,075)	201,086
2024	0	(179,716)	(179,716)
Thereafter	<u>0</u>	<u>(330,046)</u>	<u>(330,046)</u>
Total	<u>\$1,039,381</u>	<u>(\$1,067,901)</u>	<u>(\$28,520)</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**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age Normal

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was effective for the 2018 valuation.

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

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

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

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

**Discount Rate** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$16,849,469	\$13,170,101	\$10,244,033



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

***Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary’s project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$12,659,325	\$13,170,101	\$13,758,379

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

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

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

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

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

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

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

**Discount Rate** For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$5,784,395	\$4,748,028	\$3,878,088

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

**Note 15 – Compensated Absences**

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

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

**Note 16 – Solid Waste**

In accordance with a notice letter received from the Ohio Environmental Protection Agency, the City of Cleveland Heights executed the final closure financial assurance instrument for the solid waste transfer station by the required September 30, 2003, deadline. The financial test assured that the City could support any amount up to \$200,000 in post-closure costs and that the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17. This location is used for the transfer of solid waste from the City's refuse trucks to a larger loader which is used to transport the waste to a commercial landfill located outside the City. At December 31, 2019, the current final closure cost estimate is \$170,737, and is reported as a liability on the City's books.

**Note 17 – Contingent Liabilities**

***Litigation***

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

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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***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, 2019.

**Note 18 – Jointly Governed Organizations**

***First Suburbs Consortium of Northeast Ohio Council of Governments*** The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 19 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 2019, the City made no contributions to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 165 Center Road, Bedford, OH 44146.

***Northeast Ohio Public Energy Council*** The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 164 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 125 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City did not contribute to NOPEC during 2019. Financial information can be obtained by contacting NOPEC, 31320 Solon Road, Suite 20, Solon, Ohio 4413.

***Regional Income Tax Agency***

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection of income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2019, the City paid RITA \$845,508 for income tax collection services.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

**Note 19 – Notes Payable**

Changes in the City’s note activity for the year ended December 31, 2019, were as follows:

	Outstanding 12/31/2018	Additions	(Reductions)	Outstanding 12/31/2019
<b>Governmental Activities:</b>				
<i>Bond Anticipation Notes</i>				
<i>General Bond Retirement Fund:</i>				
Street Improvements	\$20,000	\$20,000	(\$20,000)	\$20,000
Motorized Equipment	120,000	88,000	(120,000)	88,000
<i>Total Governmental Activities</i>	<u>\$140,000</u>	<u>\$108,000</u>	<u>(\$140,000)</u>	<u>\$108,000</u>

In 2019, the City issued \$108,000 in bond anticipation notes to help finance street improvements and for the purchase of motorized equipment and computer equipment with an interest rate of 2.65 percent. At December 31, 2019, the improvements and equipment have been completed and the notes matured on July 20, 2020. See Note 23 for more information.

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

**Note 20 – Long-term Obligations**

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities</b>				
<b>General Obligation Bonds</b>				
Various Purpose	2014	2028	3.19	\$3,125,000
Various Purpose	2015	2029	1.91	2,322,000
Various Purpose	2016	2030	1.91	1,600,000
Various Purpose	2017	2028	2.26	1,325,000
Cedar Lee Parking Deck Refunding	2015	2028	2.03	4,640,000
Building Improvements	2017	2037	3.0 - 3.125	5,970,000
<b>Special Assessment Bonds</b>				
Ring Road Improvement Refunding	2014	2029	2.93	2,510,000
<b>OPWC Loans from Direct Borrowings</b>				
Cedar Road	2000	2020	0	940,876
Taylor Road Rehabilitation	2001	2021	0	132,780
Coventry Road Rehabilitation	2005	2025	0	369,741
Lee Road Rehabilitation	2006	2029	0	39,852
Meadowbrook Boulevard	2006	2026	0	2,204,524
Monticello Boulevard	2010	2031	0	248,880
Monticello Boulevard	2012	2034	0	640,800
Meadowbrook Boulevard	2019	2049	0	766,582

(continued)

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Governmental Activities (continued)</b>				
<b>OWDA Loan from Direct Borrowing</b>				
OWDA Loan - Runnymede Water Line	2010	2030	3.84	\$280,298
<b>Long-term Notes</b>				
Street Improvements	2019	2020	2.65	232,000
Motorized Equipment	2019	2020	2.65	456,412
Police Mobile Radios	2019	2020	2.65	163,199
<b>State Infrastructure Bank Loan from Direct Borrowing</b>				
Taylor Road Rehab	2014	2022	3.00	427,323
<b>Business-Type Activities</b>				
<b>General Obligation Bonds</b>				
Vehicle Acquisition	2018	2027	2.85	635,000
<b>OPWC Loans from Direct Borrowings</b>				
Cedar Road - Sewer	2000	2020	0.00	170,407
Meadowbrook Boulevard Rehabilitation - Sewer	2006	2022	0.00	459,276
<b>OWDA Loan from Direct Borrowing</b>				
OWDA Loan - Demington Sewer	2007	2022	4.12	425,071
<b>Long-term Notes</b>				
Motorized Equipment	2019	2020	2.65	253,389

Changes in long-term obligations during the year ended December 31, 2019, consisted of the following:

	Balance 12/31/2018	Increase	Decrease	Balance 12/31/2019	Amounts Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
2014 Various Purpose Bonds	\$1,885,000	\$0	\$245,000	\$1,640,000	\$245,000
2015 Various Purpose Bonds	1,564,000	0	217,000	1,347,000	173,000
2016 Various Purpose Bonds	1,370,000	0	120,000	1,250,000	125,000
2017 Various Purpose Bonds	1,185,000	0	140,000	1,045,000	145,000
2015 Cedar Lee Parking Deck Refunding Bonds	4,110,000	0	375,000	3,735,000	380,000
2017 Building Improvement Bonds	5,815,000	0	230,000	5,585,000	240,000
Unamortized Premium	208,654	0	8,253	200,401	0
Unamortized Discount	(89,376)	0	(3,535)	(85,841)	0
<i>Total General Obligation Bonds</i>	<u>16,048,278</u>	<u>0</u>	<u>1,331,718</u>	<u>14,716,560</u>	<u>1,308,000</u>
<b>Special Assessment Bonds</b>					
<b>(with governmental commitment)</b>					
2014 Ring Road Improvement Refunding	2,015,000	0	125,000	1,890,000	130,000
<b>Loans from Direct Borrowings:</b>					
<b>OPWC Loans</b>					
2000 Cedar Road	70,568	0	47,044	23,524	23,524
2001 Taylor Road Rehabilitation	19,916	0	6,639	13,277	3,320
2005 Coventry Road Rehabilitation	120,165	0	18,487	101,678	9,244
2006 Lee Road Rehabilitation	21,919	0	1,993	19,926	996
2006 Meadowbrook Boulevard	551,132	0	68,891	482,241	34,446
2010 Monticello Boulevard	155,550	0	12,444	143,106	6,222
2012 Monticello Boulevard	393,034	0	25,357	367,677	12,678
2019 Meadowbrook Boulevard	0	766,582	0	766,582	0
<i>Total OPWC Loans</i>	<u>\$1,332,284</u>	<u>\$766,582</u>	<u>\$180,855</u>	<u>\$1,918,011</u>	<u>\$90,430</u>

(continued)

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

	Balance 12/31/2018	Increase	Decrease	Balance 12/31/2019	Amounts Due in One Year
<b>Governmental Activities (continued)</b>					
<b>OWDA Loan</b>					
2010 Runnymede Water Line	\$186,435	\$0	\$13,173	\$173,262	\$13,683
<b>State Infrastructure Bank Loan</b>					
Taylor Road Rehab	226,371	0	54,091	172,280	55,725
<b>Total Loans from Direct Borrowings</b>	<b>1,745,090</b>	<b>766,582</b>	<b>248,119</b>	<b>2,263,553</b>	<b>159,838</b>
<b>Long-term Notes</b>					
Street Improvements	252,000	232,000	252,000	232,000	0
Motorized Equipment	330,000	456,412	330,000	456,412	0
Police Mobile Radios	0	163,199	0	163,199	0
<i>Total Long-term Notes</i>	<i>582,000</i>	<i>851,611</i>	<i>582,000</i>	<i>851,611</i>	<i>0</i>
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	5,197,425	2,585,115	2,384,487	5,398,053	2,344,789
Workers' Compensation Liability	702,431	632,382	629,563	705,250	499,942
Solid Waste Liability	170,737	0	0	170,737	0
Capital Leases	863,421	0	169,172	694,249	175,333
<i>Total Other Long-Term Obligations</i>	<i>6,934,014</i>	<i>3,217,497</i>	<i>3,183,222</i>	<i>6,968,289</i>	<i>3,020,064</i>
<b>Net Pension Liability</b>					
OPERS	15,184,036	11,543,001	0	26,727,037	0
OPF	36,995,085	5,563,871	0	42,558,956	0
<i>Total Net Pension Liability</i>	<i>52,179,121</i>	<i>17,106,872</i>	<i>0</i>	<i>69,285,993</i>	<i>0</i>
<b>Net OPEB Liability</b>					
OPERS	10,076,701	2,171,491	0	12,248,192	0
OPF	34,152,444	0	29,404,416	4,748,028	0
<i>Total Net OPEB Liability</i>	<i>44,229,145</i>	<i>2,171,491</i>	<i>29,404,416</i>	<i>16,996,220</i>	<i>0</i>
Total Governmental Long-Term Liabilities	<b>\$123,732,648</b>	<b>\$24,114,053</b>	<b>\$34,874,475</b>	<b>\$112,972,226</b>	<b>\$4,617,902</b>
<b>Business-Type Activities</b>					
<b>General Obligation Bonds</b>					
2018 Vehicle Acquisition Bonds	\$570,000	\$0	\$55,000	\$515,000	\$60,000
<b>Loans from Direct Borrowings:</b>					
<b>OPWC Loans</b>					
Cedar Road - Sewer	12,781	0	8,520	4,261	4,261
Meadowbrook Boulevard Rehabilitation - Sewer	183,710	0	22,964	160,746	11,482
<i>Total OPWC Loans</i>	<i>196,491</i>	<i>0</i>	<i>31,484</i>	<i>165,007</i>	<i>15,743</i>
<b>OWDA Loans</b>					
OWDA Loan - Demington Sewer	123,566	0	33,524	90,042	34,919
<b>Total Loans from Direct Borrowings</b>	<b>320,057</b>	<b>0</b>	<b>65,008</b>	<b>255,049</b>	<b>50,662</b>
<b>Long-term Notes</b>					
Motorized Equipment	0	253,389	0	253,389	0
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	336,625	214,908	199,446	352,087	202,855
<b>Net Pension Liability</b>					
OPERS	632,668	1,379,043	0	2,011,711	0
<b>Net OPEB Liability</b>					
OPERS	419,863	502,046	0	921,909	0
Total Business-Type Activities Long-term Liabilities	<b>\$2,279,213</b>	<b>\$2,349,386</b>	<b>\$319,454</b>	<b>\$4,309,145</b>	<b>\$313,517</b>

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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

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

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

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

In 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, 2019, \$3,520,000 of these bonds are considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

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

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

**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. The outstanding balance of the refunded bonds were called and fully repaid.



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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**Long-term Notes** During 2019, the City issued \$1,213,000 in bond anticipation notes for street improvements, the purchase of motorized equipment and police mobile radios which were used to retire previously issued bond anticipation notes. \$108,000 of these notes are considered short-term and the remaining \$1,105,000 are considered long-term. The notes have an interest rate of 2.65 percent and matured on July 20, 2020 and were refinanced. See Note 23 for more information.

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

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

The City's outstanding OPWC loans from direct borrowings and direct placements related to governmental activities of \$1,918,011 and related to business type activities of \$165,007 contain a provision that in an event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

Due to the COVID-19 pandemic, OPWC is not accepting payments for July 2020. All July 2020 payments will be deferred with no payment until January 2021. The City will have the option to make a double payment (for July 2020 and January 2021) in November, once January 2021 invoices are issued or make a single payment with a revised amortization schedule. There are no late fees or accrued interest as part of this deferral.

The City's outstanding OWDA loans from direct borrowings of \$173,262 related to governmental activities and \$90,042 related to business-type activities contain a provision that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The City's outstanding State Infrastructure Bank Loan is financed through the Department of Transportation (ODOT) from direct borrowings related to governmental activities of \$172,280 contain provisions that in the event of default (1) if the loan has not been fully disbursed, termination of any and all of ODOT's obligations under this loan agreement and the commitment, (2) declaration that the entire unpaid balance of all indebtedness owed to ODOT is immediately due and payable, (3) exercise of all or any rights and remedies as

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

ODOT may have under this loan agreement, and any of the other loan documents, (4) inspect, examine and copy the books, records, accounts and financial data of the City, (5) ODOT may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this loan agreement, or any other loan document, or to enforcement the performance and observance of any other obligation or agreement of the City under the loan documents.

The City's overall legal debt margin was \$75,457,914 and the unvoted legal debt margin was \$32,483,416 at December 31, 2019. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2019, are as follows:

Governmental Activities				
Year	General Obligation Bonds		Special Assesment Bonds	
	Principal	Interest	Principal	Interest
2020	\$1,308,000	\$369,881	\$130,000	\$55,377
2021	1,378,000	338,183	130,000	51,568
2022	1,348,000	304,918	135,000	47,759
2023	1,389,000	272,146	140,000	43,804
2024	1,264,000	238,368	145,000	39,702
2025-2029	4,990,000	768,600	1,210,000	131,997
2030-2034	1,775,000	334,808	0	0
2035-2037	1,150,000	72,350	0	0
Total	\$14,602,000	\$2,699,254	\$1,890,000	\$370,207

Governmental Activities					
Loans From Direct Borrowings					
Year	OPWC	OWDA Loan		State Infrastructure Bank Loan Payable	
	Loans	Principal	Interest	Principal	Interest
2020	\$90,430	\$13,683	\$6,523	\$55,725	\$4,754
2021	160,879	14,214	5,993	57,410	3,069
2022	157,560	14,765	5,442	59,145	1,334
2023	154,240	15,337	4,869	0	0
2024	154,240	15,932	4,275	0	0
2025-2029	525,023	89,418	11,615	0	0
2030-2034	288,009	9,913	191	0	0
2034-2038	135,340	0	0	0	0
Thereafter	252,290	0	0	0	0
Total	\$1,918,011	\$173,262	\$38,908	\$172,280	\$9,157



**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2019

Year	Business-Type Activities				
	General Obligation Bonds		Loans from Direct Borrowings		
	Principal	Interest	OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Loans
2020	\$60,000	\$14,678	\$34,919	\$3,256	\$15,743
2021	60,000	12,967	36,372	1,845	22,964
2022	60,000	11,258	18,751	375	22,964
2023	65,000	9,547	0	0	22,964
2024	65,000	7,695	0	0	22,964
2025-2027	205,000	11,828	0	0	57,408
Total	\$515,000	\$67,973	\$90,042	\$5,476	\$165,007

**Note 21 – Capital Leases**

In 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, 2019:

	Amounts
Equipment	\$1,177,334
Less Accumulated Depreciation	(909,013)
Current Book Value	\$268,321

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, 2019.

Year Ending December 31, 2019	Governmental Activities
2020	\$197,926
2021	179,651
2022	139,172
2023	94,765
2024	48,605
2025-2026	97,207
Total	757,326
Less: Amount Representing Interest	(63,077)
Present Value of Net Minimum Lease Payments	\$694,249

**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.

**City of Cleveland Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 23 – Subsequent Events**

On February 18, 2020, the City created a tax incrementing financing (TIF) district for urban redevelopment in the City. In conjunction with the TIF, the City issued conduit debt of \$24,375,000 in economic development tax increment financing revenue bonds for the project costs associated with the redevelopment project, “Top of the Hill”.

On April 22, 2020, the City issued \$1,850,000 in economic development nontax revenue notes for the purpose of the City’s contribution to the “Top of the Hill” project costs. The notes bear an interest rate of 1.45 percent and mature on April 21, 2021.

On July 20, 2020, the City issued \$1,105,000 in various purpose bond anticipation notes which were used to retire 1,213,000 in various purpose bond anticipation notes. The notes were sold at an interest rate of 1.50 percent and mature on July 19, 2021.

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The City’s investment portfolio and the investments of the pension and other employee benefit plans in which the City participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the City’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**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 Six Years (1)\**

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.1049320%	0.1008200%	0.1089160%	0.1194990%
City's Proportionate Share of the Net Pension Liability	\$28,738,748	\$15,816,704	\$24,732,971	\$20,698,733
City's Covered Payroll	\$13,281,107	\$14,333,754	\$14,087,875	\$14,666,438
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	216.39%	110.35%	175.56%	141.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%

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

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

See accompanying notes to the required supplementary information.

2015	2014
0.1277430%	0.1277430%
\$15,407,233	\$15,059,235
\$15,189,233	\$13,602,627
101.44%	110.71%
86.45%	86.36%

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

	2019	2018
City's Proportion of the Net Pension Asset	0.0425260%	0.0390650%
City's Proportionate Share of the Net Pension Asset	\$47,554	\$53,180
City's Covered Payroll	\$181,886	\$159,992
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-26.14%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	126.64%	137.28%

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

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

See accompanying notes to the required supplementary information.

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.1010160%	0.0966600%	0.1043700%
City's Proportionate Share of the Net OPEB Liability	\$13,170,101	\$10,496,564	\$10,541,725
City's Covered Payroll	\$13,646,743	\$14,666,179	\$14,087,875
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	96.51%	71.57%	74.83%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

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

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

See accompanying notes to the required supplementary information.



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

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.5213870%	0.6027760%	0.5629800%	0.6381960%
City's Proportionate Share of the Net Pension Liability	\$42,558,956	\$36,995,085	\$35,658,588	\$41,055,597
City's Covered Payroll	\$12,824,566	\$11,438,528	\$11,929,672	\$11,915,147
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	331.85%	323.43%	298.91%	344.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%

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

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

See accompanying notes to the required supplementary information.

2015	2014
0.5471273%	0.5471273%
\$28,343,475	\$26,646,816
\$10,740,721	\$11,100,872
263.89%	240.04%
71.71%	73.00%

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.5213870%	0.6027760%	0.5629800%
City's Proportionate Share of the Net OPEB Liability	\$4,748,028	\$34,152,444	\$26,723,395
City's Covered Payroll	\$12,824,566	\$11,438,528	\$11,929,672
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.02%	298.57%	224.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

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

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

See accompanying notes to the required supplementary information.

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

	2019	2018	2017	2016
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$1,876,476	\$1,859,355	\$1,863,388	\$1,690,545
Contributions in Relation to the Contractually Required Contribution	<u>(1,876,476)</u>	<u>(1,859,355)</u>	<u>(1,863,388)</u>	<u>(1,690,545)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$12,950,126	\$13,281,107	\$14,333,754	\$14,087,875
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
<b>Net Pension Liability - Combined Plan (4)</b>				
Contractually Required Contribution	\$23,693	\$25,464	\$20,799	
Contributions in Relation to the Contractually Required Contribution	<u>(23,693)</u>	<u>(25,464)</u>	<u>(20,799)</u>	
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
City Covered Payroll	\$169,236	\$181,886	\$159,992	
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	
<b>Net OPEB Liability - OPEB Plan (2)</b>				
Contractually Required Contribution	\$5,863	\$7,350	\$151,835	\$281,758
Contributions in Relation to the Contractually Required Contribution	<u>(5,863)</u>	<u>(7,350)</u>	<u>(151,835)</u>	<u>(281,758)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$13,265,937	\$13,646,743	\$14,666,179	\$14,087,875
OPEB Contributions as a Percentage of Covered Payroll	<u>0.04%</u>	<u>0.05%</u>	<u>1.04%</u>	<u>2.00%</u>

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

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$1,826,707	\$1,892,517	\$1,840,602
<u>(1,826,707)</u>	<u>(1,892,517)</u>	<u>(1,840,602)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,666,438	\$15,189,233	\$13,602,627
<u>12.46%</u>	<u>12.46%</u>	<u>13.53%</u>

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

	2019	2018	2017	2016
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$2,657,819	\$2,699,820	\$2,505,231	\$2,547,007
Contributions in Relation to the Contractually Required Contribution	<u>(2,657,819)</u>	<u>(2,699,820)</u>	<u>(2,505,231)</u>	<u>(2,547,007)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$12,420,140	\$12,824,566	\$11,438,528	\$11,929,672
Pension Contributions as a Percentage of Covered Payroll	<u>21.40%</u>	<u>21.05%</u>	<u>21.90%</u>	<u>21.35%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$62,100	\$64,123	\$57,193	\$59,648
Contributions in Relation to the Contractually Required Contribution	<u>(62,100)</u>	<u>(64,123)</u>	<u>(57,193)</u>	<u>(59,648)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.90%</u>	<u>21.55%</u>	<u>22.40%</u>	<u>21.85%</u>

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

See accompanying notes to the required supplementary information.

2015	2014	2013	2012	2011	2010
\$2,542,641	\$2,289,692	\$2,022,363	\$1,642,143	\$1,637,957	\$2,377,764
<u>(2,542,641)</u>	<u>(2,289,692)</u>	<u>(2,022,363)</u>	<u>(1,642,143)</u>	<u>(1,637,957)</u>	<u>(2,377,764)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,915,147	\$10,740,721	\$11,100,872	\$10,905,975	\$10,820,729	\$15,898,541
<u>21.34%</u>	<u>21.32%</u>	<u>18.22%</u>	<u>15.06%</u>	<u>15.14%</u>	<u>14.96%</u>
\$59,576	\$53,704	\$401,482	\$736,154	\$730,399	\$1,073,152
<u>(59,576)</u>	<u>(53,704)</u>	<u>(401,482)</u>	<u>(736,154)</u>	<u>(730,399)</u>	<u>(1,073,152)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.84%</u>	<u>21.82%</u>	<u>21.84%</u>	<u>21.81%</u>	<u>21.89%</u>	<u>21.71%</u>



**City of Cleveland Heights, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2019

**Changes in Assumptions – OPERS Pension– Traditional Plan**

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used beginning in 2017 and in 2016 and prior are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

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

**Changes in Assumptions – OPERS Pension – Combined Plan**

For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

**City of Cleveland Heights, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2019*

**Changes in Assumptions – OP&F Pension**

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

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

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

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

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

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

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

**City of Cleveland Heights, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2019*

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**Changes in Assumptions – OPERS OPEB**

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent, initial; 3.25 ultimate in 2029. For 2018, the health care cost trend rate was 7.25 percent, initial; 3.25 percent ultimate in 2028.

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

**Changes in Assumptions – OP&F OPEB**

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

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

**Changes in Benefit Terms – OP&F OPEB**

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

# **Combining and Individual Fund Statements and Schedules**

## *Fund Descriptions - Nonmajor Governmental Funds*

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### *Nonmajor Special Revenue Funds*

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to 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. These operations were moved to the general fund during 2019.

***Public Building Maintenance Fund*** - To account for and report committed rental income for placement of communication towers. The fund did not have any budgetary activity in 2019; therefore, budgetary information is not provided.

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

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

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

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

***FEMA Grant Fund*** - To account for and report Federal and State monies restricted for natural disaster preparation and restoration.

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

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

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

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

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

***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.

(continued)

*Fund Descriptions - Nonmajor Governmental Funds (continued)*

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*Nonmajor Special Revenue Funds (continued)*

**Lead Safe Cuyahoga Fund** - To account for and report grants 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.

**Police Radios Fund** - To account for and report restricted note proceeds used for the purchase of new radios in the police department.

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

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

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

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

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

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

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

**Fire Damage Deposits Fund** - To account for and report restricted insurance deposits held until a home is deemed safe and the deposits returned to the homeowner.

(continued)

## *Fund Descriptions - Nonmajor Governmental Funds (continued)*

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### *Nonmajor Special Revenue Funds (continued)*

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

### *Nonmajor Debt Service Fund*

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

***General Bond Retirement Fund*** - To account for and report 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.

### *Nonmajor Capital Projects Funds*

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

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

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

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

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

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

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

***Ring Road Construction Fund*** - To account for and report transfers and other revenues committed to the reconstruction of Severance Ring Road. The fund did not have any budgetary activity in 2019; therefore, budgetary information is not provided.

**City of Cleveland Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2019*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$9,794,910	\$458,664	\$2,716,176	\$12,969,750
Restricted Asset:				
Equity in Pooled Cash and Cash Equivalents	\$194,264	0	0	194,264
Materials and Supplies Inventory	57,855	0	0	57,855
Accrued Interest Receivable	348,882	0	0	348,882
Accounts Receivable	2,202,974	0	195	2,203,169
Intergovernmental Receivable	1,188,879	80,042	37,351	1,306,272
Property Taxes Receivable	499,824	1,249,544	583,113	2,332,481
Special Assessments Receivable	3,271,038	1,385,000	0	4,656,038
Notes Receivable	3,330,186	0	0	3,330,186
Assets Held for Resale	450,126	0	130,575	580,701
<i>Total Assets</i>	<u>\$21,338,938</u>	<u>\$3,173,250</u>	<u>\$3,467,410</u>	<u>\$27,979,598</u>
<b>Liabilities</b>				
Accounts Payable	\$310,629	\$0	\$37,708	\$348,337
Contracts Payable	38,241	0	0	38,241
Accrued Wages	57,301	0	1,910	59,211
Interfund Payable	904,897	0	0	904,897
Intergovernmental Payable	599,037	0	55	599,092
Accrued Interest Payable	0	1,254	0	1,254
Notes Payable	0	108,000	0	108,000
<i>Payables from Restricted Assets:</i>				
Accounts Payable	194,264	0	0	194,264
<i>Total Liabilities</i>	<u>2,104,369</u>	<u>109,254</u>	<u>39,673</u>	<u>2,253,296</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	391,680	979,198	456,959	1,827,837
Unavailable Revenue	6,492,217	1,735,388	163,505	8,391,110
<i>Deferred Inflows of Resources</i>	<u>6,883,897</u>	<u>2,714,586</u>	<u>620,464</u>	<u>10,218,947</u>
<b>Fund Balances</b>				
Nonspendable	57,855	0	0	57,855
Restricted	10,859,330	349,410	335,205	11,543,945
Committed	1,938,034	0	65,835	2,003,869
Assigned	0	0	2,406,233	2,406,233
Unassigned (Deficit)	(504,547)	0	0	(504,547)
<i>Total Fund Balances</i>	<u>12,350,672</u>	<u>349,410</u>	<u>2,807,273</u>	<u>15,507,355</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$21,338,938</u>	<u>\$3,173,250</u>	<u>\$3,467,410</u>	<u>\$27,979,598</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, 2019*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$421,902	\$1,133,208	\$492,159	\$2,047,269
Charges for Services	2,737,386	0	0	2,737,386
Licenses, Permits and Fees	7,616	0	28,365	35,981
Fines and Forfeitures	248,104	0	0	248,104
Intergovernmental	4,229,463	125,811	74,701	4,429,975
Special Assessments	2,090,003	75,000	0	2,165,003
Interest	318	0	3,282	3,600
Rentals	0	0	23,902	23,902
Contributions and Donations	25,444	0	0	25,444
Miscellaneous	130,500	0	400,393	530,893
<i>Total Revenues</i>	<u>9,890,736</u>	<u>1,334,019</u>	<u>1,022,802</u>	<u>12,247,557</u>
<b>Expenditures</b>				
Current:				
General Government	1,148,910	1,176	12,528	1,162,614
Public Safety	4,212,931	0	46,154	4,259,085
Public Health Services	3,448	0	0	3,448
Transportation	2,066,188	0	0	2,066,188
Community Development	2,939,271	0	273,625	3,212,896
Culture and Recreation	943,687	0	233,961	1,177,648
Capital Outlay	0	0	478,783	478,783
Debt Service:				
Principal Retirement	281,773	2,112,588	56,930	2,451,291
Interest and Fiscal Charges	25,460	483,561	9,681	518,702
<i>Total Expenditures</i>	<u>11,621,668</u>	<u>2,597,325</u>	<u>1,111,662</u>	<u>15,330,655</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,730,932)</u>	<u>(1,263,306)</u>	<u>(88,860)</u>	<u>(3,083,098)</u>
<b>Other Financing Sources (Uses)</b>				
OPWC Loans Issued	766,582	0	0	766,582
Bond Anticipation Notes Issued	377,611	474,000	0	851,611
Transfers In	2,244,014	27,340	1,000,000	3,271,354
Transfers Out	(63,153)	(71,255)	(27,340)	(161,748)
<i>Total Other Financing Sources (Uses)</i>	<u>3,325,054</u>	<u>430,085</u>	<u>972,660</u>	<u>4,727,799</u>
<i>Net Change in Fund Balances</i>	1,594,122	(833,221)	883,800	1,644,701
<i>Fund Balances Beginning of Year</i>	<u>10,756,550</u>	<u>1,182,631</u>	<u>1,923,473</u>	<u>13,862,654</u>
<i>Fund Balances End of Year</i>	<u>\$12,350,672</u>	<u>\$349,410</u>	<u>\$2,807,273</u>	<u>\$15,507,355</u>

**City of Cleveland Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2019*

	Street Construction, Maintenance and Repair	Foundation Grants	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$812,864	\$42,036	\$423	\$229,865	\$0
Restricted Asset:					
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	1,038,440	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Notes Receivable	0	0	0	0	0
Assets Held for Resale	0	116,930	0	0	0
<i>Total Assets</i>	<u>\$1,851,304</u>	<u>\$158,966</u>	<u>\$423</u>	<u>\$229,865</u>	<u>\$0</u>
<b>Liabilities</b>					
Accounts Payable	\$4,076	\$0	\$0	\$1,828	\$0
Contracts Payable	38,241	0	0	0	0
Accrued Wages	6,599	0	0	0	1,040
Interfund Payable	125,578	4,000	0	0	85,430
Intergovernmental Payable	3,352	0	0	0	30
<i>Payables from Restricted Assets:</i>					
Accounts Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>177,846</u>	<u>4,000</u>	<u>0</u>	<u>1,828</u>	<u>86,500</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	0	0	0
Unavailable Revenue	670,045	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>670,045</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	1,003,413	154,966	0	228,037	0
Committed	0	0	423	0	0
Unassigned (Deficit)	0	0	0	0	(86,500)
<i>Total Fund Balances (Deficit)</i>	<u>1,003,413</u>	<u>154,966</u>	<u>423</u>	<u>228,037</u>	<u>(86,500)</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$1,851,304</u>	<u>\$158,966</u>	<u>\$423</u>	<u>\$229,865</u>	<u>\$0</u>

(continued)

**City of Cleveland Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2019*

	Community Development Block Grant	Home Program	FEMA Grant	Cain Park Operating	Public Right of Way
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$731,814	\$240,219	\$159,629	\$0	\$164,532
Restricted Asset:					
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Accrued Interest Receivable	0	348,882	0	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	89,811	28,610	0	0	0
Property Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	581,993	0	0	0	0
Notes Receivable	1,156,759	2,173,427	0	0	0
Assets Held for Resale	0	0	0	0	0
<i>Total Assets</i>	<u>\$2,560,377</u>	<u>\$2,791,138</u>	<u>\$159,629</u>	<u>\$0</u>	<u>\$164,532</u>
<b>Liabilities</b>					
Accounts Payable	\$31,948	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages	23,137	0	0	0	0
Interfund Payable	203,542	131,064	0	16,570	0
Intergovernmental Payable	15,915	0	0	0	0
<i>Payables from Restricted Assets:</i>					
Accounts Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>274,542</u>	<u>131,064</u>	<u>0</u>	<u>16,570</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	0	0	0
Unavailable Revenue	581,993	348,882	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>581,993</u>	<u>348,882</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	1,703,842	2,311,192	159,629	0	164,532
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	(16,570)	0
<i>Total Fund Balances (Deficit)</i>	<u>1,703,842</u>	<u>2,311,192</u>	<u>159,629</u>	<u>(16,570)</u>	<u>164,532</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$2,560,377</u>	<u>\$2,791,138</u>	<u>\$159,629</u>	<u>\$0</u>	<u>\$164,532</u>

Indigent Driver's Alcohol Treatment	Municipal Court Clerk Computerization	DUI Enforcement and Education	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting	Tree
\$257,837	\$36,181	\$117,067	\$2,110,044	\$90,241	\$123,584	\$1,177,152	\$696,696
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	1,648,535	1,040,510
0	0	0	0	0	0	0	0
0	0	0	0	0	333,196	0	0
<u>\$257,837</u>	<u>\$36,181</u>	<u>\$117,067</u>	<u>\$2,110,044</u>	<u>\$90,241</u>	<u>\$456,780</u>	<u>\$2,825,687</u>	<u>\$1,737,206</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,633
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	16,124
0	16,325	0	0	110,444	0	0	0
0	0	0	359	0	0	0	12,693
0	0	0	0	0	0	0	0
0	16,325	0	359	110,444	0	0	30,450
0	0	0	0	0	0	0	0
0	0	0	0	0	0	1,648,535	1,040,510
0	0	0	0	0	0	1,648,535	1,040,510
0	0	0	0	0	0	0	0
257,837	19,856	117,067	2,109,685	0	456,780	1,177,152	666,246
0	0	0	0	0	0	0	0
0	0	0	0	(20,203)	0	0	0
<u>257,837</u>	<u>19,856</u>	<u>117,067</u>	<u>2,109,685</u>	<u>(20,203)</u>	<u>456,780</u>	<u>1,177,152</u>	<u>666,246</u>
<u>\$257,837</u>	<u>\$36,181</u>	<u>\$117,067</u>	<u>\$2,110,044</u>	<u>\$90,241</u>	<u>\$456,780</u>	<u>\$2,825,687</u>	<u>\$1,737,206</u>

(continued)

**City of Cleveland Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2019*

	Police Pension	Fire Pension	First Suburbs Development Council	Police Radios	Parking
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$320,159	\$130,163	\$60,254	\$10,261	\$393,396
Restricted Asset:					
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	57,855
Accrued Interest Receivable	0	0	0	0	0
Accounts Receivable	0	0	0	0	2,416
Intergovernmental Receivable	16,009	16,009	0	0	0
Property Taxes Receivable	249,912	249,912	0	0	0
Special Assessments Receivable	0	0	0	0	0
Notes Receivable	0	0	0	0	0
Assets Held for Resale	0	0	0	0	0
<i>Total Assets</i>	<u>\$586,080</u>	<u>\$396,084</u>	<u>\$60,254</u>	<u>\$10,261</u>	<u>\$453,667</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$270,080
Contracts Payable	0	0	0	0	0
Accrued Wages	0	0	0	0	4,254
Interfund Payable	23,010	188,934	0	0	0
Intergovernmental Payable	240,689	322,503	0	0	3,318
<i>Payables from Restricted Assets:</i>					
Accounts Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>263,699</u>	<u>511,437</u>	<u>0</u>	<u>0</u>	<u>277,652</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	195,840	195,840	0	0	0
Unavailable Revenue	70,081	70,081	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>265,921</u>	<u>265,921</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	57,855
Restricted	56,460	0	60,254	10,261	118,160
Committed	0	0	0	0	0
Unassigned (Deficit)	0	(381,274)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>56,460</u>	<u>(381,274)</u>	<u>60,254</u>	<u>10,261</u>	<u>176,015</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$586,080</u>	<u>\$396,084</u>	<u>\$60,254</u>	<u>\$10,261</u>	<u>\$453,667</u>

Ambulance Services	Office on Aging Donations	Youth Recreation Donation	Police Memorial Trust	Youth Advisory Commission	Juvenile Diversion Program	Fire Damage Deposits	Total Nonmajor Special Revenue Funds
\$1,806,532	\$10,565	\$55,275	\$11,808	\$71	\$6,242	\$0	\$9,794,910
0	0	0	0	0	0	194,264	194,264
0	0	0	0	0	0	0	57,855
0	0	0	0	0	0	0	348,882
2,200,558	0	0	0	0	0	0	2,202,974
0	0	0	0	0	0	0	1,188,879
0	0	0	0	0	0	0	499,824
0	0	0	0	0	0	0	3,271,038
0	0	0	0	0	0	0	3,330,186
0	0	0	0	0	0	0	450,126
<u>\$4,007,090</u>	<u>\$10,565</u>	<u>\$55,275</u>	<u>\$11,808</u>	<u>\$71</u>	<u>\$6,242</u>	<u>\$194,264</u>	<u>\$21,338,938</u>
\$1,064	\$0	\$0	\$0	\$0	\$0	\$0	\$310,629
0	0	0	0	0	0	0	38,241
6,147	0	0	0	0	0	0	57,301
0	0	0	0	0	0	0	904,897
178	0	0	0	0	0	0	599,037
0	0	0	0	0	0	194,264	194,264
7,389	0	0	0	0	0	194,264	2,104,369
0	0	0	0	0	0	0	391,680
2,062,090	0	0	0	0	0	0	6,492,217
2,062,090	0	0	0	0	0	0	6,883,897
0	0	0	0	0	0	0	57,855
0	10,565	55,275	11,808	71	6,242	0	10,859,330
1,937,611	0	0	0	0	0	0	1,938,034
0	0	0	0	0	0	0	(504,547)
1,937,611	10,565	55,275	11,808	71	6,242	0	12,350,672
<u>\$4,007,090</u>	<u>\$10,565</u>	<u>\$55,275</u>	<u>\$11,808</u>	<u>\$71</u>	<u>\$6,242</u>	<u>\$194,264</u>	<u>\$21,338,938</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, 2019*

	Street Construction, Maintenance and Repair	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	335
Intergovernmental	1,951,068	27,330	0	0	0
Special Assessments	0	0	0	0	0
Interest	195	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	120,741	0	0
<i>Total Revenues</i>	<u>1,951,263</u>	<u>27,330</u>	<u>120,741</u>	<u>0</u>	<u>335</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	0	137,788
Public Health Services	0	0	0	0	0
Transportation	2,066,188	0	0	0	0
Community Development	0	87,830	0	0	0
Culture and Recreation	0	0	0	0	0
Debt Service:					
Principal Retirement	169,531	0	0	0	0
Interest and Fiscal Charges	6,388	0	0	0	0
<i>Total Expenditures</i>	<u>2,242,107</u>	<u>87,830</u>	<u>0</u>	<u>0</u>	<u>137,788</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(290,844)</u>	<u>(60,500)</u>	<u>120,741</u>	<u>0</u>	<u>(137,453)</u>
<b>Other Financing Sources (Uses)</b>					
OPWC Loans Issued	766,582	0	0	0	0
Bond Anticipation Notes Issued	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	(22,964)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>743,618</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	452,774	(60,500)	120,741	0	(137,453)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>550,639</u>	<u>215,466</u>	<u>(120,741)</u>	<u>423</u>	<u>365,490</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,003,413</u>	<u>\$154,966</u>	<u>\$0</u>	<u>\$423</u>	<u>\$228,037</u>

Drug Law Enforcement	Community Development Block Grant	Home Program	FEMA Grant	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	833,079	0	0
0	0	0	0	0	7,576	0
18,860	49,771	0	0	0	0	15,177
0	1,722,995	176,887	21,671	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	9,269	0	0
<u>18,860</u>	<u>1,772,766</u>	<u>176,887</u>	<u>21,671</u>	<u>842,348</u>	<u>7,576</u>	<u>15,177</u>
0	0	0	0	0	0	2,069
114,901	0	0	36,919	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,529,845	0	0	0	0	0
0	0	0	0	943,687	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>114,901</u>	<u>1,529,845</u>	<u>0</u>	<u>36,919</u>	<u>943,687</u>	<u>0</u>	<u>2,069</u>
<u>(96,041)</u>	<u>242,921</u>	<u>176,887</u>	<u>(15,248)</u>	<u>(101,339)</u>	<u>7,576</u>	<u>13,108</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	109,129	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>109,129</u>	<u>0</u>	<u>0</u>
(96,041)	242,921	176,887	(15,248)	7,790	7,576	13,108
<u>9,541</u>	<u>1,460,921</u>	<u>2,134,305</u>	<u>174,877</u>	<u>(24,360)</u>	<u>156,956</u>	<u>244,729</u>
<u>(\$86,500)</u>	<u>\$1,703,842</u>	<u>\$2,311,192</u>	<u>\$159,629</u>	<u>(\$16,570)</u>	<u>\$164,532</u>	<u>\$257,837</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, 2019*

	Municipal Court Clerk Computerization	DUI Enforcement and Education	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting
<b>Revenues</b>						
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	64,077	5,021	94,863	0	0	0
Intergovernmental	0	0	27,328	238,146	0	0
Special Assessments	0	0	0	0	0	1,076,638
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
<i>Total Revenues</i>	<u>64,077</u>	<u>5,021</u>	<u>122,191</u>	<u>238,146</u>	<u>0</u>	<u>1,076,638</u>
<b>Expenditures</b>						
Current:						
General Government	20,933	0	52,685	0	0	0
Public Safety	0	0	0	0	0	783,407
Public Health Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Community Development	0	0	0	281,060	23,986	0
Culture and Recreation	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>20,933</u>	<u>0</u>	<u>52,685</u>	<u>281,060</u>	<u>23,986</u>	<u>783,407</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>43,144</u>	<u>5,021</u>	<u>69,506</u>	<u>(42,914)</u>	<u>(23,986)</u>	<u>293,231</u>
<b>Other Financing Sources (Uses)</b>						
OPWC Loans Issued	0	0	0	0	0	0
Bond Anticipation Notes Issued	0	0	0	0	0	0
Transfers In	0	0	0	0	0	17,061
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>0</u>	<u>0</u>	<u>17,061</u>
<i>Net Change in Fund Balances</i>	43,144	5,021	69,506	(42,914)	(23,986)	310,292
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(23,288)</u>	<u>112,046</u>	<u>2,040,179</u>	<u>22,711</u>	<u>480,766</u>	<u>866,860</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$19,856</u>	<u>\$117,067</u>	<u>\$2,109,685</u>	<u>(\$20,203)</u>	<u>\$456,780</u>	<u>\$1,177,152</u>

Tree	Police Pension	Fire Pension	First Suburbs Development Council	Police Radios	Parking	Ambulance Services
\$0	\$210,951	\$210,951	\$0	\$0	\$0	\$0
0	0	0	0	0	1,048,835	855,472
40	0	0	0	0	0	0
0	0	0	0	0	0	0
0	32,019	32,019	0	0	0	0
1,013,365	0	0	0	0	0	0
0	0	0	0	0	123	0
0	0	0	0	0	0	0
0	0	0	490	0	0	0
<u>1,013,405</u>	<u>242,970</u>	<u>242,970</u>	<u>490</u>	<u>0</u>	<u>1,048,958</u>	<u>855,472</u>
0	0	0	0	0	1,067,766	0
0	1,010,065	1,495,280	0	152,938	0	475,751
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,016,550	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	112,242
0	0	0	0	0	0	19,072
<u>1,016,550</u>	<u>1,010,065</u>	<u>1,495,280</u>	<u>0</u>	<u>152,938</u>	<u>1,067,766</u>	<u>607,065</u>
<u>(3,145)</u>	<u>(767,095)</u>	<u>(1,252,310)</u>	<u>490</u>	<u>(152,938)</u>	<u>(18,808)</u>	<u>248,407</u>
0	0	0	0	0	0	0
214,412	0	0	0	163,199	0	0
23,279	798,140	1,296,405	0	0	0	0
0	0	0	0	0	0	(40,189)
<u>237,691</u>	<u>798,140</u>	<u>1,296,405</u>	<u>0</u>	<u>163,199</u>	<u>0</u>	<u>(40,189)</u>
234,546	31,045	44,095	490	10,261	(18,808)	208,218
<u>431,700</u>	<u>25,415</u>	<u>(425,369)</u>	<u>59,764</u>	<u>0</u>	<u>194,823</u>	<u>1,729,393</u>
<u>\$666,246</u>	<u>\$56,460</u>	<u>(\$381,274)</u>	<u>\$60,254</u>	<u>\$10,261</u>	<u>\$176,015</u>	<u>\$1,937,611</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, 2019*

	Office on Aging Donations	Youth Recreation Donation	Police Memorial Trust	Youth Advisory Commission	Juvenile Diversion Program	Total Nonmajor Special Revenue Funds
<b>Revenues</b>						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$421,902
Charges for Services	0	0	0	0	0	2,737,386
Licenses, Permits and Fees	0	0	0	0	0	7,616
Fines and Forfeitures	0	0	0	0	0	248,104
Intergovernmental	0	0	0	0	0	4,229,463
Special Assessments	0	0	0	0	0	2,090,003
Interest	0	0	0	0	0	318
Contributions and Donations	5,236	10,608	1,200	0	8,400	25,444
Miscellaneous	0	0	0	0	0	130,500
<i>Total Revenues</i>	<u>5,236</u>	<u>10,608</u>	<u>1,200</u>	<u>0</u>	<u>8,400</u>	<u>9,890,736</u>
<b>Expenditures</b>						
Current:						
General Government	0	5,457	0	0	0	1,148,910
Public Safety	0	0	0	0	5,882	4,212,931
Public Health Services	3,448	0	0	0	0	3,448
Transportation	0	0	0	0	0	2,066,188
Community Development	0	0	0	0	0	2,939,271
Culture and Recreation	0	0	0	0	0	943,687
Debt Service:						
Principal Retirement	0	0	0	0	0	281,773
Interest and Fiscal Charges	0	0	0	0	0	25,460
<i>Total Expenditures</i>	<u>3,448</u>	<u>5,457</u>	<u>0</u>	<u>0</u>	<u>5,882</u>	<u>11,621,668</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,788</u>	<u>5,151</u>	<u>1,200</u>	<u>0</u>	<u>2,518</u>	<u>(1,730,932)</u>
<b>Other Financing Sources (Uses)</b>						
OPWC Loans Issued	0	0	0	0	0	766,582
Bond Anticipation Notes Issued	0	0	0	0	0	377,611
Transfers In	0	0	0	0	0	2,244,014
Transfers Out	0	0	0	0	0	(63,153)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,325,054</u>
<i>Net Change in Fund Balances</i>	1,788	5,151	1,200	0	2,518	1,594,122
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>8,777</u>	<u>50,124</u>	<u>10,608</u>	<u>71</u>	<u>3,724</u>	<u>10,756,550</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$10,565</u>	<u>\$55,275</u>	<u>\$11,808</u>	<u>\$71</u>	<u>\$6,242</u>	<u>\$12,350,672</u>

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**City of Cleveland Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2019*

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Economic Development</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$30,595	\$344,778	\$911,987	\$1,303,853
Accounts Receivable	195	0	0	0
Intergovernmental Receivable	0	37,351	0	0
Property Taxes Receivable	0	583,113	0	0
Assets Held for Resale	0	0	0	130,575
<i>Total Assets</i>	<u>\$30,790</u>	<u>\$965,242</u>	<u>\$911,987</u>	<u>\$1,434,428</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$9,573	\$8,187	\$19,948
Accrued Wages	0	0	0	1,910
Intergovernmental Payable	0	0	0	55
<i>Total Liabilities</i>	<u>0</u>	<u>9,573</u>	<u>8,187</u>	<u>21,913</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	456,959	0	0
Unavailable Revenue	0	163,505	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>620,464</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	0	335,205	0	0
Committed	30,790	0	0	0
Assigned	0	0	903,800	1,412,515
<i>Total Fund Balances</i>	<u>30,790</u>	<u>335,205</u>	<u>903,800</u>	<u>1,412,515</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$30,790</u>	<u>\$965,242</u>	<u>\$911,987</u>	<u>\$1,434,428</u>

<u>City Hall Maintenance</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$89,918	\$35,045	\$2,716,176
0	0	195
0	0	37,351
0	0	583,113
0	0	130,575
<u>\$89,918</u>	<u>\$35,045</u>	<u>\$3,467,410</u>
\$0	\$0	\$37,708
0	0	1,910
0	0	55
<u>0</u>	<u>0</u>	<u>39,673</u>
0	0	456,959
0	0	163,505
<u>0</u>	<u>0</u>	<u>620,464</u>
0	0	335,205
0	35,045	65,835
89,918	0	2,406,233
<u>89,918</u>	<u>35,045</u>	<u>2,807,273</u>
<u>\$89,918</u>	<u>\$35,045</u>	<u>\$3,467,410</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, 2019*

	Police Facility Improvement	Recreation Facility Improvement	Capital Improvements	Energy Improvements
<b>Revenues</b>				
Property Taxes	\$0	\$492,159	\$0	\$0
Licenses, Permits and Fees	28,365	0	0	0
Intergovernmental	0	74,701	0	0
Interest	0	0	0	0
Rentals	0	0	0	0
Miscellaneous	0	0	296,418	31,295
<i>Total Revenues</i>	<u>28,365</u>	<u>566,860</u>	<u>296,418</u>	<u>31,295</u>
<b>Expenditures</b>				
General Government	0	0	0	0
Public Safety	46,154	0	0	0
Community Development	0	0	0	0
Culture and Recreation	0	233,961	0	0
Capital Outlay	0	149,628	0	329,155
Debt Service:				
Principal Retirement	0	56,930	0	0
Interest and Fiscal Charges	0	9,681	0	0
<i>Total Expenditures</i>	<u>46,154</u>	<u>450,200</u>	<u>0</u>	<u>329,155</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(17,789)</u>	<u>116,660</u>	<u>296,418</u>	<u>(297,860)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	919,036	80,964
Transfers Out	0	(27,340)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(27,340)</u>	<u>919,036</u>	<u>80,964</u>
<i>Net Change in Fund Balances</i>	(17,789)	89,320	1,215,454	(216,896)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>48,579</u>	<u>245,885</u>	<u>(311,654)</u>	<u>216,896</u>
<i>Fund Balances End of Year</i>	<u><u>\$30,790</u></u>	<u><u>\$335,205</u></u>	<u><u>\$903,800</u></u>	<u><u>\$0</u></u>

<u>Economic Development</u>	<u>City Hall Maintenance</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$0	\$0	\$492,159
0	0	0	28,365
0	0	0	74,701
3,282	0	0	3,282
0	23,902	0	23,902
72,680	0	0	400,393
<u>75,962</u>	<u>23,902</u>	<u>0</u>	<u>1,022,802</u>
0	12,528	0	12,528
0	0	0	46,154
273,625	0	0	273,625
0	0	0	233,961
0	0	0	478,783
0	0	0	56,930
0	0	0	9,681
<u>273,625</u>	<u>12,528</u>	<u>0</u>	<u>1,111,662</u>
<u>(197,663)</u>	<u>11,374</u>	<u>0</u>	<u>(88,860)</u>
0	0	0	1,000,000
0	0	0	(27,340)
<u>0</u>	<u>0</u>	<u>0</u>	<u>972,660</u>
(197,663)	11,374	0	883,800
<u>1,610,178</u>	<u>78,544</u>	<u>35,045</u>	<u>1,923,473</u>
<u>\$1,412,515</u>	<u>\$89,918</u>	<u>\$35,045</u>	<u>\$2,807,273</u>



## *Fund Descriptions - Fiduciary Funds*

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### *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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trustee agreement or equivalent arrangement that has certain circumstances. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. These funds do not account for the City's own source revenue.

### *Custodial Funds*

***Municipal Court Fund*** – to account for assets received and disbursed for the benefit of the Cleveland Heights Municipal Court pursuant to the laws of the State of Ohio.

***Evidence Room Fund*** – to account for monies held in evidence for the benefit of individuals to be released upon court order.

**City of Cleveland Heights, Ohio**  
*Combining Statement of Fiduciary Net Position*  
*Custodial Funds*  
*December 31, 2019*

	<u>Municipal Court</u>	<u>Evidence Room</u>	<u>Total Custodial Funds</u>
<b>Assets</b>			
Cash and Cash Equivalents In Segregated Accounts	<u>\$389,530</u>	<u>\$290,346</u>	<u>\$679,876</u>
<b>Liabilities</b>			
Accounts Payable	31,761	0	31,761
Intergovernmental Payable	<u>357,769</u>	<u>0</u>	<u>357,769</u>
<i>Total Liabilities</i>	<u>389,530</u>	<u>0</u>	<u>389,530</u>
<b>Net Position</b>			
Restricted for Individuals, Organizations and Other Governments	<u>\$0</u>	<u>\$290,346</u>	<u>\$290,346</u>

**City of Cleveland Heights, Ohio**  
*Combining Statement of Changes in Fiduciary Net Position*  
*Custodial Funds*  
*For the Year Ended December 31, 2019*

	Municipal Court	Evidence Room	Total Custodial Funds
<b>Additions</b>			
Fines and Forfeitures for Other Governments	\$1,043,949	\$0	\$1,043,949
Fines and Forfeitures for Individuals	69,724	168,241	237,965
<i>Total Additions</i>	<u>1,113,673</u>	<u>168,241</u>	<u>1,281,914</u>
<b>Deductions</b>			
Fines and Forfeitures Distributions to Other Governments	1,043,553	0	1,043,553
Fines and Forfeitures Distributions to Individuals	70,120	0	70,120
<i>Total Deductions</i>	<u>1,113,673</u>	<u>0</u>	<u>1,113,673</u>
<i>Net Increase in Fiduciary Net Position</i>	0	168,241	168,241
<i>Net Position Beginning of Year, Restated</i>	<u>0</u>	<u>122,105</u>	<u>122,105</u>
<i>Net Position End of Year</i>	<u>\$0</u>	<u>\$290,346</u>	<u>\$290,346</u>

**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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$6,331,466	\$6,331,466	\$6,844,489	\$513,023
Municipal Income Taxes	27,012,257	27,012,257	29,200,994	2,188,737
Admissions Taxes	48,089	48,089	51,986	3,897
Charges for Services	5,457,349	5,457,349	3,737,490	(1,719,859)
Licenses, Permits and Fees	1,862,052	1,862,052	2,012,930	150,878
Fines and Forfeitures	1,762,460	1,762,460	1,905,268	142,808
Intergovernmental	2,737,827	2,737,827	2,959,666	221,839
Interest	507,319	507,319	548,426	41,107
Rentals	237,458	237,458	256,699	19,241
Franchise Taxes	530,000	530,000	522,280	(7,720)
Miscellaneous	300,616	300,616	163,608	(137,008)
<i>Total Revenues</i>	46,786,893	46,786,893	48,203,836	1,416,943
<b>Expenditures</b>				
Current:				
General Government				
City Council				
Personal Services	77,882	77,882	71,409	6,473
Other than Personal Services	13,045	13,045	10,251	2,794
Total City Council	90,927	90,927	81,660	9,267
City Manager				
Personal Services	435,975	438,183	423,203	14,980
Other than Personal Services	20,144	42,144	28,268	13,876
Total City Manager	456,119	480,327	451,471	28,856
Management Information System				
Personal Services	288,418	288,418	277,798	10,620
Other than Personal Services	231,745	246,745	110,673	136,072
Capital Outlay	5,425	5,425	4,867	558
Total Management Information System	525,588	540,588	393,338	147,250
Civil Service Commission				
Personal Services	1,743	1,743	878	865
Other than Personal Services	15,667	15,667	1,979	13,688
Total Civil Service Commission	17,410	17,410	2,857	14,553
Finance Department				
Personal Services	432,138	432,138	350,975	81,163
Other than Personal Services	110,207	187,407	167,156	20,251
Non-Governmental	0	4,000	0	4,000
Total Finance Department	542,345	623,545	518,131	105,414
Income Tax Department				
Other than Personal Services	904,405	1,170,405	1,083,901	86,504
Law Department				
Personal Services	525,022	552,189	530,576	21,613
Other than Personal Services	336,324	736,324	407,794	328,530
Capital Outlay	1,750	1,750	0	1,750
Total Law Department	\$863,096	\$1,290,263	\$938,370	\$351,893

(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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Service Administration				
Personal Services	\$303,491	\$303,491	\$228,283	\$75,208
Other than Personal Services	7,570	7,570	4,422	3,148
Total Service Administration	311,061	311,061	232,705	78,356
Capital Projects				
Other than Personal Services	21,250	21,250	18,360	2,890
Public Properties and Park Maintenance				
Personal Services	1,230,066	1,230,066	1,109,353	120,713
Other than Personal Services	984,974	1,109,624	1,014,816	94,808
Total Public Properties and Park Maintenance	2,215,040	2,339,690	2,124,169	215,521
Community Service Administration				
Personal Services	244,346	244,346	202,585	41,761
Other than Personal Services	6,600	6,600	1,249	5,351
Total Community Service Administration	250,946	250,946	203,834	47,112
County Auditor				
Other than Personal Services	229,500	229,500	106,249	123,251
Municipal Court				
Personal Services	1,040,743	1,040,743	943,055	97,688
Other than Personal Services	198,720	198,720	109,698	89,022
Non-Governmental	120	120	0	120
Total Municipal Court	1,239,583	1,239,583	1,052,753	186,830
Hospitalization				
Personal Services	500,000	500,000	500,000	0
Workers' Compensation				
Personal Services	238,633	238,633	238,633	0
General Operations				
Personal Services	266,943	266,943	238,172	28,771
Other than Personal Services	848,435	1,248,435	997,960	250,475
Total General Operations	1,115,378	1,515,378	1,236,132	279,246
Hospitalization Insurance				
Personal Services	4,086,374	4,086,374	4,454,455	(368,081)
Water Administration				
Personal Services	20	20	76,592	(76,572)
Other than Personal Services	39,219	344,890	62,601	282,289
Capital Outlay	1,042,000	1,042,000	39,443	1,002,557
Non-Governmental	0	25,000	22,451	2,549
Total Water Administration	1,081,239	1,411,910	201,087	1,210,823
Unclaimed Monies				
Non-Governmental	168	168	168	0
<i>Total General Government</i>	<i>\$14,689,062</i>	<i>\$16,357,958</i>	<i>\$13,838,273</i>	<i>\$2,519,685</i>

(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, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Safety				
Police Department				
Personal Services	\$8,558,006	\$8,558,006	\$8,487,578	\$70,428
Other than Personal Services	553,491	553,491	458,401	95,090
Non-Governmental	500	1,138	546	592
Total Police Department	9,111,997	9,112,635	8,946,525	166,110
Police Academy				
Personal Services	4,500	5,195	3,335	1,860
Other than Personal Services	95,990	96,940	62,247	34,693
Capital Outlay	1,000	1,000	0	1,000
Total Police Academy	101,490	103,135	65,582	37,553
Police Motor Vehicle Maintenance				
Other than Personal Services	938	1,238	0	1,238
Traffic Signs and Signals				
Personal Services	59,028	59,028	56,379	2,649
Other than Personal Services	176,728	204,978	177,218	27,760
Total Traffic Signs and Signals	235,756	264,006	233,597	30,409
Animal Protection Unit				
Personal Services	70,925	77,055	75,802	1,253
Other than Personal Services	39,438	39,438	25,337	14,101
Total Animal Protection Unit	110,363	116,493	101,139	15,354
Fire Department				
Personal Services	6,687,799	6,697,106	6,692,261	4,845
Other than Personal Services	321,051	321,051	203,130	117,921
Capital Outlay	1,500	1,500	1,551	(51)
Total Fire Department	7,010,350	7,019,657	6,896,942	122,715
Fire Department Dispatch				
Personal Services	0	1,083,533	799,412	284,121
Fire Prevention Bureau				
Personal Services	94,580	116,834	113,418	3,416
Other than Personal Services	5,311	5,311	2,535	2,776
Capital Outlay	1,000	1,000	720	280
Total Fire Prevention Bureau	100,891	123,145	116,673	6,472
<i>Total Public Safety</i>	16,671,785	17,823,842	17,159,870	663,972
Public Health Services				
Health and Vital Statistics				
Other than Personal Services	\$222,114	\$232,114	\$221,589	\$10,525

(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, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Office on Aging				
Personal Services	\$139,549	\$150,131	\$144,651	\$5,480
Other than Personal Services	38,580	38,580	24,587	13,993
Non-Governmental	300	550	0	550
Total Office on Aging	178,429	189,261	169,238	20,023
Commission on Aging				
Other than Personal Services	250	250	0	250
<i>Total Public Health Services</i>	400,793	421,625	390,827	30,798
Transportation				
Vehicle Maintenance				
Personal Services	839,652	839,652	772,292	67,360
Other than Personal Services	1,491,220	1,491,220	1,313,139	178,081
Capital Outlay	26,950	54,000	5,422	48,578
Total Vehicle Maintenance	2,357,822	2,384,872	2,090,853	294,019
Street Maintenance				
Personal Services	1,237,855	1,237,855	1,180,203	57,652
Other than Personal Services	118,825	152,525	124,405	28,120
Total Street Maintenance	1,356,680	1,390,380	1,304,608	85,772
<i>Total Transportation</i>	3,714,502	3,775,252	3,395,461	379,791
Community Development				
Community Relations				
Personal Services	51,125	60,955	58,439	2,516
Other than Personal Services	13,670	17,730	13,153	4,577
Total Community Relations	64,795	78,685	71,592	7,093
Public Relations				
Personal Services	213,558	226,268	222,604	3,664
Other than Personal Services	113,672	113,672	107,942	5,730
Total Public Relations	327,230	339,940	330,546	9,394
Planning Department				
Personal Services	393,760	393,760	375,955	17,805
Other than Personal Services	8,414	26,964	24,819	2,145
Capital Outlay	0	10,500	0	10,500
Total Planning Department	402,174	431,224	400,774	30,450
Planning Commission				
Personal Services	8,139	8,139	4,396	3,743
Other than Personal Services	3,753	1,753	1,978	(225)
Non-Governmental	450	900	480	420
Total Planning Commission	12,342	10,792	6,854	3,938
Board of Zoning Appeals				
Personal Services	6,960	6,960	2,713	4,247
Other than Personal Services	3,351	3,351	756	2,595
Non-Governmental	500	600	80	520
Total Board of Zoning Appeals	\$10,811	\$10,911	\$3,549	\$7,362

(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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Architectural Board of Review				
Personal Services	\$5,813	\$7,445	\$6,691	\$754
Other than Personal Services	500	500	0	500
Non-Governmental	300	700	190	510
<b>Total Architectural Board of Review</b>	<b>6,613</b>	<b>8,645</b>	<b>6,881</b>	<b>1,764</b>
Special Improvement Districts				
Other than Personal Services	371,961	371,961	365,400	6,561
Building Department				
Other than Personal Services	534,201	534,201	482,590	51,611
Housing Inspections				
Personal Services	505,121	510,121	482,748	27,373
Other than Personal Services	48,598	48,598	35,447	13,151
Capital Outlay	20,000	24,000	23,411	589
Non-Governmental	3,000	3,000	0	3,000
<b>Total Housing Inspections</b>	<b>576,719</b>	<b>585,719</b>	<b>541,606</b>	<b>44,113</b>
Landmark Commission				
Other than Personal Services	4,150	16,150	12,785	3,365
Local Programming				
Personal Services	101,710	101,710	91,379	10,331
Other than Personal Services	244,409	454,371	344,519	109,852
Capital Outlay	267,757	433,507	199,192	234,315
Non-Governmental	0	50,000	38,814	11,186
<b>Total Local Programming</b>	<b>613,876</b>	<b>1,039,588</b>	<b>673,904</b>	<b>365,684</b>
<i>Total Community Development</i>	<i>2,924,872</i>	<i>3,427,816</i>	<i>2,896,481</i>	<i>531,335</i>
Sanitation				
Refuse Collection and Transfer Station				
Personal Services	1,617,175	1,641,554	1,594,052	47,502
Other than Personal Services	625,436	674,336	667,710	6,626
<b>Total Sanitation</b>	<b>2,242,611</b>	<b>2,315,890</b>	<b>2,261,762</b>	<b>54,128</b>
Culture and Recreation				
Recreation Administration				
Personal Services	235,055	246,967	236,962	10,005
Other than Personal Services	37,371	37,371	26,253	11,118
<b>Total Recreation Administration</b>	<b>272,426</b>	<b>284,338</b>	<b>263,215</b>	<b>21,123</b>
Swimming Pools				
Personal Services	265,023	265,023	313,719	(48,696)
Other than Personal Services	40,855	154,924	148,442	6,482
<b>Total Swimming Pools</b>	<b>\$305,878</b>	<b>\$419,947</b>	<b>\$462,161</b>	<b>(\$42,214)</b>

(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, 2019*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Ice Programs				
Personal Services	\$222,816	\$222,816	\$219,290	\$3,526
Other than Personal Services	20,090	20,090	8,476	11,614
Non-Governmental	0	730	230	500
<b>Total Ice Programs</b>	<b>242,906</b>	<b>243,636</b>	<b>227,996</b>	<b>15,640</b>
General Recreation Programs				
Personal Services	132,138	132,138	74,988	57,150
Other than Personal Services	32,000	37,965	31,014	6,951
Non-Governmental	2,500	2,500	400	2,100
<b>Total General Recreation Programs</b>	<b>166,638</b>	<b>172,603</b>	<b>106,402</b>	<b>66,201</b>
Sports Programs				
Personal Services	119,733	122,642	112,498	10,144
Other than Personal Services	105,844	105,844	77,037	28,807
Non-Governmental	5,000	5,000	215	4,785
<b>Total Sports Programs</b>	<b>230,577</b>	<b>233,486</b>	<b>189,750</b>	<b>43,736</b>
Community Center				
Personal Services	516,338	565,378	545,024	20,354
Other than Personal Services	495,461	515,561	431,709	83,852
Non-Governmental	1,500	3,800	3,321	479
<b>Total Community Center</b>	<b>1,013,299</b>	<b>1,084,739</b>	<b>980,054</b>	<b>104,685</b>
<b>Total Culture and Recreation</b>	<b>2,231,724</b>	<b>2,438,749</b>	<b>2,229,578</b>	<b>209,171</b>
<b>Total Expenditures</b>	<b>42,875,349</b>	<b>46,561,132</b>	<b>42,172,252</b>	<b>4,388,880</b>
<b>Excess of Revenues Over Expenditures</b>	<b>3,911,544</b>	<b>225,761</b>	<b>6,031,584</b>	<b>5,805,823</b>
<b>Other Financing Sources (Uses)</b>				
Advances In	61,150	61,150	61,150	0
Transfers Out	(2,553,467)	(4,119,521)	(3,525,851)	593,670
<b>Total Other Financing Sources (Uses)</b>	<b>(2,492,317)</b>	<b>(4,058,371)</b>	<b>(3,464,701)</b>	<b>593,670</b>
<b>Net Change in Fund Balance</b>	<b>1,419,227</b>	<b>(3,832,610)</b>	<b>2,566,883</b>	<b>6,399,493</b>
<b>Fund Balance Beginning of Year</b>	<b>12,554,461</b>	<b>12,554,461</b>	<b>12,554,461</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>565,061</b>	<b>565,061</b>	<b>565,061</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$14,538,749</b>	<b>\$9,286,912</b>	<b>\$15,686,405</b>	<b>\$6,399,493</b>

**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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$5,674,008	\$5,674,008	\$4,810,655	(\$863,353)
Miscellaneous	42,992	42,992	165,189	122,197
Bond Anticipation Notes Issued	0	0	253,389	253,389
<i>Total Revenues</i>	<u>5,717,000</u>	<u>5,717,000</u>	<u>5,229,233</u>	<u>(487,767)</u>
<b>Expenses</b>				
Personal Services				
Sewer Maintenance	1,614,343	1,614,343	1,186,001	428,342
Other than Personal Services				
Sewer Maintenance	787,519	817,519	529,369	288,150
Sewer Administration	0	0	14,602	(14,602)
Total Other than Personal Services	<u>787,519</u>	<u>817,519</u>	<u>543,971</u>	<u>273,548</u>
Capital Outlay				
Sewer Maintenance	3,823,055	4,046,055	3,199,682	846,373
Debt Service				
Principal Retirement	65,009	65,009	42,044	22,965
Interest and Fiscal Charges	4,749	4,749	4,611	138
Total Debt Service	<u>69,758</u>	<u>69,758</u>	<u>46,655</u>	<u>23,103</u>
<i>Total Expenses</i>	<u>6,294,675</u>	<u>6,547,675</u>	<u>4,976,309</u>	<u>1,571,366</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(577,675)	(830,675)	252,924	1,083,599
Transfers In	0	0	322,026	322,026
Transfers Out	(20,710)	(120,710)	0	120,710
<i>Net Change in Fund Equity</i>	<u>(598,385)</u>	<u>(951,385)</u>	<u>574,950</u>	<u>1,526,335</u>
<i>Fund Equity Beginning of Year</i>	1,894,851	1,894,851	1,894,851	0
Prior Year Encumbrances Appropriated	605,042	605,042	605,042	0
<i>Fund Equity End of Year</i>	<u>\$1,901,508</u>	<u>\$1,548,508</u>	<u>\$3,074,843</u>	<u>\$1,526,335</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$2,343,747	\$2,343,747	\$1,834,738	(\$509,009)
Interest	253	253	195	(58)
<i>Total Revenues</i>	<u>2,344,000</u>	<u>2,344,000</u>	<u>1,834,933</u>	<u>(509,067)</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	139,584	139,584	109,100	30,484
Other than Personal Services	847	4,764	4,417	347
Capital Outlay	<u>2,472,898</u>	<u>2,472,898</u>	<u>2,006,134</u>	<u>466,764</u>
Total Transportation	2,613,329	2,617,246	2,119,651	497,595
Debt Service:				
Principal Retirement	0	231,263	192,495	38,768
Interest and Fiscal Charges	<u>0</u>	<u>6,388</u>	<u>6,388</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,613,329</u>	<u>2,854,897</u>	<u>2,318,534</u>	<u>536,363</u>
<i>Excess of Revenues Under Expenditures</i>	(269,329)	(510,897)	(483,601)	27,296
<b>Other Financing Sources</b>				
OPWC Loan Issued	<u>0</u>	<u>0</u>	<u>766,582</u>	<u>766,582</u>
<i>Net Change in Fund Balance</i>	(269,329)	(510,897)	282,981	793,878
<i>Fund Balance Beginning of Year</i>	206,069	206,069	206,069	0
Prior Year Encumbrances Appropriated	<u>269,964</u>	<u>269,964</u>	<u>269,964</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$206,704</u>	<u>(\$34,864)</u>	<u>\$759,014</u>	<u>\$793,878</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$236,000	\$236,000	\$27,330	(\$208,670)
<b>Expenditures</b>				
Current:				
Community Development:				
Foundation Grants:				
Other Than Personal Services	399,000	399,000	87,830	311,170
<i>Excess of Revenues Under Expenditures</i>	(163,000)	(163,000)	(60,500)	102,500
<b>Other Financing Uses</b>				
Advances Out	0	(61,150)	(61,150)	0
<i>Net Change in Fund Balance</i>	(163,000)	(224,150)	(121,650)	102,500
<i>Fund Balance Beginning of Year</i>	163,686	163,686	163,686	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$686</u>	<u>(\$60,464)</u>	<u>\$42,036</u>	<u>\$102,500</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Miscellaneous	\$0	\$0	\$120,741	\$120,741
<b>Expenditures</b>				
Current:				
Public Safety:				
Communications System:				
Other than Personal Services	1,066,078	42,446	42,446	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,066,078)	(42,446)	78,295	120,741
<b>Other Financing Sources</b>				
Transfers In	800,000	800,000	0	(800,000)
<i>Net Change in Fund Balance</i>	(266,078)	757,554	78,295	(679,259)
<i>Fund Deficit Beginning of Year</i>	(78,295)	(78,295)	(78,295)	0
<i>Fund Balance (Deficit) End of Year</i>	(\$344,373)	\$679,259	\$0	(\$679,259)

**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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$12,000	\$12,000	\$335	(\$11,665)
<b>Expenditures</b>				
Current:				
Public Safety:				
Law Enforcement:				
Other than Personal Services	283,926	284,701	135,960	148,741
Capital Outlay	13,245	19,745	0	19,745
<i>Total Expenditures</i>	<u>297,171</u>	<u>304,446</u>	<u>135,960</u>	<u>168,486</u>
<i>Net Change in Fund Balance</i>	(285,171)	(292,446)	(135,625)	156,821
<i>Fund Balance Beginning of Year</i>	364,415	364,415	364,415	0
Prior Year Encumbrances Appropriated	<u>1,075</u>	<u>1,075</u>	<u>1,075</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$80,319</u></u>	<u><u>\$73,044</u></u>	<u><u>\$229,865</u></u>	<u><u>\$156,821</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines and Forfeitures	\$173,000	\$173,000	\$28,191	(\$144,809)
<b>Expenditures</b>				
Current:				
Public Safety:				
Drug Law Enforcement:				
Personal Services	65,596	83,976	56,445	27,531
Other than Personal Services	98,678	106,110	62,298	43,812
<i>Total Expenditures</i>	<u>164,274</u>	<u>190,086</u>	<u>118,743</u>	<u>71,343</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	8,726	(17,086)	(90,552)	(73,466)
<b>Other Financing Uses</b>				
Transfers Out	(15,000)	(15,000)	0	15,000
<i>Net Change in Fund Balance</i>	(6,274)	(32,086)	(90,552)	(58,466)
<i>Fund Balance Beginning of Year</i>	2,571	2,571	2,571	0
Prior Year Encumbrances Appropriated	2,551	2,551	2,551	0
<i>Fund Deficit End of Year</i>	<u>(\$1,152)</u>	<u>(\$26,964)</u>	<u>(\$85,430)</u>	<u>(\$58,466)</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$41,016	\$41,016	\$49,771	\$8,755
Intergovernmental	1,773,984	1,773,984	2,152,633	378,649
<i>Total Revenues</i>	<u>1,815,000</u>	<u>1,815,000</u>	<u>2,202,404</u>	<u>387,404</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Financial Administration				
Personal Services	13,370	36,570	14,987	21,583
Administrative Contracts				
Other than Personal Services	389,710	454,710	156,275	298,435
Commercial Area Improvements				
Capital Outlay	9,250	30,050	0	30,050
Water Improvement Projects				
Capital Outlay	0	92,965	0	92,965
CDBG - Office on Aging				
Personal Services	34,303	61,993	33,210	28,783
CDBG - Contingency				
Other than Personal Services	0	57,197	0	57,197
LDC - Economic Development				
Personal Services	117,923	145,044	115,224	29,820
Other than Personal Services	229,137	1,429,137	320,712	1,108,425
Total LDC - Economic Development	<u>347,060</u>	<u>1,574,181</u>	<u>435,936</u>	<u>1,138,245</u>
CDBG Administration				
Personal Services	98,706	118,067	89,035	29,032
Other than Personal Services	64,161	84,238	63,617	20,621
Capital Outlay	0	1,910	1,430	480
Total CDBG Administration	<u>162,867</u>	<u>204,215</u>	<u>154,082</u>	<u>50,133</u>
CDBG - Public Works				
Other than Personal Services	0	35,550	0	35,550
Capital Outlay	208,171	236,671	192,439	44,232
Total CDBG - Public Works	<u>208,171</u>	<u>272,221</u>	<u>192,439</u>	<u>79,782</u>
CDBG - Home Repair Resources Center				
Other than Personal Services	\$234,412	\$364,412	\$145,254	\$219,158

(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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Housing Preservation				
Personal Services	\$358,394	\$401,901	\$310,927	\$90,974
Other than Personal Services	159,839	370,963	208,093	162,870
Capital Outlay	0	80	3,650	(3,570)
<b>Total Housing Preservation</b>	<b>518,233</b>	<b>772,944</b>	<b>522,670</b>	<b>250,274</b>
CDBG - Code Enforcement				
Personal Services	48,385	63,336	53,996	9,340
CDBG - Neighborhood Relations				
Personal Services	64,712	81,395	27,706	53,689
CDBG - GIS				
Personal Services	32,402	59,523	27,651	31,872
Other than Personal Services	2,000	1,138,107	1,713	1,136,394
Capital Outlay	20,000	20,000	6,500	13,500
<b>Total CDBG - GIS</b>	<b>54,402</b>	<b>1,217,630</b>	<b>35,864</b>	<b>1,181,766</b>
CDBG - Program Income				
Other than Personal Services	0	121	153	(32)
<b>Total Expenditures</b>	<b>2,084,875</b>	<b>5,283,940</b>	<b>1,772,572</b>	<b>3,511,368</b>
<b>Net Change in Fund Balance</b>	<b>(269,875)</b>	<b>(3,468,940)</b>	<b>429,832</b>	<b>3,898,772</b>
<b>Fund Deficit Beginning of Year</b>	<b>(19,597)</b>	<b>(19,597)</b>	<b>(19,597)</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>270,714</b>	<b>270,714</b>	<b>270,714</b>	<b>0</b>
<b>Fund Balance (Deficit) End of Year</b>	<b>(\$18,758)</b>	<b>(\$3,217,823)</b>	<b>\$680,949</b>	<b>\$3,898,772</b>

**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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$262,000	\$262,000	\$239,361	(\$22,639)
<b>Expenditures</b>				
Current:				
Community Development:				
Home Administration				
Other than Personal Services	362,485	362,485	101,590	260,895
<i>Net Change in Fund Balance</i>	(100,485)	(100,485)	137,771	238,256
<i>Fund Balance Beginning of Year</i>	100,698	100,698	100,698	0
Prior Year Encumbrances Appropriated	490	490	490	0
<i>Fund Balance End of Year</i>	<u>\$703</u>	<u>\$703</u>	<u>\$238,959</u>	<u>\$238,256</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$21,671	\$21,671
<b>Expenditures</b>				
Current:				
Public Safety:				
FEMA:				
Personal Services	<u>47,677</u>	<u>47,677</u>	<u>45,552</u>	<u>2,125</u>
<i>Net Change in Fund Balance</i>	(47,677)	(47,677)	(23,881)	23,796
<i>Fund Balance Beginning of Year</i>	183,500	183,500	183,500	0
Prior Year Encumbrances Appropriated	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$135,833</u></u>	<u><u>\$135,833</u></u>	<u><u>\$159,629</u></u>	<u><u>\$23,796</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$796,142	\$796,142	\$833,079	\$36,937
Miscellaneous	8,858	8,858	9,269	411
<i>Total Revenues</i>	<u>805,000</u>	<u>805,000</u>	<u>842,348</u>	<u>37,348</u>
<b>Expenditures</b>				
Current:				
Culture and Recreation:				
Cain Park Recreation				
Personal Services	173,175	183,175	182,855	320
Other than Personal Services	537,207	744,459	668,289	76,170
Total Cain Park Recreation	<u>710,382</u>	<u>927,634</u>	<u>851,144</u>	<u>76,490</u>
Cain Park Arts Festival				
Other than Personal Services	28,767	37,440	32,287	5,153
Cain Park Arts Theater				
Personal Services	12,122	12,122	8,721	3,401
Other than Personal Services	56,040	62,140	62,140	0
Total Cain Park Arts Theater	<u>68,162</u>	<u>74,262</u>	<u>70,861</u>	<u>3,401</u>
<i>Total Expenditures</i>	<u>807,311</u>	<u>1,039,336</u>	<u>954,292</u>	<u>85,044</u>
<i>Excess of Revenues Under Expenditures</i>	(2,311)	(234,336)	(111,944)	122,392
<b>Other Financing Sources</b>				
Transfers In	0	0	109,129	109,129
<i>Net Change in Fund Balance</i>	(2,311)	(234,336)	(2,815)	231,521
<i>Fund Deficit Beginning of Year</i>	(16,569)	(16,569)	(16,569)	0
Prior Year Encumbrances Appropriated	2,814	2,814	2,814	0
<i>Fund Deficit End of Year</i>	<u>(\$16,066)</u>	<u>(\$248,091)</u>	<u>(\$16,570)</u>	<u>\$231,521</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses, Permits and Fees	\$8,000	\$8,000	\$7,576	(\$424)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	8,000	8,000	7,576	(424)
<i>Fund Balance Beginning of Year</i>	<u>156,956</u>	<u>156,956</u>	<u>156,956</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$164,956</u></u>	<u><u>\$164,956</u></u>	<u><u>\$164,532</u></u>	<u><u>(\$424)</u></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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines and Forfeitures	\$2,000	\$2,000	\$14,473	\$12,473
<b>Expenditures</b>				
Current:				
General Government:				
Indigent DUI Treatment				
Other than Personal Services	14,000	14,000	2,069	11,931
<i>Net Change in Fund Balance</i>	(12,000)	(12,000)	12,404	24,404
<i>Fund Balance Beginning of Year</i>	244,729	244,729	244,729	0
<i>Fund Balance End of Year</i>	<u>\$232,729</u>	<u>\$232,729</u>	<u>\$257,133</u>	<u>\$24,404</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$120,000	\$120,000	\$59,761	(\$60,239)
<b>Expenditures</b>				
Current:				
General Government:				
Court Computer				
Personal Services	74,875	74,875	25,758	49,117
Other than Personal Services	1,560	1,560	(3,846)	5,406
Capital Outlay	12,816	12,816	0	12,816
<i>Total Expenditures</i>	89,251	89,251	21,912	67,339
<i>Net Change in Fund Balance</i>	30,749	30,749	37,849	7,100
<i>Fund Deficit Beginning of Year</i>	(9,535)	(9,535)	(9,535)	0
Prior Year Encumbrances Appropriated	3,376	3,376	3,376	0
<i>Fund Balance End of Year</i>	\$24,590	\$24,590	\$31,690	\$7,100



**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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines and Forfeitures	\$5,000	\$5,000	\$4,956	(\$44)
<b>Expenditures</b>				
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)	4,956	9,956
<i>Fund Balance Beginning of Year</i>	112,046	112,046	112,046	0
<i>Fund Balance End of Year</i>	<u>\$107,046</u>	<u>\$107,046</u>	<u>\$117,002</u>	<u>\$9,956</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$117,661	\$117,661	\$99,431	(\$18,230)
Intergovernmental	32,339	32,339	27,328	(5,011)
<i>Total Revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>126,759</u>	<u>(23,241)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Court Special Projects				
Personal Services	48,738	48,738	112	48,626
Other than Personal Services	167,950	195,279	45,164	150,115
Capital Outlay	<u>372,000</u>	<u>372,000</u>	<u>7,500</u>	<u>364,500</u>
<i>Total Expenditures</i>	<u>588,688</u>	<u>616,017</u>	<u>52,776</u>	<u>563,241</u>
<i>Net Change in Fund Balance</i>	(438,688)	(466,017)	73,983	540,000
<i>Fund Balance Beginning of Year</i>	2,027,752	2,027,752	2,027,752	0
Prior Year Encumbrances Appropriated	<u>450</u>	<u>450</u>	<u>450</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,589,514</u></u>	<u><u>\$1,562,185</u></u>	<u><u>\$2,102,185</u></u>	<u><u>\$540,000</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$238,146</u>	<u>(\$61,854)</u>
<b>Expenditures</b>				
Current:				
Community Development:				
LEAD Safe Cuyahoga				
Personal Services	(12,207)	37,793	29,500	8,293
Other than Personal Services	<u>164,733</u>	<u>444,200</u>	<u>251,560</u>	<u>192,640</u>
<i>Total Expenditures</i>	<u>152,526</u>	<u>481,993</u>	<u>281,060</u>	<u>200,933</u>
<i>Net Change in Fund Balance</i>	147,474	(181,993)	(42,914)	139,079
<i>Fund Balance Beginning of Year</i>	145,362	145,362	145,362	0
Prior Year Encumbrances Appropriated	<u>(12,207)</u>	<u>(12,207)</u>	<u>(12,207)</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$280,629</u>	<u>(\$48,838)</u>	<u>\$90,241</u>	<u>\$139,079</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Neighborhood Stabilization Program Fund*  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$361,200	\$361,200	\$0	(\$361,200)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	361,200	361,200	0	(361,200)
<i>Fund Balance Beginning of Year</i>	<u>123,584</u>	<u>123,584</u>	<u>123,584</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$484,784</u></u>	<u><u>\$484,784</u></u>	<u><u>\$123,584</u></u>	<u><u>(\$361,200)</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special Assessments	\$932,000	\$932,000	\$1,076,638	\$144,638
<b>Expenditures</b>				
Current:				
Public Safety:				
Street Lighting				
Other than Personal Services	930,000	930,000	853,042	76,958
<i>Excess of Revenues Over Expenditures</i>	2,000	2,000	223,596	221,596
<b>Other Financing Sources</b>				
Transfers In	0	0	17,061	17,061
<i>Net Change in Fund Balance</i>	2,000	2,000	240,657	238,657
<i>Fund Balance Beginning of Year</i>	936,495	936,495	936,495	0
<i>Fund Balance End of Year</i>	<u>\$938,495</u>	<u>\$938,495</u>	<u>\$1,177,152</u>	<u>\$238,657</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tree Fund*  
*For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses, Permits and Fees	\$43	\$43	\$40	(\$3)
Special Assessments	1,089,957	1,089,957	1,013,365	(76,592)
<i>Total Revenues</i>	<u>1,090,000</u>	<u>1,090,000</u>	<u>1,013,405</u>	<u>(76,595)</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Tree				
Personal Services	784,713	784,713	562,158	222,555
Other than Personal Services	568,284	624,243	558,645	65,598
Capital Outlay	0	250,648	53,151	197,497
<i>Total Expenditures</i>	<u>1,352,997</u>	<u>1,659,604</u>	<u>1,173,954</u>	<u>485,650</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(262,997)</u>	<u>(569,604)</u>	<u>(160,549)</u>	<u>409,055</u>
<b>Other Financing Sources (Uses)</b>				
Bond Anticipation Notes Issued	0	0	214,412	214,412
Transfers In	0	0	23,279	23,279
Transfers Out	(15,415)	(75,570)	0	75,570
<i>Total Other Financing Sources (Uses)</i>	<u>(15,415)</u>	<u>(75,570)</u>	<u>237,691</u>	<u>313,261</u>
<i>Net Change in Fund Balance</i>	(278,412)	(645,174)	77,142	722,316
<i>Fund Balance Beginning of Year</i>	598,263	598,263	598,263	0
Prior Year Encumbrances Appropriated	4,484	4,484	4,484	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$324,335</u>	<u>(\$42,427)</u>	<u>\$679,889</u>	<u>\$722,316</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$1,029,670	\$1,029,670	\$210,951	(\$818,719)
Intergovernmental	156,287	156,287	32,019	(124,268)
<i>Total Revenues</i>	1,185,957	1,185,957	242,970	(942,987)
<b>Expenditures</b>				
Current:				
Public Safety:				
Police Pension				
Personal Services	1,145,324	1,145,324	1,081,317	64,007
<i>Excess of Revenues Over (Under) Expenditures</i>	40,633	40,633	(838,347)	(878,980)
<b>Other Financing Sources</b>				
Transfers In	0	0	798,140	798,140
<i>Net Change in Fund Balance</i>	40,633	40,633	(40,207)	(80,840)
<i>Fund Balance Beginning of Year</i>	171,132	171,132	171,132	0
<i>Fund Balance End of Year</i>	<u>\$211,765</u>	<u>\$211,765</u>	<u>\$130,925</u>	<u>(\$80,840)</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$1,450,755	\$1,450,755	\$210,951	(\$1,239,804)
Intergovernmental	220,202	220,202	32,019	(188,183)
<i>Total Revenues</i>	1,670,957	1,670,957	242,970	(1,427,987)
<b>Expenditures</b>				
Current:				
Public Safety:				
Fire Pension				
Personal Services	1,645,963	1,645,963	1,599,284	46,679
<i>Excess of Revenues Over (Under) Expenditures</i>	24,994	24,994	(1,356,314)	(1,381,308)
<b>Other Financing Sources</b>				
Transfers In	0	0	1,296,405	1,296,405
<i>Net Change in Fund Balance</i>	24,994	24,994	(59,909)	(84,903)
<i>Fund Deficit Beginning of Year</i>	(63,053)	(63,053)	(63,053)	0
<i>Fund Deficit End of Year</i>	(\$38,059)	(\$38,059)	(\$122,962)	(\$84,903)



**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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Miscellaneous	\$0	\$0	\$490	\$490
<b>Expenditures</b>				
Current:				
Community Development:				
First Suburbs Development Council				
Personal Services	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	(1)	(1)	490	491
<i>Fund Balance Beginning of Year</i>	59,763	59,763	59,763	0
Prior Year Encumbrances Appropriated	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$59,763</u></u>	<u><u>\$59,763</u></u>	<u><u>\$60,254</u></u>	<u><u>\$491</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Radios Fund*  
*For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Public Safety:				
Police Radios				
Other than Personal Services	152,938	152,938	152,938	0
<i>Excess of Revenues Under Expenditures</i>	(152,938)	(152,938)	(152,938)	0
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	0	0	163,199	163,199
<i>Net Change in Fund Balance</i>	(152,938)	(152,938)	10,261	163,199
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$152,938)	(\$152,938)	\$10,261	\$163,199

**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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$1,067,874	\$1,067,874	\$1,046,419	(\$21,455)
Interest	126	126	123	(3)
<i>Total Revenues</i>	<u>1,068,000</u>	<u>1,068,000</u>	<u>1,046,542</u>	<u>(21,458)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Off-Street Parking				
Personal Services	198,479	198,479	164,924	33,555
Other than Personal Services	964,787	964,787	914,529	50,258
Capital Outlay	8,000	8,000	287	7,713
Non-Governmental	4,000	4,703	3,537	1,166
<i>Total Expenditures</i>	<u>1,175,266</u>	<u>1,175,969</u>	<u>1,083,277</u>	<u>92,692</u>
<i>Excess of Revenues Under Expenditures</i>	(107,266)	(107,969)	(36,735)	71,234
<b>Other Financing Uses</b>				
Transfers Out	(1,000)	(1,000)	0	1,000
<i>Net Change in Fund Balance</i>	(108,266)	(108,969)	(36,735)	72,234
<i>Fund Balance Beginning of Year</i>	419,729	419,729	419,729	0
Prior Year Encumbrances Appropriated	6,152	6,152	6,152	0
<i>Fund Balance End of Year</i>	<u>\$317,615</u>	<u>\$316,912</u>	<u>\$389,146</u>	<u>\$72,234</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$850,000	\$850,000	\$868,412	\$18,412
<b>Expenditures</b>				
Current:				
Public Safety:				
Ambulance Services				
Personal Services	199,500	199,500	162,950	36,550
Other than Personal Services	500,965	500,965	333,487	167,478
Capital Outlay	344,502	996,957	10,431	986,526
<i>Total Public Safety</i>	1,044,967	1,697,422	506,868	1,190,554
Debt Service:				
Principal Retirement	112,242	112,242	112,242	0
Interest and Fiscal Charges	19,072	19,072	19,072	0
<i>Total Expenditures</i>	1,176,281	1,828,736	638,182	1,190,554
<i>Excess of Revenues Over (Under) Expenditures</i>	(326,281)	(978,736)	230,230	1,208,966
<b>Other Financing Uses</b>				
Transfers Out	(40,559)	(40,559)	(40,189)	370
<i>Net Change in Fund Balance</i>	(366,840)	(1,019,295)	190,041	1,209,336
<i>Fund Balance Beginning of Year</i>	1,524,127	1,524,127	1,524,127	0
Prior Year Encumbrances Appropriated	88,766	88,766	88,766	0
<i>Fund Balance End of Year</i>	<u>\$1,246,053</u>	<u>\$593,598</u>	<u>\$1,802,934</u>	<u>\$1,209,336</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Contributions and Donations	<u>\$7,000</u>	<u>\$7,000</u>	<u>\$5,236</u>	<u>(\$1,764)</u>
<b>Expenditures</b>				
Current:				
Public Health Services:				
Office on Aging				
Other than Personal Services	11,540	11,540	3,464	8,076
Capital	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
<i>Total Expenditures</i>	<u>14,540</u>	<u>14,540</u>	<u>3,464</u>	<u>11,076</u>
<i>Net Change in Fund Balance</i>	(7,540)	(7,540)	1,772	9,312
<i>Fund Balance Beginning of Year</i>	<u>8,793</u>	<u>8,793</u>	<u>8,793</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,253</u></u>	<u><u>\$1,253</u></u>	<u><u>\$10,565</u></u>	<u><u>\$9,312</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Contributions and Donations	\$5,000	\$5,000	\$10,608	\$5,608
<b>Expenditures</b>				
Current:				
General Government:				
Youth Donations				
Other than Personal Services	5,500	5,500	5,457	43
<i>Net Change in Fund Balance</i>	(500)	(500)	5,151	5,651
<i>Fund Balance Beginning of Year</i>	50,124	50,124	50,124	0
<i>Fund Balance End of Year</i>	<u>\$49,624</u>	<u>\$49,624</u>	<u>\$55,275</u>	<u>\$5,651</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Contributions and Donations	\$0	\$0	\$1,200	\$1,200
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	1,200	1,200
<i>Fund Balance Beginning of Year</i>	10,608	10,608	10,608	0
<i>Fund Balance End of Year</i>	\$10,608	\$10,608	\$11,808	\$1,200

**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, 2019*

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



**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Juvenile Diversion Program Fund*  
*For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Contributions and Donations	\$9,000	\$9,000	\$8,400	(\$600)
<b>Expenditures</b>				
Current:				
Public Safety:				
Juvenile Diversion Program				
Other than Personal Services	12,000	12,000	5,882	6,118
<i>Net Change in Fund Balance</i>	(3,000)	(3,000)	2,518	5,518
<i>Fund Balance Beginning of Year</i>	3,724	3,724	3,724	0
<i>Fund Balance End of Year</i>	\$724	\$724	\$6,242	\$5,518

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Damage Deposits Fund*  
*For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$0	\$0	\$34,224	\$34,224
<b>Expenditures</b>				
Current:				
Public Safety:				
Fire Damage Deposits				
Other than Personal Services	37,100	37,100	37,100	0
<i>Net Change in Fund Balance</i>	(37,100)	(37,100)	(2,876)	34,224
<i>Fund Balance Beginning of Year</i>	197,140	197,140	197,140	0
<i>Fund Balance End of Year</i>	<u>\$160,040</u>	<u>\$160,040</u>	<u>\$194,264</u>	<u>\$34,224</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$0	\$0	\$32,752	\$32,752
<b>Expenditures</b>				
Current:				
General Government:				
Personal Services	107,166	107,166	59,194	47,972
Public Safety:				
Personal Services	342,406	342,406	187,558	154,848
Transportation:				
Personal Services	22,417	22,417	12,382	10,035
Community Development:				
Personal Services	39,498	39,498	21,817	17,681
Sanitation:				
Personal Services	101,910	101,910	56,291	45,619
Culture and Recreation:				
Personal Services	43,828	43,828	24,209	19,619
<i>Total Expenditures</i>	<u>657,225</u>	<u>657,225</u>	<u>361,451</u>	<u>295,774</u>
<i>Excess of Revenues Under Expenditures</i>	(657,225)	(657,225)	(328,699)	328,526
<b>Other Financing Sources</b>				
Transfers In	658,000	658,000	0	(658,000)
<i>Net Change in Fund Balance</i>	775	775	(328,699)	(329,474)
<i>Fund Balance Beginning of Year</i>	<u>164,960</u>	<u>164,960</u>	<u>164,960</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$165,735</u></u>	<u><u>\$165,735</u></u>	<u><u>(\$163,739)</u></u>	<u><u>(\$329,474)</u></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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$642,575	\$642,575	\$1,133,208	\$490,633
Intergovernmental	90,939	90,939	160,374	69,435
Special Assessments	22,929	22,929	40,437	17,508
<i>Total Revenues</i>	<u>756,443</u>	<u>756,443</u>	<u>1,334,019</u>	<u>577,576</u>
<b>Expenditures</b>				
Current:				
General Government:				
Other than Personal Services	1,200	1,200	1,176	24
Debt Service:				
Principal Retirement	2,307,588	2,307,588	2,307,588	0
Interest and Fiscal Charges	477,058	752,265	499,900	252,365
<i>Total Expenditures</i>	<u>2,785,846</u>	<u>3,061,053</u>	<u>2,808,664</u>	<u>252,389</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,029,403)</u>	<u>(2,304,610)</u>	<u>(1,474,645)</u>	<u>829,965</u>
<b>Other Financing Sources</b>				
Bond Anticipation Notes Issued	582,000	582,000	582,000	0
Transfers In	27,340	27,340	27,340	0
<i>Total Other Financing Sources</i>	<u>609,340</u>	<u>609,340</u>	<u>609,340</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,420,063)	(1,695,270)	(865,305)	829,965
<i>Fund Balance Beginning of Year</i>	1,347,491	1,347,491	1,347,491	0
Prior Year Encumbrances Appropriated	(23,522)	(23,522)	(23,522)	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$96,094)</u>	<u>(\$371,301)</u>	<u>\$458,664</u>	<u>\$829,965</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Licenses, Permits and Fees	\$20,000	\$20,000	\$28,170	\$8,170
<b>Expenditures</b>				
Current:				
Public Safety:				
Police Facility Improvement				
Other than Personal Services	21,228	21,228	16,840	4,388
Capital Outlay	43,540	43,540	30,650	12,890
<i>Total Expenditures</i>	<u>64,768</u>	<u>64,768</u>	<u>47,490</u>	<u>17,278</u>
<i>Net Change in Fund Balance</i>	(44,768)	(44,768)	(19,320)	25,448
<i>Fund Balance Beginning of Year</i>	34,147	34,147	34,147	0
Prior Year Encumbrances Appropriated	15,768	15,768	15,768	0
<i>Fund Balance End of Year</i>	<u>\$5,147</u>	<u>\$5,147</u>	<u>\$30,595</u>	<u>\$25,448</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, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$480,038	\$480,038	\$492,159	\$12,121
Intergovernmental	72,861	72,861	74,701	1,840
<i>Total Revenues</i>	<u>552,899</u>	<u>552,899</u>	<u>566,860</u>	<u>13,961</u>
<b>Expenditures</b>				
Current:				
Culture and Recreation:				
Recreation Facility Improvement				
Other than Personal Services	208,350	346,419	244,096	102,323
Capital Outlay	480,627	480,627	194,036	286,591
Debt Service:				
Principal Retirement	18,365	18,365	18,365	0
Interest and Fiscal Charges	3,838	3,838	3,838	0
<i>Total Expenditures</i>	<u>711,180</u>	<u>849,249</u>	<u>460,335</u>	<u>388,914</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(158,281)	(296,350)	106,525	402,875
<b>Other Financing Uses</b>				
Transfers Out	(27,340)	(27,340)	(27,340)	0
<i>Net Change in Fund Balance</i>	(185,621)	(323,690)	79,185	402,875
<i>Fund Balance Beginning of Year</i>	206,452	206,452	206,452	0
Prior Year Encumbrances Appropriated	49,568	49,568	49,568	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$70,399</u>	<u>(\$67,670)</u>	<u>\$335,205</u>	<u>\$402,875</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, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$296,418	\$296,418
<b>Expenditures</b>				
Capital Outlay	82,032	745,231	0	745,231
<i>Excess of Revenues Over (Under) Expenditures</i>	(82,032)	(745,231)	296,418	1,041,649
<b>Other Financing Sources</b>				
Transfers In	1,000,000	1,000,000	919,036	(80,964)
<i>Net Change in Fund Balance</i>	917,968	254,769	1,215,454	960,685
<i>Fund Deficit Beginning of Year</i>	(251,624)	(251,624)	(251,624)	0
Prior Year Encumbrances Appropriated	(60,030)	(60,030)	(60,030)	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$606,314</u>	<u>(\$56,885)</u>	<u>\$903,800</u>	<u>\$960,685</u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Energy Improvements Fund  
For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Miscellaneous	\$0	\$0	\$31,295	\$31,295
<b>Expenditures</b>				
Capital Outlay	329,232	329,232	329,155	77
<i>Excess of Revenues Under Expenditures</i>	(329,232)	(329,232)	(297,860)	31,372
<b>Other Financing Sources</b>				
Transfers In	0	0	80,964	80,964
<i>Net Change in Fund Balance</i>	(329,232)	(329,232)	(216,896)	112,336
<i>Fund Balance Beginning of Year</i>	421,819	421,819	421,819	0
Prior Year Encumbrances Appropriated	(204,923)	(204,923)	(204,923)	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$112,336)</u>	<u>(\$112,336)</u>	<u>\$0</u>	<u>\$112,336</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, 2019*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$0	\$0	\$3,282	\$3,282
Miscellaneous	30,000	30,000	72,680	42,680
<i>Total Revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>75,962</u>	<u>45,962</u>
<b>Expenditures</b>				
Current:				
Community Development:				
Economic Development				
Personal Services	0	2,000	62,178	(60,178)
Other than Personal Services	304,298	364,298	176,003	188,295
Total Community Development	304,298	366,298	238,181	128,117
Capital Outlay	0	75,000	58,240	16,760
<i>Total Expenditures</i>	<u>304,298</u>	<u>441,298</u>	<u>296,421</u>	<u>144,877</u>
<i>Net Change in Fund Balance</i>	(274,298)	(411,298)	(220,459)	190,839
<i>Fund Balance Beginning of Year</i>	1,487,366	1,487,366	1,487,366	0
Prior Year Encumbrances Appropriated	16,998	16,998	16,998	0
<i>Fund Balance End of Year</i>	<u><u>\$1,230,066</u></u>	<u><u>\$1,093,066</u></u>	<u><u>\$1,283,905</u></u>	<u><u>\$190,839</u></u>

**City of Cleveland Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*City Hall Maintenance Fund*  
*For the Year Ended December 31, 2019*

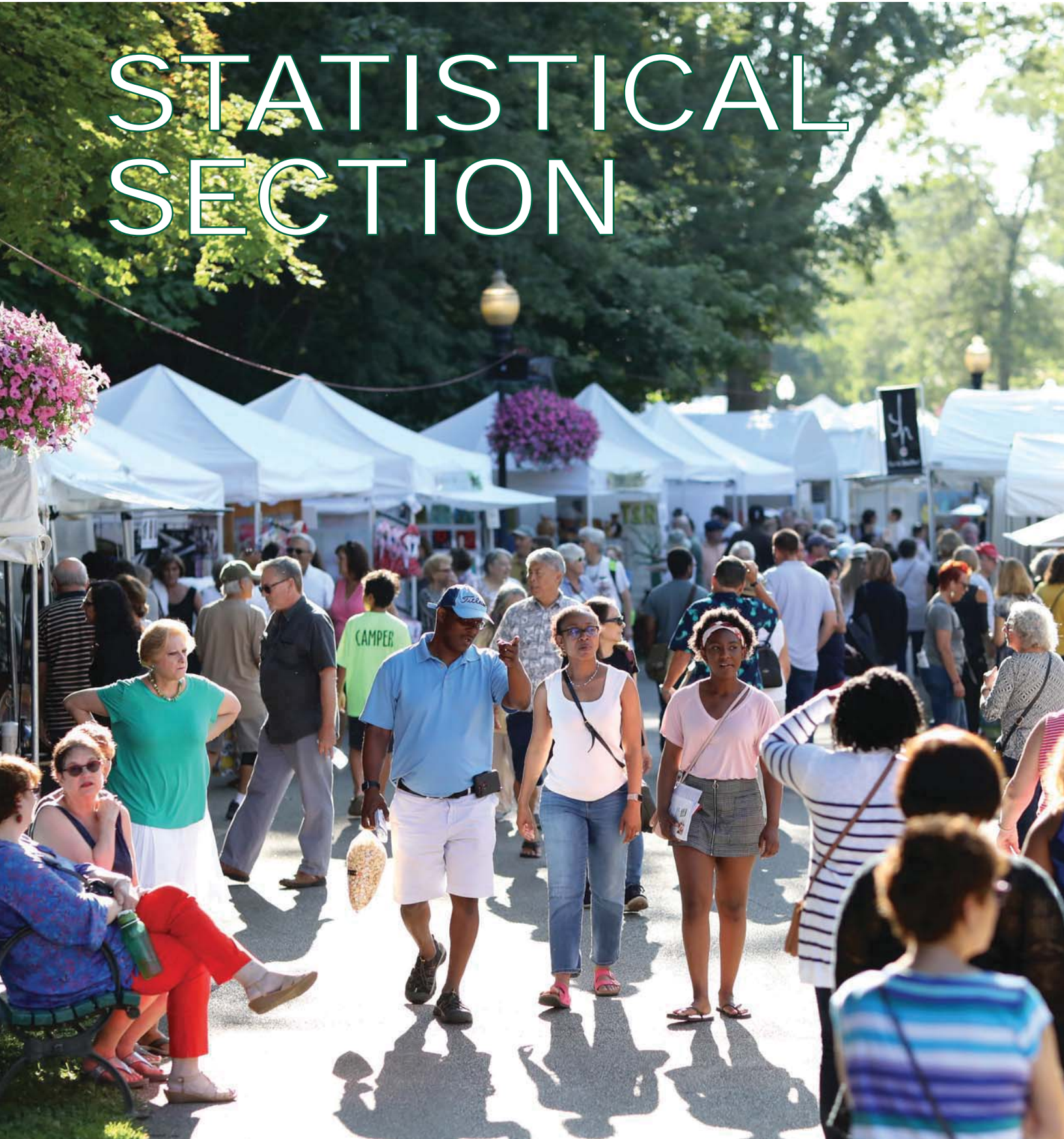
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Rentals	\$35,000	\$35,000	\$23,902	(\$11,098)
<b>Expenditures</b>				
Current:				
General Government:				
City Hall Maintenance				
Other than Personal Services	15,000	21,589	17,154	4,435
Capital Outlay	15,000	15,000	0	15,000
<i>Total Expenditures</i>	<u>30,000</u>	<u>36,589</u>	<u>17,154</u>	<u>19,435</u>
<i>Net Change in Fund Balance</i>	5,000	(1,589)	6,748	8,337
<i>Fund Balance Beginning of Year</i>	<u>83,170</u>	<u>83,170</u>	<u>83,170</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$88,170</u>	<u>\$81,581</u>	<u>\$89,918</u>	<u>\$8,337</u>

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Cleveland Heights beautiful parks  
beautiful community

Arts Festival At Cain Park

# STATISTICAL SECTION





Cleveland Heights, Ohio beautiful parks  
beautiful community



## Statistical Section

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

<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	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.	
<b><i>Revenue Capacity</i></b> .....	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.	
<b><i>Debt Capacity</i></b> .....	S19 - S24
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b><i>Economic and Demographic Information</i></b> .....	S25 – S27
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b><i>Operating Information</i></b> .....	S28 - S35
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

**City of Cleveland Heights, Ohio**

*Net Position by Component*

*Last Ten Years*

*(accrual basis of accounting)*

	2019 (3)	2018 (3)	2017 (2)	2016
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$62,050,520	\$65,914,958	\$66,649,264	\$65,331,766
Restricted	17,550,132	17,585,894	15,323,423	14,526,578
Unrestricted (Deficit)	<u>(38,057,232)</u>	<u>(57,431,301)</u>	<u>(53,358,107)</u>	<u>(17,475,658)</u>
<i>Total Governmental Activities Net Position</i>	<u>41,543,420</u>	<u>26,069,551</u>	<u>28,614,580</u>	<u>62,382,686</u>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	6,311,315	6,712,319	6,363,409	20,305,226
Unrestricted (Deficit)	<u>3,236,495</u>	<u>2,390,480</u>	<u>646,273</u>	<u>3,178,139</u>
<i>Total Business-Type Activities Net Position</i>	<u>9,547,810</u>	<u>9,102,799</u>	<u>7,009,682</u>	<u>23,483,365</u>
<b>Primary government</b>				
Net Investment in Capital Assets	68,361,835	72,627,277	73,012,673	85,636,992
Restricted	17,550,132	17,585,894	15,323,423	14,526,578
Unrestricted (Deficit)	<u>(34,820,737)</u>	<u>(55,040,821)</u>	<u>(52,711,834)</u>	<u>(14,297,519)</u>
<i>Total Primary Government Net Position</i>	<u>\$51,091,230</u>	<u>\$35,172,350</u>	<u>\$35,624,262</u>	<u>\$85,866,051</u>

(1) In 2015, the City implemented GASB 68 which affected Unrestricted Net Position for 2014.

(2) In 2018, the City implemented GASB 75 and restated for transfer of operations which affected Unrestricted Net Position for 2017.

(3) The City implemented GASB Statement No. 84 in 2019, causing the classification of net position to change beginning in 2018.

2015	2014 (1)	2013	2012	2011	2010
\$63,355,613	\$63,242,503	\$64,402,234	\$66,164,102	\$61,261,817	\$60,655,783
16,344,332	15,988,947	16,261,342	16,014,581	14,783,716	10,212,831
(14,732,685)	(20,086,683)	13,108,074	14,583,025	13,789,209	11,467,878
<u>64,967,260</u>	<u>59,144,767</u>	<u>93,771,650</u>	<u>96,761,708</u>	<u>89,834,742</u>	<u>82,336,492</u>
20,428,734	20,507,524	20,927,544	21,386,384	21,461,778	21,995,967
2,464,954	(43,529)	2,028,666	2,017,605	2,882,395	3,647,070
<u>22,893,688</u>	<u>20,463,995</u>	<u>22,956,210</u>	<u>23,403,989</u>	<u>24,344,173</u>	<u>25,643,037</u>
83,784,347	83,750,027	85,329,778	87,550,486	82,723,595	82,651,750
16,344,332	15,988,947	16,261,342	16,014,581	14,783,716	10,212,831
(12,267,731)	(20,130,212)	15,136,740	16,600,630	16,671,604	15,114,948
<u>\$87,860,948</u>	<u>\$79,608,762</u>	<u>\$116,727,860</u>	<u>\$120,165,697</u>	<u>\$114,178,915</u>	<u>\$107,979,529</u>



**City of Cleveland Heights, Ohio**

*Changes in Net Position*

*Last Ten Years*

*(accrual basis of accounting)*

	2019 (5)	2018 (4)	2017 (2)	2016
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$4,216,412	\$4,218,129	\$4,005,958	\$4,172,508
Public Safety	4,535,659	5,621,987	5,291,173	5,833,368
Public Health Services	73,717	74,153	65,406	69,414
Transportation	575,016	682,738	433,538	536,527
Community Development	1,916,154	1,709,836	1,547,919	1,411,096
Sanitation	499,630	435,889	450,884	407,540
Culture and Recreation	1,285,929	1,121,306	1,133,852	856,391
Operating Grants and Contributions	4,767,431	5,614,681	9,116,678	6,276,236
Capital Grants and Contributions	76,250	71,438	87,378	72,096
<i>Total Governmental Activities Program Revenues</i>	<u>17,946,198</u>	<u>19,550,157</u>	<u>22,132,786</u>	<u>19,635,176</u>
Business-Type Activities:				
Charges for Services:				
Water (2)	0	0	594,071	14,242,180
Sewer	5,126,352	4,502,792	2,883,863	1,398,962
Utilities (1)	0	0	0	0
Operating Grants and Contributions	0	0	915,719	0
Capital Grants and Contributions	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>5,126,352</u>	<u>4,502,792</u>	<u>4,393,653</u>	<u>15,641,142</u>
<i>Total Primary Government Program Revenues</i>	<u>23,072,550</u>	<u>24,052,949</u>	<u>26,526,439</u>	<u>35,276,318</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	16,751,225	17,535,489	16,331,347	16,358,242
Public Safety	1,674,058	28,171,172	26,341,709	25,334,587
Public Health Services	1,018,905	385,738	360,285	359,185
Transportation	8,264,796	8,201,178	8,527,689	8,278,949
Community Development	6,327,473	5,321,819	5,613,479	6,350,784
Sanitation	2,473,844	2,655,695	2,678,313	2,217,216
Culture and Recreation	4,963,586	3,732,443	4,381,740	3,220,376
Interest and Fiscal Charges	550,743	624,516	451,277	583,113
<i>Total Governmental Activities Expenses</i>	<u>42,024,630</u>	<u>66,628,050</u>	<u>64,685,839</u>	<u>62,702,452</u>
Business-Type Activities:				
Water	0	0	15,810,884	13,422,399
Sewer	4,940,749	2,501,275	2,646,476	1,649,888
Utilities (1)	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>4,940,749</u>	<u>2,501,275</u>	<u>18,457,360</u>	<u>15,072,287</u>
<i>Total Primary Government Expenses</i>	<u>\$46,965,379</u>	<u>\$69,129,325</u>	<u>\$83,143,199</u>	<u>\$77,774,739</u>

2015 (3)	2014	2013	2012	2011	2010
\$4,368,875	\$4,406,803	\$4,287,936	\$3,896,511	\$5,173,902	\$5,899,281
5,614,727	5,625,274	5,903,861	5,078,988	4,063,337	2,787,809
75,245	74,658	70,591	61,303	60,043	1,320
660,114	757,961	695,236	589,434	575,647	4,324
508,653	1,684,767	1,667,890	1,320,804	1,264,852	1,682,112
1,037,224	468,649	460,342	429,204	394,745	1,522,649
1,486,855	955,160	614,650	981,803	727,363	1,721,728
5,136,553	6,296,657	4,337,755	5,657,962	4,953,832	2,913,883
37,300	73,446	74,496	3,877,741	0	2,493,496
<u>18,925,546</u>	<u>20,343,375</u>	<u>18,112,757</u>	<u>21,893,750</u>	<u>17,213,721</u>	<u>19,026,602</u>
14,282,892	13,045,233	12,424,417	11,466,957	10,125,904	0
1,622,110	1,553,903	1,663,242	1,727,854	1,584,611	0
0	0	0	0	0	12,746,117
0	0	0	0	0	0
0	0	0	0	0	547,852
<u>15,905,002</u>	<u>14,599,136</u>	<u>14,087,659</u>	<u>13,194,811</u>	<u>11,710,515</u>	<u>13,293,969</u>
<u>34,830,548</u>	<u>34,942,511</u>	<u>32,200,416</u>	<u>35,088,561</u>	<u>28,924,236</u>	<u>32,320,571</u>
12,914,350	14,768,680	14,369,538	16,048,638	15,240,828	16,283,136
21,488,717	21,856,257	20,891,754	21,239,342	19,139,951	19,266,592
332,708	363,067	360,462	363,703	342,507	360,546
7,123,967	8,330,208	10,621,023	5,718,551	5,620,385	6,755,636
5,009,520	6,147,040	5,164,372	6,347,777	6,330,335	7,154,037
2,531,508	1,829,229	2,511,148	2,670,357	2,470,427	2,396,825
3,007,590	3,117,836	3,565,494	3,385,120	3,466,238	3,562,465
498,182	668,496	748,771	798,771	1,159,987	96,930
<u>52,906,542</u>	<u>57,080,813</u>	<u>58,232,562</u>	<u>56,572,259</u>	<u>53,770,658</u>	<u>55,876,167</u>
12,225,265	14,023,023	12,743,834	13,213,185	10,800,301	0
1,539,528	2,045,581	1,790,551	1,787,713	2,217,378	0
0	0	0	0	0	12,374,470
<u>13,764,793</u>	<u>16,068,604</u>	<u>14,534,385</u>	<u>15,000,898</u>	<u>13,017,679</u>	<u>12,374,470</u>
<u>\$66,671,335</u>	<u>\$73,149,417</u>	<u>\$72,766,947</u>	<u>\$71,573,157</u>	<u>\$66,788,337</u>	<u>\$68,250,637</u>

**City of Cleveland Heights, Ohio**  
*Changes in Net Position (continued)*  
*Last Ten Years*  
*(accrual basis of accounting)*

	2019 (5)	2018 (4)	2017 (2)	2016
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$24,078,432)	(\$47,077,893)	(\$42,553,053)	(\$43,067,276)
Business-Type Activities	185,603	2,001,517	(14,063,707)	568,855
<i>Total Primary Government Net Expense</i>	<u>(23,892,829)</u>	<u>(45,076,376)</u>	<u>(56,616,760)</u>	<u>(42,498,421)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	6,742,046	6,811,660	6,721,408	6,816,312
Other Purposes	415,534	432,247	412,884	423,916
Debt Service	1,117,291	778,168	2,064,131	2,175,486
Capital Outlay	484,725	490,240	481,610	494,532
Municipal Income Taxes Levied For:				
General Purposes	25,858,382	29,088,986	28,288,722	25,911,464
Admissions Taxes	49,873	51,930	53,976	83,402
Grants and Entitlements not Restricted to Specific Programs	3,185,196	2,783,621	3,311,536	2,973,822
Franchise Taxes	519,245	545,814	502,577	606,056
Payment in Lieu of Taxes	0	0	0	0
Investment Earnings	556,379	391,208	222,634	133,571
Gain on Sale of Capital Assets	0	0	0	11,751
Miscellaneous	717,849	1,333,977	945,402	1,202,894
Transfers	(94,219)	(85,884)	(48,445)	(20,666)
<i>Total Governmental Activities</i>	<u>39,552,301</u>	<u>42,621,967</u>	<u>42,956,435</u>	<u>40,812,540</u>
Business-Type Activities:				
Investment Earnings	0	0	0	0
Miscellaneous	165,189	5,500	391,198	156
Transfers	94,219	85,884	48,445	20,666
<i>Total Business-Type Activities</i>	<u>259,408</u>	<u>91,384</u>	<u>439,643</u>	<u>20,822</u>
<i>Total Primary Government</i>	<u>39,811,709</u>	<u>42,713,351</u>	<u>43,396,078</u>	<u>40,833,362</u>
<b>Change in Net Position</b>				
Governmental Activities	15,473,869	(4,455,926)	403,382	(2,254,736)
Business-Type Activities (2)	445,011	2,092,901	(13,624,064)	589,677
<i>Total Primary Government Change in Net Position</i>	<u>\$15,918,880</u>	<u>(\$2,363,025)</u>	<u>(\$13,220,682)</u>	<u>(\$1,665,059)</u>

- (1) Business-Type Activities funds are presented together under "utilities" for 2010.  
(2) During 2017, the City signed a direct service agreement with the City of Cleveland for water distribution, resulting in a transfer of operations, effective in 2017.  
(3) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.  
(4) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018.  
(5) Revenues and expenses are first impacted by the implementation of GASB Statement No. 84 beginning in 2019.

2015 (3)	2014	2013	2012	2011	2010
(\$33,980,996)	(\$36,737,438)	(\$40,119,805)	(\$34,678,509)	(\$36,556,937)	(\$36,849,565)
2,140,209	(1,469,468)	(446,726)	(1,806,087)	(1,307,164)	919,499
(31,840,787)	(38,206,906)	(40,566,531)	(36,484,596)	(37,864,101)	(35,930,066)
7,465,977	6,581,283	6,516,716	6,720,122	6,955,676	7,865,388
434,668	431,946	449,426	463,456	477,254	482,529
1,935,505	1,762,903	2,261,326	2,240,041	2,306,722	2,332,232
507,033	503,935	524,333	540,700	556,794	485,169
24,221,436	24,035,692	21,620,891	24,772,161	24,162,250	20,202,521
94,087	158,849	101,414	107,516	273,716	0
2,938,207	3,297,881	3,793,292	4,418,417	4,919,000	7,521,076
560,558	490,496	551,694	588,325	565,476	0
0	0	0	1,150,000	141,241	0
77,437	70,034	43,610	45,811	127,999	169,445
15,219	0	0	103,497	0	0
1,838,614	1,259,270	1,244,120	1,318,978	1,694,674	1,295,993
(285,252)	16,421	22,925	(863,549)	14,385	0
39,803,489	38,608,710	37,129,747	41,605,475	42,195,187	40,354,353
0	0	0	0	0	4,085
4,232	19,361	21,872	2,354	22,685	7,757
285,252	(16,421)	(22,925)	863,549	(14,385)	0
289,484	2,940	(1,053)	865,903	8,300	11,842
40,092,973	38,611,650	37,128,694	42,471,378	42,203,487	40,366,195
5,822,493	1,871,272	(2,990,058)	6,926,966	5,638,250	3,504,788
2,429,693	(1,466,528)	(447,779)	(940,184)	(1,298,864)	931,341
\$8,252,186	\$404,744	(\$3,437,837)	\$5,986,782	\$4,339,386	\$4,436,129

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

	2019 (2)	2018 (2)	2017 (1)	2016
General Fund				
Nonspendable	\$785,196	\$838,744	\$527,700	\$657,693
Assigned	2,682,558	67,126	927,845	1,775,739
Unassigned (Deficit)	18,381,013	16,691,897	15,538,835	9,152,182
<i>Total General Fund</i>	<u>21,848,767</u>	<u>17,597,767</u>	<u>16,994,380</u>	<u>11,585,614</u>
All Other Governmental Funds				
Nonspendable	57,855	57,855	70,442	90,294
Restricted	11,543,945	11,208,049	9,375,697	7,787,747
Committed	2,003,869	1,813,440	1,699,509	1,046,209
Assigned	2,406,233	1,688,722	1,946,707	2,570,520
Unassigned (Deficit)	(504,547)	(905,412)	(667,990)	(1,607,207)
<i>Total All Other Governmental Funds</i>	<u>15,507,355</u>	<u>13,862,654</u>	<u>12,424,365</u>	<u>9,887,563</u>
<i>Total Governmental Funds</i>	<u><u>\$37,356,122</u></u>	<u><u>\$31,460,421</u></u>	<u><u>\$29,418,745</u></u>	<u><u>\$21,473,177</u></u>

(1) During 2017, the City signed a direct service agreement with the City of Cleveland for water distribution, resulting in a transfer of operations and change to fund balance, effective in 2017.

(2) During 2019, the City implemented GASB 84, which restated 2018 and caused the classification of fund balance to change.

2015	2014	2013	2012	2011	2010
\$272,287	\$653,120	\$403,831	\$380,439	\$282,323	\$329,078
113,116	36,452	6,535,767	2,960,821	4,978,336	358,103
7,872,648	3,975,918	(2,980,886)	3,157,559	2,764,002	7,740,531
8,258,051	4,665,490	3,958,712	6,498,819	8,024,661	8,427,712
75,102	45,930	65,630	65,780	95,526	1,608,483
9,244,854	7,213,016	7,540,793	8,109,130	7,363,926	9,003,123
964,170	904,809	949,701	1,186,778	1,263,138	1,225,246
3,346,090	2,769,393	1,651,700	1,663,977	356,140	1,409,066
(583,989)	(311,850)	(803,088)	(1,338,387)	(987,173)	(2,301,471)
13,046,227	10,621,298	9,404,736	9,687,278	8,091,557	10,944,447
\$21,304,278	\$15,286,788	\$13,363,448	\$16,186,097	\$16,116,218	\$19,372,159

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

	2019	2018	2017	2016
<b>Revenues</b>				
Property Taxes	\$8,891,758	\$8,668,862	\$9,520,699	\$9,767,040
Municipal Income Taxes	29,553,138	27,664,058	28,725,003	26,552,239
Admissions Taxes	49,873	51,930	53,976	83,402
Charges for Services	6,483,852	6,505,988	4,196,025	3,620,781
Licenses, Permits and Fees	2,115,227	2,191,529	3,994,350	4,841,715
Fines and Forfeitures	2,189,634	2,238,932	2,376,533	2,113,387
Intergovernmental	7,435,430	8,523,205	12,505,221	9,334,689
Special Assessments	2,165,003	2,182,996	2,115,997	2,134,257
Interest	556,379	391,208	222,634	133,571
Rentals	280,601	263,921	326,808	25,200
Contributions and Donations	25,444	24,621	19,446	40,492
Franchise Taxes	429,596	545,814	502,577	606,056
Payment in Lieu of Taxes	0	0	0	0
Miscellaneous	717,849	1,333,977	945,402	1,202,894
<i>Total Revenues</i>	<u>60,893,784</u>	<u>60,587,041</u>	<u>65,504,671</u>	<u>60,455,723</u>
<b>Expenditures</b>				
Current:				
General Government	14,630,371	16,631,354	15,026,725	16,212,345
Public Safety	21,264,582	22,754,779	21,430,864	21,375,902
Public Health Services	391,688	385,212	351,307	355,707
Transportation	5,091,084	5,571,795	5,751,208	7,703,370
Community Development	5,925,595	5,651,512	5,391,557	6,246,063
Sanitation	2,184,685	2,304,250	2,216,257	2,122,964
Culture and Recreation	3,585,276	2,981,156	3,719,148	3,052,494
Capital Outlay	478,783	2,599,053	9,325,850	1,820,801
Debt Service:				
Principal Retirement	2,451,291	2,381,617	4,320,888	4,009,532
Interest and Fiscal Charges	518,702	595,403	321,081	469,202
Bond Issuance Costs	0	0	144,976	41,347
<i>Total Expenditures</i>	<u>56,522,057</u>	<u>61,856,131</u>	<u>67,999,861</u>	<u>63,409,727</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,371,727</u>	<u>(1,269,090)</u>	<u>(2,495,190)</u>	<u>(2,954,004)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	17,358
Loans Issued	766,582	0	0	0
General Obligation Notes and Bonds Issued	851,611	582,000	8,017,000	3,115,000
General Obligation Notes and Bonds Premium	0	0	214,216	11,211
General Obligation Discount on Bonds Issued	0	0	(91,758)	0
Inception of Capital Lease	0	447,201	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	3,271,354	4,910,911	3,263,213	3,104,993
Transfers Out	(3,365,573)	(4,996,795)	(3,311,658)	(3,125,659)
<i>Total Other Financing Sources (Uses)</i>	<u>1,523,974</u>	<u>943,317</u>	<u>8,091,013</u>	<u>3,122,903</u>
<i>Net Change in Fund Balances</i>	<u>\$5,895,701</u>	<u>(\$325,773)</u>	<u>\$5,595,823</u>	<u>\$168,899</u>
Debt Service as a Percentage of Noncapital Expenditures	5.4%	5.1%	8.1%	7.9%

2015	2014	2013	2012	2011	2010
\$10,154,350	\$9,329,219	\$9,476,596	\$9,906,172	\$10,040,053	\$10,576,318
24,797,290	23,281,969	21,676,288	23,022,254	19,359,768	20,623,037
94,087	158,849	101,414	107,516	273,716	0
3,831,395	3,819,341	5,541,130	5,156,842	4,909,865	3,571,709
5,083,144	4,941,868	2,042,386	1,957,712	1,664,970	1,865,516
2,437,592	2,596,790	3,215,569	2,937,542	2,789,862	2,956,629
8,052,404	9,891,209	7,900,584	10,602,604	9,983,844	12,879,753
2,207,781	2,158,785	1,944,755	1,982,802	1,939,289	1,451,905
77,437	70,034	43,610	45,811	127,999	169,445
22,200	50,198	27,932	50,476	54,571	0
30,999	21,902	12,336	12,348	15,880	0
560,558	490,496	551,694	588,325	565,476	0
0	0	0	1,150,000	141,241	0
1,838,614	1,259,270	1,244,120	1,318,978	1,694,674	2,530,200
59,187,851	58,069,930	53,778,414	58,839,382	53,561,208	56,624,512
14,994,218	14,836,528	15,394,711	15,354,284	14,645,346	15,815,325
21,499,555	22,462,442	21,216,050	20,796,144	19,736,539	18,400,270
382,879	366,334	362,178	362,103	385,716	360,312
4,912,147	6,014,505	5,877,513	5,162,780	5,057,282	3,069,299
5,204,623	6,138,590	5,065,872	6,163,082	5,944,549	6,302,268
2,272,075	2,258,106	2,350,856	2,417,960	2,248,499	2,134,046
2,853,367	2,642,396	2,489,045	2,628,806	2,477,521	2,767,008
1,887,039	2,630,003	1,778,253	2,330,729	1,276,062	6,274,534
2,404,860	2,045,393	1,964,862	2,094,509	4,318,896	1,859,529
397,428	599,873	693,272	748,794	832,804	627,819
117,332	95,463	0	0	0	0
56,925,523	60,089,633	57,192,612	58,059,191	56,923,214	57,610,410
2,262,328	(2,019,703)	(3,414,198)	780,191	(3,362,006)	(985,898)
15,219	26,477	0	128,697	34,260	24,273
0	0	482,601	24,540	57,420	191,460
8,477,000	5,635,000	1,590,000	0	0	0
0	0	9,185	0	0	0
0	0	0	0	0	0
0	730,133	0	0	0	450,000
(4,728,842)	(2,464,988)	(1,513,662)	0	0	0
2,550,316	3,325,327	3,998,494	3,982,694	2,808,707	3,351,610
(2,550,316)	(3,308,906)	(3,975,069)	(4,846,243)	(2,794,322)	(3,351,610)
3,763,377	3,943,043	591,549	(710,312)	106,065	665,733
\$6,025,705	\$1,923,340	(\$2,822,649)	\$69,879	(\$3,255,941)	(\$320,165)
5.4%	4.8%	5.0%	5.2%	9.7%	4.8%



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

	2019	2018	2017	2016
<b>Inside Millage</b>				
Operating	\$2.22000	\$2.22000	\$2.22000	\$2.22000
Debt	1.50000	1.50000	1.50000	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>
<b>Charter Millage</b>				
1976 Charter/Current Expense	6.48000	6.48000	6.48000	6.48000
1997 Bond (\$15,000,000)	0.00000	0.00000	1.50000	1.50000
2004 Charter/Recreation Improvements	0.70000	0.70000	0.70000	0.70000
2014 Charter/Current Expense	0.92000	0.92000	0.92000	0.92000
<i>Total Voted Millage by Type of Property</i>	<u>8.10000</u>	<u>8.10000</u>	<u>9.60000</u>	<u>9.60000</u>
<i>Total Millage</i>	<u>\$12.42000</u>	<u>\$12.42000</u>	<u>\$13.92000</u>	<u>\$13.92000</u>
<b>Overlapping Rates by Taxing District</b>				
<i>Cleveland Heights - University Heights</i>				
General Business and Public Utility Personal	\$154.20000	\$155.09000	\$155.59000	\$149.59000
Residential/Agricultural Real	81.79927	88.48750	87.45518	81.30809
Commercial/Industrial and Public Utility Real	101.34487	107.61380	104.24162	98.15769
<i>Cleveland Heights Library</i>				
Operating - continuing				
General Business and Public Utility Personal	10.00000	10.00000	10.00000	10.00000
Residential/Agricultural Real	7.74291	8.26150	8.21562	8.20296
Commercial/Industrial and Public Utility Real	8.69555	9.11310	8.88868	8.88246
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	14.05000	14.05000	14.05000	14.05000
Residential/Agricultural Real	12.79732	13.91400	13.88020	13.86978
Commercial/Industrial and Public Utility Real	13.07704	14.00610	14.01236	14.05000
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	7.38000	6.88000	6.88000	6.88000
Residential/Agricultural Real	6.68792	7.28830	6.77011	6.76737
Commercial/Industrial and Public Utility Real	6.84133	7.34360	6.84687	6.86755

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

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

(1) Cleveland Metro Parks, Port Authority, Cuyahoga Community College

Source: Cuyahoga County, Ohio; County Fiscal Officer

2015	2014	2013	2012	2011	2010
\$2.57000	\$2.57000	\$2.22000	\$2.22000	\$2.22000	\$2.22000
1.15000	1.15000	1.50000	1.50000	1.50000	1.50000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
4.32000	4.32000	4.32000	4.32000	4.32000	4.32000
6.48000	6.48000	6.48000	6.48000	6.48000	6.48000
1.50000	1.40000	1.50000	1.40000	1.40000	1.40000
0.70000	0.70000	0.70000	0.70000	0.70000	0.70000
0.92000	0.00000	0.00000	0.00000	0.00000	0.00000
9.60000	8.58000	8.68000	8.58000	8.58000	8.58000
\$13.92000	\$12.90000	\$13.00000	\$12.90000	\$12.90000	\$12.90000
\$149.59000	\$149.59000	\$143.70000	\$143.70000	\$136.80000	\$136.80000
80.95140	80.38096	74.30494	71.72200	64.31560	64.19270
93.53970	92.77882	87.04456	84.67910	76.56090	77.75310
10.00000	7.80000	7.80000	7.80000	7.80000	7.80000
8.17220	5.92317	5.90716	5.71080	5.67410	5.66510
8.56850	6.31694	6.32897	6.17450	6.07140	6.17280
14.05000	14.05000	13.22000	13.22000	13.32000	13.32000
14.05000	14.05000	13.22000	13.11820	13.18660	13.17890
14.01950	13.94947	12.99676	12.78460	12.84120	12.84570
6.88000	5.98000	5.08000	5.08000	5.08000	4.78000
6.86430	5.96390	5.06349	5.00410	4.99000	4.50680
6.84010	5.88426	4.96214	4.86490	4.84500	4.41190

**City of Cleveland Heights, Ohio**  
*Assessed Valuation and Estimated True Values of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property Assessed Values			Tangible Personal Property	
	Residential/ Agricultural	Commercial Industrial	Estimated Actual Value	Public Utility	
				Assessed Values	Estimated Actual Value
2019	\$718,024,680	\$120,565,470	\$2,395,971,857	\$17,436,360	\$19,814,045
2018	678,829,930	112,853,640	2,261,953,057	16,785,770	19,074,739
2017	649,557,230	116,591,460	2,188,996,257	14,528,950	16,510,170
2016	686,084,250	117,958,640	2,297,265,400	14,628,530	16,623,330
2015	703,127,810	132,585,410	2,387,752,057	14,281,390	16,228,852
2014	711,935,130	135,720,620	2,421,873,571	13,432,710	15,264,443
2013	716,045,780	136,988,860	2,437,241,829	12,266,160	13,938,818
2012	758,172,910	142,503,180	2,573,360,257	11,149,780	12,670,205
2011	767,304,310	146,782,270	2,611,675,943	10,757,850	12,224,830
2010	768,320,370	145,568,470	2,611,110,971	10,441,200	11,865,000

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. 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. The last year telephone companies paid tangible personal property tax was 2010.

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

Source: Cuyahoga County, Ohio; County Fiscal Officer

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Total			
Assessed Values	Estimated Actual Value	Ratio	Direct Tax Rate
\$856,026,510	\$2,415,785,902	35.43 %	\$12.42
808,469,340	2,281,027,796	35.44	12.42
780,677,640	2,205,506,427	35.40	12.42
818,671,420	2,313,888,730	35.38	13.92
849,994,610	2,403,980,909	35.36	13.92
861,088,460	2,437,138,014	35.33	12.90
865,300,800	2,451,180,647	35.30	13.00
911,825,870	2,586,030,462	35.26	12.90
924,844,430	2,623,900,773	35.25	12.90
924,330,040	2,622,975,971	35.24	12.90

**City of Cleveland Heights, Ohio**  
*Property Tax Levies And Collections*  
*Last Ten Years*

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections To Tax Levy (2)</u>
2019	\$13,209,653	\$9,435,071	71.43 %	\$623,249	\$10,058,320	76.14 %
2018	12,390,749	9,276,560	74.87	577,266	9,853,826	79.53
2017	13,740,372	10,307,750	75.02	544,687	10,852,437	78.98
2016	12,891,944	10,626,321	82.43	517,268	11,143,589	86.44
2015	13,202,230	10,905,320	82.60	651,266	11,556,586	87.54
2014	13,015,636	10,003,954	76.86	654,530	10,658,484	81.89
2013	13,175,364	10,311,193	78.26	579,904	10,891,097	82.66
2012	13,491,509	10,845,056	80.38	632,297	11,477,353	85.07
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

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  
2019 and 2010*

Taxpayer	2019	
	Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Co.	\$11,468,240	1.34%
East Ohio Gas Company	4,064,100	0.47
American Transmission System	3,694,910	0.43
Waldorf Partners Limited Partnership	2,906,190	0.34
Lancashire Towers Associates	2,855,200	0.33
Kensington Limited Partnership	2,852,290	0.33
Cleveland Heights BG Propco, LLC	2,383,550	0.28
Property Investment Co., LLC	2,153,730	0.25
Concord Apartments, LLC	2,079,740	0.24
Severance Realty, LLC	2,010,480	0.23
<b>Total</b>	<b>\$36,468,430</b>	<b>4.26%</b>
<b>Total Assessed Valuation</b>	<b>\$856,026,510</b>	
Taxpayer	2010	
	Assessed Valuation	Percentage of Total Assessed Valuation
Severance Realty, LLC	\$18,470,070	2.00%
Kaiser Foundation Health Plan of Ohio	11,621,820	1.26
Cleveland Electric Illuminating Co.	8,214,300	0.89
Concord Company	2,591,190	0.28
American Retirement Corporation	2,537,510	0.27
Kensington Limited Partnership	2,520,000	0.27
Severance Housing Corporation	2,229,290	0.24
Waldorf Partners Limited Partnership	2,183,590	0.24
Lancashire Towers Associates	1,924,760	0.21
East Ohio Gas Company	1,893,190	0.20
<b>Total</b>	<b>\$54,185,720</b>	<b>5.86%</b>
<b>Total Assessed Valuation</b>	<b>\$924,330,040</b>	

Source: Cuyahoga County Fiscal Officer

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

Year	Tax Rate (2)	Total Tax Collected (1)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
2019	2.25 %	\$29,200,994	\$9,928,338	34 %	\$876,030	3 %	\$18,396,626	63 %
2018	2.25	27,660,650	9,291,416	33	997,935	4	17,371,299	63
2017	2.25	27,289,506	8,603,124	31	1,000,026	4	17,686,356	65
2016	2.25	26,217,124	8,651,651	33	786,514	3	16,778,959	64
2015	2.00	24,039,748	7,471,065	31	805,444	3	15,763,239	66
2014	2.00	23,161,191	7,870,984	34	928,582	4	14,361,625	62
2013	2.00	22,714,993	6,961,230	31	673,668	3	15,080,095	66
2012	2.00	22,419,053	6,949,906	31	672,572	3	14,796,575	66
2011	2.00	19,214,462	6,699,569	35	421,295	2	12,093,598	63
2010	2.00	18,827,105	6,694,873	36	646,012	3	11,486,220	61

Sources: Regional Income Tax Agency data - certain amounts may be estimates. Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only, without filing requirement.

Note: The City is statutorily prohibited from presenting individual taxpayer information.

(1) Based on Cash Basis

(2) The City's basic income tax rate may only be increased by a majority vote of the City's residents. In November 2015, the voters approved an increase to 2.25%, effective January 1, 2016.

**City of Cleveland Heights, Ohio**  
*Ratio of General Obligation Bonded Debt to Estimated Actual  
 Value and Bonded Debt Per Capita  
 Last Ten Years*

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt (1)	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2019	46,121	\$2,415,785,902	\$15,231,560	0.63%	\$330
2018	46,121	2,281,027,796	16,618,278	0.73	360
2017	46,121	2,205,506,427	17,333,458	0.79	376
2016	46,121	2,313,888,730	12,342,682	0.53	268
2015	46,121	2,403,980,909	12,971,816	0.54	281
2014	46,121	2,437,138,014	12,202,733	0.50	265
2013	46,121	2,451,180,647	10,830,316	0.44	235
2012	46,121	2,586,030,462	12,462,539	0.48	270
2011	46,121	2,623,900,773	14,326,306	0.55	311
2010	46,121	2,622,975,971	15,895,000	0.61	345

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

Note: The debt service fund pays principal and interest on general obligation bonds, as well as special assessment bonds.



**City of Cleveland Heights, Ohio**  
*Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

Governmental Activities								
Year	General Obligation Bonds	Economic Development Bonds	Special Assessment Bonds	Bond Anticipation Notes	Capital Leases	OPWC Loans	OWDA Loans	State Infrastructure Bank Loan
2019	\$14,716,560	\$0	\$1,890,000	\$851,611	\$694,249	\$1,918,011	\$173,262	\$172,280
2018	16,048,278	0	2,015,000	582,000	863,421	1,332,284	186,435	226,371
2017 (3)	17,333,458	0	2,140,000	722,000	507,061	1,422,713	205,278	278,875
2016	12,342,682	0	2,260,000	1,526,211	577,825	1,345,630	0	329,838
2015	12,971,816	0	2,375,000	1,515,000	646,918	1,461,069	0	0
2014	12,202,733	0	2,490,000	0	816,338	1,576,509	0	0
2013	10,830,316	0	2,522,575	0	193,836	1,679,271	0	0
2012	12,462,539	0	2,613,206	0	283,615	1,286,753	0	0
2011	14,326,306	0	2,703,837	0	408,081	1,307,256	0	0
2010	15,895,000	235,000	2,770,000	1,850,000	637,743	1,399,070	0	0

(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.

(3) OPWC loans and OWDA loans related to waterlines are non-capital related now that the transfer of operations is complete.  
The loans have been moved to governmental activities.

Business - Type Activities

General Obligation Bonds	Bond Anticipation Notes	OPWC Loans	OWDA Loans	Total Debt	Percentage of Personal Income (1)	Per Capita (2)
\$515,000	\$253,389	\$165,007	\$90,042	\$21,439,411	1.54%	\$465
570,000	0	196,491	123,566	22,143,846	1.59	480
0	0	212,233	171,356	22,992,974	1.65	499
0	186,369	607,822	397,971	19,574,348	1.40	424
0	185,000	704,720	439,386	20,298,909	1.45	440
0	0	801,619	479,178	18,366,377	1.32	398
0	0	898,518	517,409	16,641,925	1.19	361
0	0	995,417	554,141	18,195,671	1.30	395
0	0	1,043,867	589,433	20,378,780	1.46	442
0	0	1,172,917	495,486	24,455,216	1.75	530

**City of Cleveland Heights, Ohio**  
*Legal Debt Margin*  
*Last Ten Years*

	2019	2018	2017	2016
Total Assessed Property Value	<u>\$856,026,510</u>	<u>\$808,469,340</u>	<u>\$780,677,640</u>	<u>\$818,671,420</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	14,602,000	15,929,000	17,211,000	12,307,000
Special Assessment Bonds	1,890,000	2,015,000	2,140,000	2,260,000
OPWC Loans	1,918,011	1,332,284	1,422,713	1,345,630
OWDA Loans	173,262	186,435	205,278	0
State Infrastructure Loan Payable	172,280	226,371	278,875	329,838
Notes	959,611	722,000	1,285,000	1,526,211
Total Gross Indebtedness	<u>19,715,164</u>	<u>20,411,090</u>	<u>22,542,866</u>	<u>17,768,679</u>
Less:				
Special Assessment Bonds	(1,890,000)	(2,015,000)	(2,140,000)	(2,260,000)
OPWC Loans	(1,918,011)	(1,332,284)	(1,422,713)	(1,345,630)
OWDA Loans	(173,262)	(186,435)	(205,278)	0
Notes	(959,611)	(722,000)	(1,285,000)	(1,526,211)
General Bond Retirement Fund Balance	<u>(349,410)</u>	<u>(1,182,631)</u>	<u>(1,564,354)</u>	<u>(1,773,910)</u>
Total Net Debt Applicable to Debt Limit	<u>14,424,870</u>	<u>14,972,740</u>	<u>15,925,521</u>	<u>10,862,928</u>
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	<u>89,882,784</u>	<u>84,889,281</u>	<u>81,971,152</u>	<u>85,960,499</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$75,457,914</u>	<u>\$69,916,541</u>	<u>\$66,045,631</u>	<u>\$75,097,571</u>
Legal Debt Margin as a Percentage of the Debt Limit	83.95%	82.36%	80.57%	87.36%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	<u>\$47,081,458</u>	<u>\$44,465,814</u>	<u>\$42,937,270</u>	<u>\$45,026,928</u>
Total Gross Indebtedness	19,715,164	20,411,090	22,542,866	17,768,679
Less:				
Special Assessment Bonds	(1,890,000)	(2,015,000)	(2,140,000)	(2,260,000)
OPWC Loans	(1,918,011)	(1,332,284)	(1,422,713)	(1,345,630)
Notes	(959,611)	(722,000)	(1,285,000)	(1,526,211)
General Bond Retirement Fund Balance	<u>(349,410)</u>	<u>(1,182,631)</u>	<u>(1,564,354)</u>	<u>(1,773,910)</u>
Net Debt Within 5 1/2% Limitations	<u>14,598,132</u>	<u>15,159,175</u>	<u>16,130,799</u>	<u>10,862,928</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$32,483,326</u>	<u>\$29,306,639</u>	<u>\$26,806,471</u>	<u>\$34,164,000</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	68.99%	65.91%	62.43%	75.87%

Source: City Financial Records

2015	2014	2013	2012	2011	2010
<u>\$849,994,610</u>	<u>\$861,088,460</u>	<u>\$865,300,800</u>	<u>\$911,825,870</u>	<u>\$924,844,430</u>	<u>\$924,330,040</u>
12,902,000	12,085,000	10,680,000	12,290,000	14,125,000	15,895,000
2,375,000	2,490,000	2,505,000	2,595,000	2,685,000	2,770,000
1,461,069	1,576,509	1,679,271	1,286,753	1,307,256	1,399,070
0	0	0	0	0	0
0	0	0	0	0	0
1,752,527	1,976,277	2,193,000	2,126,000	1,703,000	1,850,000
<u>18,490,596</u>	<u>18,127,786</u>	<u>17,057,271</u>	<u>18,297,753</u>	<u>19,820,256</u>	<u>21,914,070</u>
(2,375,000)	(2,490,000)	(2,505,000)	(2,595,000)	(2,685,000)	(2,770,000)
(1,461,069)	(1,576,509)	(1,679,271)	(1,286,753)	(1,307,256)	(1,399,070)
0	0	0	0	0	0
(1,752,527)	(1,976,277)	(2,193,000)	(2,126,000)	(1,703,000)	(1,850,000)
<u>(277,889)</u>	<u>(482,039)</u>	<u>(1,306,909)</u>	<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>
<u>12,624,111</u>	<u>11,602,961</u>	<u>9,373,091</u>	<u>10,472,267</u>	<u>10,639,301</u>	<u>12,104,140</u>
<u>89,249,434</u>	<u>90,414,288</u>	<u>90,856,584</u>	<u>95,741,716</u>	<u>97,108,665</u>	<u>97,054,654</u>
<u>\$76,625,323</u>	<u>\$78,811,327</u>	<u>\$81,483,493</u>	<u>\$85,269,449</u>	<u>\$86,469,364</u>	<u>\$84,950,514</u>
85.86%	87.17%	89.68%	89.06%	89.04%	87.53%
<u>\$46,749,704</u>	<u>\$47,359,865</u>	<u>\$47,591,544</u>	<u>\$50,150,423</u>	<u>\$50,866,444</u>	<u>\$50,838,152</u>
18,490,596	18,127,786	17,057,271	18,297,753	19,820,256	21,914,070
(2,375,000)	(2,490,000)	(2,505,000)	(2,595,000)	(2,685,000)	(2,770,000)
(1,461,069)	(1,576,509)	(1,679,271)	(1,286,753)	(1,307,256)	(1,399,070)
(1,752,527)	(1,976,277)	(2,193,000)	(2,126,000)	(1,703,000)	(1,850,000)
<u>(277,889)</u>	<u>(482,039)</u>	<u>(1,306,909)</u>	<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>
<u>12,624,111</u>	<u>11,602,961</u>	<u>9,373,091</u>	<u>10,472,267</u>	<u>10,639,301</u>	<u>12,104,140</u>
<u>\$34,125,593</u>	<u>\$35,756,904</u>	<u>\$38,218,453</u>	<u>\$39,678,156</u>	<u>\$40,227,143</u>	<u>\$38,734,012</u>
73.00%	75.50%	80.31%	79.12%	79.08%	76.19%

**City of Cleveland Heights, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2019*

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Cleveland Heights
<b>Direct Debt</b>			
City of Cleveland Heights			
General Obligation Bonds	\$14,716,560	100.00%	\$14,716,560
Special Assessment Bonds	1,890,000	100.00	1,890,000
OPWC Loans	1,918,011	100.00	1,918,011
OWDA Loans	173,262	100.00	173,262
State Infrastructure Bank Loan	172,280	100.00	172,280
Long-Term Notes	851,611	100.00	851,611
Capital Leases	694,249	100.00	694,249
	<u>20,415,973</u>		<u>20,415,973</u>
<b>Total Direct Debt</b>			
<b>Overlapping Debt:</b>			
Payable from Property Taxes			
Cuyahoga County Bonds	259,469,382	2.80	7,265,143
Regional Transit Authority Bonds	103,467,645	2.80	2,897,094
Cleveland Heights-			
University Heights City School District	173,644,250	76.86	133,462,971
East Cleveland City School District	1,514,915	15.45	234,054
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	596,158,206	2.80	16,692,430
Cuyahoga County Certificates of Participation	223,265,971	2.80	6,251,447
Cuyahoga County Loans	1,345,885	2.80	37,685
Cuyahoga County Leases	307,766,236	2.80	8,617,455
Cleveland Heights -			
University Heights City School District Leases	210,785	76.86	162,009
	<u>1,666,843,275</u>		<u>175,620,288</u>
<b>Total Overlapping Debt</b>			
	<u>\$1,687,259,248</u>		<u>\$196,036,261</u>
<b>Total</b>			

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government.

**City of Cleveland Heights, Ohio**

*Principal Employers*

2019 and 2010

2019	
Employer	Employees
Cleveland Heights - University Heights City School District	802
City of Cleveland Heights	715
Minute Men Select Inc	585
MetroHealth System	566
C A S Health Investors, Inc.	397
Hebrew Academy of Cleveland	396
Dave's Supermarket, Inc.	354
Cuyahoga County Fiscal Office	319
Home Depot USA Inc.	242
XCEL Healthcare Products Inc.	230
Total	<u>4,606</u>
Total City Employment	<u>n/a</u>

2010		
Employer	Employees	Percentage of Total City Employment
Cleveland Heights - University Heights City School District	1,480	4.84 %
City of Cleveland Heights	780	2.55
Ohio Permanente Medical Group	365	1.19
Walmart	350	1.15
Kaiser Foundation	310	1.01
Zagara's	278	0.91
A1 Healthcare	255	0.83
Just Like Familiee III	214	0.70
A1 Nursing Care	167	0.55
Mosdos Ohr Hatorah	155	0.51
Total	<u>4,354</u>	<u>14.24 %</u>
Total City Employment	<u>30,572</u>	

**Source:** City of Cleveland Heights, Department of Income Tax - 2010  
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
2019	46,121	\$1,395,621,460	\$30,260	\$47,529	35.2	93.7
2018	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2017	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2016	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2015	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2014	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2013	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2012	46,121	1,395,621,460	30,260	47,966	35.3	92.4
2011	46,121	1,395,621,460	30,260	49,056	35.7	92.3
2010	46,121	1,395,621,460	30,260	49,056	35.7	92.3

(a) Source: U. S. Census, Census of population  
2010- 2019: 2010 Federal Census

(b) Source: Cuyahoga County Fiscal Officer

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

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School Enrollment ( c )	Cuyahoga County Unemployment Rate	Total Assessed Property Value ( b )
5,062	3.6 %	\$856,026,510
5,214	5.1	808,469,340
4,957	4.9	780,677,640
5,393	5.4	818,671,420
5,393	5.0	849,994,610
5,693	5.3	861,088,460
5,300	7.2	865,300,800
5,870	6.6	911,825,870
5,870	8.0	924,844,430
5,832	8.6	924,330,040



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

<b><u>Function/program</u></b>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Government:</b>					
Mangement/Council	2.5	3.0	3.0	3.0	6.0
City-Management	2.0	2.0	2.0	2.0	0.0
Finance	5.0	6.5	6.5	6.0	6.0
Off-Street Parking	2.0	2.0	2.0	2.0	3.0
<b>Planning/Community</b>					
Development	9.5	9.0	8.0	8.0	12.0
Building/Inspectional	11.0	11.0	11.0	10.0	15.0
Municipal Court	25.0	27.0	28.0	26.0	29.0
Other	18.5	18.5	18.5	21.0	14.5
<b>Public Safety:</b>					
Police					
Officers	97.0	100.0	100.0	98.0	115.8
Civilians/Crossing Guards	9.0	12.0	16.0	17.5	5.0
Fire					
Firefighters and officers	75.0	75.0	73.0	78.0	73.0
Civilians/Dispatch	0.0	0.0	10.0	11.0	8.0
<b>Culture and Recreation:</b>					
	82.5	82.5	82.5	75.0	55.0
<b>Sanitation:</b>					
	25.0	26.0	26.0	29.0	28.0
<b>Transportation:</b>					
	20.0	20.0	20.0	17.0	20.0
<b>Other Public Works Departments</b>					
	32.0	32.0	32.0	35.5	22.0
<b>Public Utilities:</b>					
Water	0.0	0.0	1.0	15.0	14.0
Wastewater	17.0	16.0	12.0	13.0	12.0
<b>Totals:</b>	<u>433.0</u>	<u>442.5</u>	<u>451.5</u>	<u>467.0</u>	<u>438.3</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.

2014	2013	2012	2011	2010
7.2	7.1	6.1	7.0	7.0
0.0	0.0	0.0	0.0	0.0
6.5	6.6	6.6	7.5	17.5
3.0	3.0	3.0	3.0	3.0
12.0	11.9	11.1	12.0	12.0
16.1	15.0	17.4	16.5	15.0
26.3	25.4	24.9	29.0	26.0
18.0	20.2	18.4	19.0	18.5
114.6	113.8	113.1	113.0	111.0
4.0	5.0	8.0	4.0	4.0
78.0	69.0	75.0	71.0	72.0
10.3	8.6	9.9	10.5	10.0
55.9	58.6	57.0	56.5	59.5
27.3	30.0	27.9	30.0	29.0
22.0	22.0	20.0	19.0	21.0
22.0	23.0	23.0	21.0	23.0
14.0	15.0	17.0	18.0	18.0
12.0	13.0	13.0	10.0	10.0
449.2	447.2	451.3	447.0	456.5

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

Function/program	2019	2018	2017	2016
<b>General Government</b>				
<b>Council and Clerk</b>				
Number of ordinances passed	35	40	123	22
Number of resolutions passed	76	97	135	85
Number of Planning Commission docket items	31	31	25	27
Number of Board of Zoning Appeals docket items	29	29	25	22
<b>Finance Department</b>				
Number of checks/ accounts payable vouchers issued	8,970	5,866	6,905	7,948
Amount of checks written	\$22,826,017	\$21,841,704	\$22,125,138	\$38,756,617
Interest earnings for fiscal year (cash basis)	\$128,603	\$379,426	\$242,847	\$140,731
Number of journal entries issued	2,514	1,814	964	606
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1
<b>Income Tax Department</b>				
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	*	*	*	*
<b>Municipal Court</b>				
Number of civil cases	1,980	1,849	1,718	1,687
Number of criminal cases	2,206	2,461	1,683	2,849
<b>Public Safety</b>				
<b>Fire</b>				
EMS calls	5,692	5,654	5,305	5,129
Fire calls	1,537	1,478	1,294	1,288
Fires with loss	27	70	62	16
Fire safety inspections/re-inspections	857	2,269	2,066	1,616
Number of times mutual aid given to Fire and EMS	122	217	129	40
Number of times mutual aid received from Fire and EMS	65	160	150	34
<b>Civil Service</b>				
Number of police entry tests administered	1	2	1	1
Number of fire entry tests administered	0	0	1	0
Number of fire promotional tests administered	0	1	2	0
Number of hires of police officers from certified lists	10	8	8	6
Number of hires of fire/medics from certified lists	2	7	4	4
Number of promotions from fire certified lists	0	4	2	0
Number of promotions from police certified lists	0	6	2	0
<b>Culture and Recreation</b>				
Senior activity center receipts	\$41,352	\$10,981	\$43,209	\$50,298
Swimming pools receipts	\$119,884	\$112,203	\$110,138	\$104,225
Ice program receipts	\$66,732	\$27,038	\$50,066	\$44,621
General recreation program receipts	\$45,358	\$35,885	\$42,758	\$62,773
Sports programs receipts	\$194,913	\$180,583	\$204,299	\$219,884
Community center program receipts	\$662,642	\$694,500	\$728,019	\$674,170
Cain park program receipts	\$837,388	\$797,374	\$783,820	\$560,335

2015	2014	2013	2012	2011	2010
29	36	68	47	52	51
115	102	143	142	112	117
38	34	52	27	22	27
31	22	36	25	28	30
5,881	5,984	6,498	6,752	6,363	6,327
\$34,186,263	\$30,936,718	\$29,020,478	\$30,468,399	\$27,736,616	\$34,223,380
\$78,721	\$71,505	\$77,695	\$93,503	\$98,115	\$150,034
499	526	501	438	415	331
A1	Aa2	Aa2	Aa2	Aa3	Aa3
*	*	*	*	*	1,146
*	*	*	*	*	\$361,142
*	*	*	*	*	16,197
*	*	*	*	*	1,899
*	*	*	*	*	10,610
*	*	*	*	*	\$124,498
*	*	*	*	*	10,670
*	*	*	*	*	46,769
*	*	*	*	*	46,769
*	*	*	*	*	1,731
1,075	1,559	1,511	1,365	1,126	1,532
2,642	3,020	3,359	2,685	2,287	3,162
4,934	4,559	4,733	4,817	4,631	4,374
1,288	1,387	1,399	1,296	1,211	1,136
59	50	62	64	54	60
2,137	980	957	1000+	1000+	1000+
98	99	110	101	76	72
78	60	82	128	91	51
0	0	1	0	1	0
67	0	1	0	1	0
0	3	2	2	3	0
5	4	2	2	7	8
0	13	2	8	6	0
0	5	4	3	4	0
8	3	0	2	2	2
\$37,829	\$39,914	\$0	\$60,962	\$57,911	\$51,818
\$99,904	\$105,963	\$97,222	\$108,284	\$98,739	\$97,618
\$49,129	\$36,747	\$36,356	\$46,901	\$53,505	\$56,607
\$60,356	\$99,785	\$94,312	\$90,404	\$96,470	\$97,908
\$201,040	\$171,016	\$183,743	\$197,133	\$208,882	\$202,654
\$655,843	\$640,367	\$587,822	\$584,432	\$627,573	\$658,871
\$644,005	\$603,585	\$564,682	\$689,853	\$428,296	\$425,099

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

Function/program	2019	2018	2017	2016
<b>Community Development</b>				
<b>Building Department</b>				
Construction permits issued - residential	3,296	5,366	3,052	464
Construction permits issued - commercial	161	413	220	229
Estimated value of construction - residential	\$18,528,289	\$31,470,611	\$23,228,320	\$16,592,300
Estimated value of construction - commercial	\$10,769,357	\$14,767,246	\$12,682,607	\$20,249,000
Number of permits issued	3,499	5,779	3,274	3,058
Amount of revenue generated from permits	\$425,604	\$847,183	\$309,645	\$846,063
Amount of revenue generated from fees/contractors licenses	\$167,899	\$299,750	\$196,430	\$245,205
Number of contractor registrations issued	1,194	1,100	1,173	812
Number of inspections performed	3,584	3,142	3,414	3,153
<b>Community Development</b>				
Annual entitled grant award	\$1,604,297	\$1,577,102	\$1,437,209	\$2,031,567
Program income received	\$212,032	\$216,972	\$165,606	\$136,984
Neighborhood stabilization program	\$0	\$0	\$0	\$0
<b>Transportation</b>				
Crackseal Coating Program (lbs.)	6,700	6,750	10,000	6,720
Street repair (curb, aprons, berms, asphalt) (hours)	7,680	8,000	6,560	5,520
Line striping (hours)	n/a	n/a	n/a	n/a
Street Sweeping (hours)	3,000	3,520	3,113	3,080
Cold Patch (hours)	4,400	4,420	5,066	4,960
Snow and ice removal - regular hours	6,180	6,120	4,200	4,816
Snow and ice removal - overtime hours	1,020	1,063	645	724
Landscaping Stump-Chipper Service (hours)	300	300	500	5,716
Leaf collection - fall (hours)	12,000	13,780	16,160	14,680
Equipment repair/body shop (hours)	n/a	n/a	1,800	16,640
Number of trees planted per year	300	339	369	313
Tons of snow melting salt purchased	5,700	6,621	6,232	5,400
Cost of snow/calcium chloride purchased	\$406,000	\$422,288	\$182,515	\$214,867
<b>Water Department (1)</b>				
Water rates per 1,000 cu ft of water used	0.0	0.0	0.0	88.0
Average number of water accounts billed monthly (cu ft)	0	0	0	15,350
Total water collections annually (including P&I)	\$0	\$0	\$3,131,604	\$18,637,752
Payments to Cleveland for bulk water purchases	\$0	\$0	\$1,893,113	\$4,132,247
<b>Wastewater Department</b>				
Wastewater rates per 1,000 cu ft of water used (local)	43.5	41.6	41.0	11.1
Sewer and sanitary calls for service	420	672	519	473

Source: City of Cleveland Heights departments

Notes:

\* The City contracted with Regional Income Tax Agency for the collection of its municipal income tax effective July 7, 2011. Therefore, due to mid-year conversion, accurate statistics are not available.

(1) The City transferred their water operations to the City of Cleveland, effective January 1, 2017.

2015	2014	2013	2012	2011	2010
110	1,010	807	906	792	964
92	125	105	95	92	108
\$11,042,945	\$12,536,148	\$9,610,449	\$10,674,213	\$10,638,000	\$11,304,000
\$8,749,163	\$14,159,210	\$8,644,284	\$5,656,276	\$9,091,000	\$4,803,000
3,364	3,234	3,185	3,291	3,172	3,599
\$604,164	\$389,340	\$365,424	\$314,110	\$311,809	\$383,576
\$247,495	\$262,655	\$113,318	\$120,724	\$113,420	\$117,625
965	1,111	1,080	1,134	853	1,407
1,533	5,721	7,843	7,090	8,193	9,004
\$1,461,454	\$1,476,666	\$1,496,443	\$1,446,726	\$1,601,941	\$1,909,731
\$253,078	\$192,129	\$283,408	\$208,548	\$506,829	\$344,680
\$0	\$0	\$0	\$0	\$250,000	\$0
9,000	6,750	11,153	6,761	5,065	7,155
8,640	5,520	2,880	5,520	5,520	5,520
n/a	1,432	2,152	1,736	1,792	1,848
2,960	3,300	2,800	2,960	2,960	2,960
4,800	5,440	4,960	5,440	5,760	5,440
6,832	6,384	8,400	3,360	6,720	7,840
1,169	4,434	3,488	3,002	3,191	4,257
5,716	5,716	5,716	5,500	5,668	5,200
12,168	17,744	13,332	11,433	11,047	10,828
16,640	14,560	15,680	16,818	16,640	16,640
203	263	246	273	250	309
4,001	13,077	7,225	4,977	4,469	5,443
\$0	\$424,383	\$237,629	\$226,927	\$210,907	\$238,918
70.0	70.0	70.0	56.6	56.6	56.6
15,536	15,476	15,487	15,460	15,419	15,439
\$17,757,000	\$17,063,701	\$16,154,339	\$11,083,365	\$10,050,111	\$10,628,905
\$12,217,352	\$10,752,942	\$10,314,487	\$8,993,685	\$779,438	\$9,332,522
11.1	11.1	11.1	11.1	11.1	11.1
535	350	350	318	326	360

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

<b>Function/program</b>	2019	2018	2017	2016
<b>General Government</b>				
Square Footage Occupied	68,000	68,000	68,000	68,000
Administrative Vehicles	12	12	12	1
Inspectional Vehicles	10	10	10	14
Municipal Court Vehicles	2	2	2	3
Land and Building Vehicles	20	20	20	5
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877
Vehicles	101	101	116	109
<b>Fire</b>				
Stations	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068
Vehicles	16	16	15	18
<b>Recreation</b>				
Number of Parks	7	7	7	7
Number of Pools	1	1	1	1
Number of Ice Rinks	2	2	2	2
Number of Tennis Courts	18	18	18	18
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	9	9	9	9
Number of Basketball Courts	5	5	5	5
Community Center Square Footage	150,000	150,000	150,000	150,000
Vehicles	13	13	13	11
<b>Other public works</b>				
Streets (miles)	137	137	137	137
Curbs (miles)	249	249	249	249
Square footage of Garage/Transfer Station	42,244	42,244	42,244	42,244
Service Vehicles	125	125	125	125
<b>Wastewater</b>				
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

2015	2014	2013	2012	2011	2010
68,000	68,000	68,000	68,000	68,000	68,000
10	9	9	14	14	16
15	18	18	14	14	22
3	3	3	2	2	2
5	21	21	14	14	22
1	1	1	1	1	1
18,877	18,877	18,877	18,877	18,877	18,877
92	99	99	100	100	106
2	2	2	2	2	2
24,068	24,068	24,068	24,068	24,068	24,068
19	18	18	19	19	18
6	6	6	6	6	6
1	1	1	1	1	1
2	2	2	2	2	2
18	18	18	18	18	18
1	1	1	1	1	1
9	9	9	9	9	9
5	5	5	5	5	5
150,000	150,000	150,000	150,000	150,000	150,000
5	7	7	12	12	27
137	137	137	137	137	137
249	249	249	249	249	249
42,244	42,244	42,244	42,244	42,244	42,244
129	105	105	105	105	125
150	150	150	150	150	150
150	150	150	150	150	150



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Cleveland Heights, Ohio beautiful parks  
beautiful community



Cleveland Heights, Ohio beautiful parks  
beautiful community

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF CLEVELAND HEIGHTS**

**CUYAHOGA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/17/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)