

Cleveland Heights, Ohio

Annual Comprehensive Financial Report



For the Year Ended December 31, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the City of Cleveland Heights, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2021 through December 31, 2021. 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

October 04, 2022

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Introductory Section

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CITY OF CLEVELAND HEIGHTS, OHIO

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

ISSUED BY THE DEPARTMENT OF FINANCE

Amy Himmelein, Director

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City of Cleveland Heights, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
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August 15, 2022

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2021. The City—and, more specifically, the Department of Finance—assumes responsibility for the accuracy, completeness, and fairness of presentation of all disclosures contained within this report and believes the data included is accurate in all material respects. Further, it is our intention to present this information in a manner that fairly sets forth the financial position of the City and the results of its operations as measured by its various activities.

We have provided Management's Discussion and Analysis, which follow the Independent Auditor's Report, to offer a better understanding of the City's financial activities. These sections serve to introduce the City's basic financial statements and provide management's explanation of the City's financial position for 2021.

CITY ORGANIZATION

The City of Cleveland Heights (the City) is a residential community in northeastern Ohio occupying 8.11 square miles of land immediately east of Cleveland. According to the U.S. Census Bureau, the City's population is 44,652 (2021).

The City was incorporated under Ohio law in February 1921 and operates under its Charter. From the Charter's adoption in August 1921 until December 31, 2021, the City was organized as a City Council/City Manager form of government. Seven members of Cleveland Heights City Council, elected at large, appointed a City Manager as the City's Chief Administrative Officer.

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

Under the council/manager form of government, the City had ten major operating departments, including the following:

- Public Works Department, which oversees refuse, street maintenance, utilities; and other divisions
- Public Safety, which includes police, fire, and building and inspectional services;
- Community Services Department
- Parks and Recreation Department, which oversees Cain Park;
- Planning and Development Department
- Finance Department, which is responsible for general accounting and treasury management, and preparation of the Annual Comprehensive Financial Report.

City Council met—and continues to meet—regularly on the first and third Mondays of each month. The City's Charter provides procedures for special or emergency meetings if the need arises. The City Manager, her administrative staff, and various department directors attended regular Council meetings. City Council generally met in committee or as a Committee of the Whole as needed.

On November 5, 2019, voters approved an amendment to the City's Charter to institute a Strong Mayor/City Council form of government beginning in 2022. Under the amended Charter, the Mayor has executive responsibilities for leading and managing the government, and Council maintains its legislative, policy-making, and fiscal responsibilities. On November 2, 2021, City voters elected Kahlil Seren as Cleveland Heights' first Mayor. Mayor Seren took office on January 1, 2022, and, with City Council's approval, appointed a City Administrator to assist with day-to-day operations.

ECONOMIC CONDITIONS

The City benefits from its proximity to major cultural, educational, and medical facilities in northeastern Ohio. Nearby University Circle comprises Case Western Reserve University and its associated University Hospitals, Severance Hall for the Performing Arts, home to the internationally-acclaimed Cleveland Symphony Orchestra, the world-famous Cleveland Museum of Art, and the Cleveland Clinic, a world-leading medical research and treatment facility. The City's location offers easy access to downtown Cleveland's business district, its sports facilities for the Cleveland Guardians major league baseball team, the Cleveland Cavaliers professional basketball team, the Cleveland Browns professional football team, and cultural institutions such as the Great Lakes Science Center, the Rock and Roll Hall of Fame and Museum, and Playhouse Square, the nation's second-largest enclosed theater complex.

While the City of Cleveland Heights has felt the effects of the economic downturn stalling the economy of the State of Ohio and the nation as a whole, the City remains optimistic that recent positive trends in residential and commercial development will continue. The City's housing market has stabilized, and property values have recently increased. Locally-owned small businesses anchored the City's various commercial districts, which has helped insulate the City from downsizing in the national big box retail market.

The City budgeted for 2021 using the same conservative approach it has taken the past few years. Revenues are scrutinized for opportunities to maximize existing sources and create new ones. Departments and the City Manager/Mayor closely monitor expenditures. City Council reviews the budget and financial status of the City regularly.

MAJOR INITIATIVES

The City has built services, programs, and partnerships to maintain and improve the exceptional environmental, economic, and social quality of life to which Cleveland Heights residents have become accustomed.

Cain Park, the City's municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater and regularly hosts music, dance, and theatrical performances. The Cain Park Arts Festival is recognized as one of the best outdoor arts festivals in the United States and attracts artists from across the country. Due to the COVID-19 pandemic, Cain Park hosted a limited number of events during 2021, including: Apollo's Fire Baroque Orchestra, Tom Chapin and the Chapin Sisters, Mary Bridget Davies, Groundworks Dancetheater, Anne E. DeChant, Amythyst Kiah, Dancing Wheels, Paula Cole, Miko Marks, Naturally 7, Back on Broadway, the Multimusic Fest, Indigo Girls, the Tri-C Jazzfest Cleveland, Soul Asylum, Juliana Hatfield, and Under the Streetlamp.

During the 2021 operating budget process, the City also budgeted for the following capital improvements:

- New police vehicles
- A Dump Truck for Public Works
- Equipment/vehicles for refuse automation
- New Public Works fleet vehicles
- A New fire engine/pumper
- Annual road resurfacing and chip sealing
- A water main replacement on Selwyn Road and Shannon Road
- Sewer replacement on Delamere Drive
- Infrastructure improvements at playgrounds and parks
- Engineering services to assess the City's aging sewer system

The City began or completed several initiatives in 2021 to advance the economic and community development goals contained in its 2017 Master Plan. An \$80 million mixed-use development project in the City's Cedar-Fairmount district continued construction and is expected to be completed and occupied in 2022. 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. The City works with three community development corporation partners to rehab homes acquired through tax foreclosure and resell those homes to new owner-occupants. The City awarded two contracts to developers to construct new homes on vacant residential City lots in two neighborhoods as part of the infill housing initiative. The City also welcomed several new businesses in 2021.

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. Under this agreement, the City of Cleveland distributes water to City residents directly 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 this sewage. To maintain its local sewer infrastructure, the City collects quarterly sewer fees based on water consumption. In 2017, the City adopted a five-year rate schedule with planned increases. Quarterly billing statements contain a message section that the Utilities Division uses to update customers about rates, maintenance, and other City activities. For convenience, customers may pay online using a credit card or ACH debit from their checking account. Customers may also drop off payments at City Hall. In 2021, the City continued conducting an extensive study of its sewer infrastructure and undertook a funding analysis for necessary improvements identified in the study.

Cleveland Electric Illuminating Company and Dominion East Ohio Gas Company, which are both independent, publicly-held utilities, provide City residents with electricity and natural gas. The City placed issues to aggregate electricity and natural gas supplies on the ballot in 2000 and 2001, respectively, and voters approved both measures. The City now offers its residents City-wide aggregation plans with special rates for electricity and natural gas. In 2018, the City joined NOPEC, a non-profit organization of over 220 local governments in Northeast Ohio that are working cooperatively to provide electric and gas aggregation savings to individuals and small businesses.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The City's Planning and Development Department administers its Community Development Block Grant (CDBG) program. In 2021, the City was awarded \$1.6 million in CDBG dollars, which it allocated to an array of projects, including housing preservation, commercial district improvements, youth programs, senior services, and fair housing efforts.

CITY SERVICES

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

The City also offers superior recreational facilities for its residents. The City has more than 135 acres of parkland and operates five municipal parks, including one swimming pool and a variety of sports, playground, and picnic facilities. The Cleveland Heights Community Center houses a Senior Activity Center, a field house, ice rinks, and a 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, and glass backboards. It has the flexibility to accommodate basketball, volleyball, and other programs and includes a four-lane 180yard elevated track with a rubberized surface. The fitness center features Nautilus exercise machines and free weights, aerobic, elliptical, and step machines, a cardio theater system, an aerobics room, and a variety of bikes. The Community Center also contains child care facilities and meeting and general recreation rooms.

The City's curbside recycling program continued to succeed through the cooperation and commitment of its residents. Residents may recycle newspapers, magazines, catalogs, mixed paper (including cereal and dry goods boxes), corrugated cardboard, metal, glass, and #1 and #2 plastic containers, special Styrofoam, and electronics. In addition, the City diverts most of its yard waste from landfills to composting facilities. Cleveland Heights promotes the use of products made from recycled material whenever possible. In November 2020, City Council approved moving to an automated refuse collection system. The City completed this transition in Spring 2022.

The City operates an Urban Forestry Division that handles all aspects of caring for the City's trees, including pruning, removing, stump grinding, and planting, and that is funded mainly through an annual special assessment of all properties. This division's work is prioritized and recorded through an online tree inventory database. In 2021, the City received its 44th Tree City USA Award from 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 City's annual street resurfacing program involves milling asphalt streets to a depth of two inches, making structural repairs as needed, and repaving with new hot mix asphalt. The City also performs "chip sealing," a street surface treatment that compacts finely crushed stone into a hot coal tar binder with large pavement rollers. Once the coal 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 of Ohio and remitted monthly to the City.

COVID-19 PANDEMIC

The spread of the COVID-19 coronavirus began altering the behavior of businesses and people early in 2020 in ways that continue having adverse effects on national, state, and local economies and state and local government revenues and expenses.

In response to the COVID-19 pandemic, the City actively monitored its revenue collections and implemented mitigation and expense reduction measures, including but not limited to (i) suspension of hiring, except for specific critical, pre-designated positions, (ii) deferring non-essential discretionary spending, (iii) limiting approvals of contracts and task orders to those that are essential to key capital projects and critical needs, and (iv) laying off part-time and seasonal employees. Examples of actions the City took include reducing operating hours at the Community Center and pool, shortening the season at Cain Park, and waiving parking fees at City-owned lots, garages, and meters.

The federal government provided aid to local governments to help combat the harmful effects of the pandemic through the American Rescue Plan Act of 2021, which established the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). The City was awarded approximately \$38.8 million from this fund. It received the first half in 2021 and the second half in 2022. These funds are to be used to cover eligible expenses to respond to the pandemic and its economic effects and to build a more robust, equitable economy during the recovery.

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, 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 compare 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, and other than personal services 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/Mayor or Finance Director is authorized to transfer amounts between objects of expenditure within and between departments, as long as the total appropriation for each department does not exceed Council's approved appropriation. The City's fully automated financial system maintains this budgetary control through its purchase order/encumbrance

system. A purchase order, which is required before making any purchase, creates an encumbrance against the current budget. The system will not generate a purchase order unless enough unobligated budget remains to avoid an 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, its financial and budgetary information 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 from it and that evaluating 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, 2021, have been audited by James G. Zupka, CPA, Inc. The auditor's unmodified opinion has been included in this report.

In addition, the City must 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 on prior experience, management believes that no material weaknesses in internal controls exist and no questioned costs, if any, will have an adverse material effect on the City's financial condition.

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 annual financial report for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial report (AFR) whose contents conform to program standards. Such AFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last thirty-seven (37) consecutive years (fiscal years ended December 31, 1984, through December 31, 2020). We believe our current report continues to conform to the Certificate of Achievement Program's 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 Communications who have spent their time and energy on various parts of the project. Finally, City Staff offers its appreciation to the former City Manager, 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.

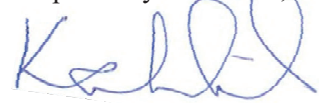
To actively engage in an ongoing dialogue with neighborhood groups and residents so that changing needs of our community shape our services.

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.

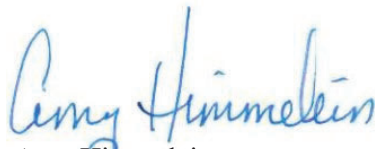
To assure a high return to our residents on every tax dollar."

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 enhancing the quality of life that our residents, our greatest asset, enjoy.

Respectfully submitted,



Kahlil Seren
Mayor



Amy Himmelein
Director of Finance



CITY OF CLEVELAND HEIGHTS, OHIO

PRINCIPAL OFFICIALS December 31, 2021

ELECTED OFFICIALS

President of Council	Jason Stein(1)
Vice President of Council	Kahil Seren(1)
Council Member	Craig Cobb(1)
Council Member	Melody Joy Hart(1)
Council Member	Davida Russell
Council Member	Michael Unger(1)
Council Member	Josie Moore
Municipal Judge	James Costello

APPOINTED OFFICIALS

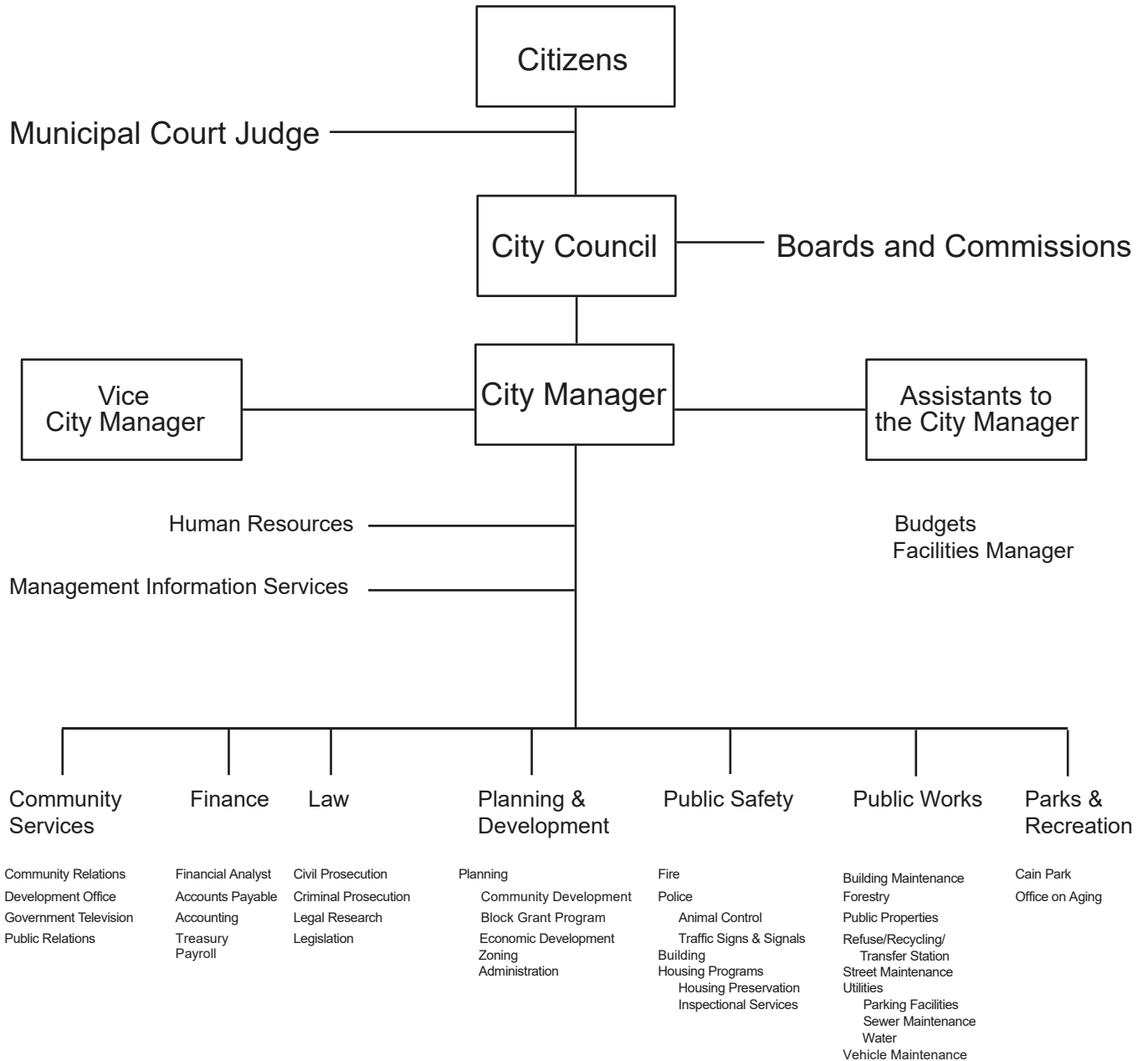
City Manager/Director of Public Safety	Susanna Niermann O’Neil(2)
Director of Finance	Amy Himmelein
Director of Law	William Hanna
Director of Planning	Eric Zamft
Director of Public Works	Collette Clincksale
Chief of Fire	Dave Freeman
Chief of Police	Annette Mecklenburg(3)
Director of Economic Development	Tim Boland(4)
Director of Human Resources	Anna Smith
Director of Parks and Recreation	Joseph McRae
Director of Housing	Allan Butler
Director of Management Information Services	Ryan Prosser

(1) As of January 2022 President of Council – Melody Joy Hart; Vice President of Council – Craig Cobb; New Council Members – Anthony Maddox, Tony Cuda; In February 2022, Gail Larson was appointed to the vacant Council Member position
(2) Replaced by Mayor Kahlil Seren in January 2022
(3) Replaced by Chris Britton in April 2022
(4) Position was vacant in January 2022



CITY OF CLEVELAND HEIGHTS, OHIO

City Organization as of December 31, 2021

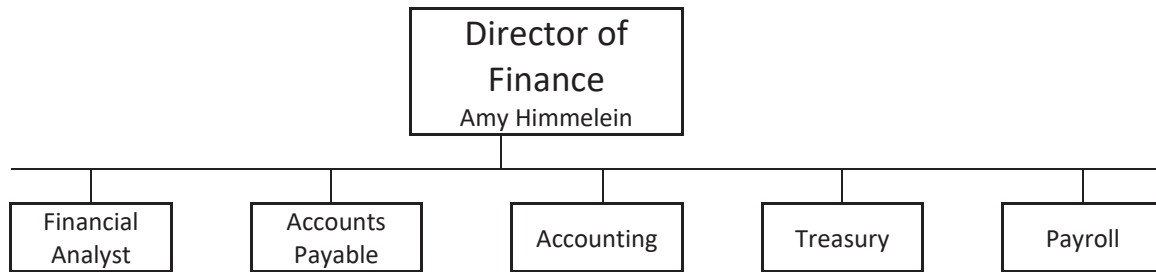


**Effective January 1, 2022, the City starts a new form of government with an elected Mayor taking office.*



CITY OF CLEVELAND HEIGHTS, OHIO

Department of Finance Organizational Chart as of December 31, 2021





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cleveland Heights
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

Financial Section

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Local Fiscal Recovery Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 25 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Also, as discussed in Note 26 to the basic financial statements, the City transferred their refuse operations from governmental activities to the refuse enterprise department. Our opinion is not modified with respect to these 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 is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are 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 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive style.

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

August 15, 2022

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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, 2021. 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 2021 are as follows:

- Overall, the City's total revenues of \$80,891,673 exceeded total expenses of \$63,039,859, thereby increasing total net position by \$17,851,814 for the year 2021. The total net position is \$80,230,737 compared to \$62,378,923 for the previous year.
- During 2021, the City's governmental fund's balance increased \$7,079,667 from 2020. This is largely due to an increase in property taxes, municipal income taxes and charges for services revenue.
- 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 required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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

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

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).

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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 and refuse 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 and local fiscal recovery special revenue fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

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

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 two enterprise funds to account for its sewer operations and refuse operations which are considered major funds.

The basic proprietary funds financial statements can be found on pages 24 through 27 of this report.

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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 30 of this report.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the required supplementary information and the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all 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 2021?" 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

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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 2021 compared to 2020.

NET POSITION
TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$113,145,520	\$85,051,594	\$10,384,966	\$7,986,311	\$123,530,486	\$93,037,905
Net Pension Asset	100,878	74,518	22,145	4,757	123,023	79,275
Net OPEB Asset	1,205,414	0	264,603	0	1,470,017	0
Capital Assets, Net	72,620,323	79,851,653	8,230,218	7,280,652	80,850,541	87,132,305
<i>Total Assets</i>	<u>187,072,135</u>	<u>164,977,765</u>	<u>18,901,932</u>	<u>15,271,720</u>	<u>205,974,067</u>	<u>180,249,485</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	1,261,612	1,333,815	0	0	1,261,612	1,333,815
Pension	7,954,475	10,820,432	1,651,543	344,445	8,256,928	11,164,877
OPEB	4,754,120	6,294,513	927,465	237,865	4,888,551	6,532,378
<i>Total Deferred Outflows of Resources</i>	<u>13,970,207</u>	<u>18,448,760</u>	<u>2,579,008</u>	<u>582,310</u>	<u>14,407,091</u>	<u>19,031,070</u>
Liabilities						
Current and Other Liabilities	23,324,115	4,399,455	270,662	139,226	23,594,777	4,538,681
Long-Term Liabilities:						
Due within One Year	4,383,122	4,394,468	358,889	343,831	4,742,011	4,738,299
Due in More than One Year						
Net Pension Liability	46,765,369	53,673,267	2,292,277	1,124,709	49,057,646	54,797,976
Net OPEB Liability	5,645,307	17,076,240	0	752,545	5,645,307	17,828,785
Other Amounts	22,519,140	24,525,761	1,572,648	955,022	24,091,788	25,480,783
<i>Total Liabilities</i>	<u>102,637,053</u>	<u>104,069,191</u>	<u>4,494,476</u>	<u>3,315,333</u>	<u>107,131,529</u>	<u>107,384,524</u>
Deferred Inflows of Resources						
Property Taxes	9,704,911	8,647,513	0	0	9,704,911	8,647,513
Pension	13,593,165	12,868,897	1,082,839	459,306	13,326,914	13,328,203
OPEB	9,921,553	7,304,257	858,548	237,135	9,987,067	7,541,392
<i>Total Deferred Inflows of Resources</i>	<u>33,219,629</u>	<u>28,820,667</u>	<u>1,941,387</u>	<u>696,441</u>	<u>33,018,892</u>	<u>29,517,108</u>
Net Investment in Capital Assets	54,826,985	60,220,712	6,735,816	6,367,876	61,562,801	66,588,588
Restricted for:						
Capital Projects	0	660,933	0	0	0	660,933
Debt Service	1,689,595	2,192,918	0	0	1,689,595	2,192,918
Other Purposes	22,306,879	19,195,194	0	0	22,306,879	19,195,194
Unrestricted (Deficit)	(13,637,799)	(31,733,090)	8,309,261	5,474,380	(5,328,538)	(26,258,710)
<i>Total Net Position</i>	<u>\$65,185,660</u>	<u>\$50,536,667</u>	<u>\$15,045,077</u>	<u>\$11,842,256</u>	<u>\$80,230,737</u>	<u>\$62,378,923</u>

The net pension liability (NPL) and net OPEB liability (NOL) are the largest liabilities reported by the City at December 31, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the

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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 \$65,185,660 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 a number of factors. During 2021, City was awarded and received over \$19 million in American Rescue Plan Act (ARPA) funds increasing cash and cash equivalents. The majority of these dollars have not been earmarked as of December 31, 2021 meaning the City has not incurred allowable costs and therefore these amounts are reported as unearned revenue on the financials. On September 30, 2021, City refunded their 2014 Ring Road improvement refunding special assessment bonds in order to take advantage of lower interest rates. Also, there was a significant decrease in the net OPEB liability due to a difference in expected and actual earnings on investments.

Table 2 shows the changes in net position for the years ended December 31, 2021, as compared to 2020.

CHANGES IN NET POSITION
TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	\$15,813,184	\$12,972,937	\$7,590,139	\$6,098,216	\$23,403,323	\$19,071,153
Operating Grants and Contributions	8,531,800	9,605,946	0	0	8,531,800	9,605,946
Capital Grants and Contributions	222,036	2,269,849	126,717	0	348,753	2,269,849
Total Program Revenues	<u>\$24,567,020</u>	<u>\$24,848,732</u>	<u>\$7,716,856</u>	<u>\$6,098,216</u>	<u>\$32,283,876</u>	<u>\$30,946,948</u>

(continued)

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CHANGES IN NET POSITION
TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues (Continued)						
General Revenues:						
Property Taxes	\$9,738,559	\$9,553,391	\$0	\$0	\$9,738,559	\$9,553,391
Municipal Income Taxes	32,534,589	29,612,738	0	0	32,534,589	29,612,738
Admissions Taxes	49	7,875	0	0	49	7,875
Grants and Entitlements	3,622,919	6,775,791	0	0	3,622,919	6,775,791
Franchise Taxes	393,663	502,937	0	0	393,663	502,937
Gain on Sale of Capital Assets	0	27,789	0	0	0	27,789
Investment Income	54,133	240,858	0	0	54,133	240,858
Miscellaneous	1,285,301	1,039,095	978,584	22,714	2,263,885	1,061,809
Total General Revenues	47,629,213	47,760,474	978,584	22,714	48,607,797	47,783,188
<i>Total Revenues</i>	<i>72,196,233</i>	<i>72,609,206</i>	<i>8,695,440</i>	<i>6,120,930</i>	<i>80,891,673</i>	<i>78,730,136</i>
Program Expenses						
General Government	20,010,446	17,507,101	0	0	20,010,446	17,507,101
Public Safety	21,774,363	25,714,162	0	0	21,774,363	25,714,162
Public Health Services	235,802	487,876	0	0	235,802	487,876
Transportation	5,348,697	7,850,483	0	0	5,348,697	7,850,483
Community Development	4,736,225	9,579,628	0	0	4,736,225	9,579,628
Sanitation	17,323	2,528,836	0	0	17,323	2,528,836
Culture and Recreation	2,749,311	2,115,133	0	0	2,749,311	2,115,133
Interest and Fiscal Charges	490,071	409,601	0	0	490,071	409,601
Sewer	0	0	3,856,708	3,906,723	3,856,708	3,906,723
Refuse	0	0	3,820,913	0	3,820,913	0
Total Program Expenses	55,362,238	66,192,820	7,677,621	3,906,723	63,039,859	70,099,543
<i>Increase (Decrease) in Net Position</i>						
<i>Before Special Item and Transfer:</i>	<i>16,833,995</i>	<i>6,416,386</i>	<i>1,017,819</i>	<i>2,214,207</i>	<i>17,851,814</i>	<i>8,630,593</i>
Transfer of Refuse Operations	(1,828,378)	0	1,828,378	0	0	0
Transfers	(356,624)	(80,239)	356,624	80,239	0	0
Change in Net Position	14,648,993	6,336,147	3,202,821	2,294,446	17,851,814	8,630,593
<i>Net Position Beginning of Year</i>	<i>50,536,667</i>	<i>44,200,520</i>	<i>11,842,256</i>	<i>9,547,810</i>	<i>62,378,923</i>	<i>53,748,330</i>
Net Position End of Year	\$65,185,660	\$50,536,667	\$15,045,077	\$11,842,256	\$80,230,737	\$62,378,923

Governmental Activities

Governmental activities increased the City's net position by \$14,648,993 during 2021, as compared to an increase of \$6,336,147 during 2020.

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 2021. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 50 percent credit to a maximum of one-half of one percent of income earned outside the City.

The income tax revenue for 2021 was \$32,534,589, an increase of \$2,921,851 or 9.87 percent from 2020. Of the \$47,629,213 in total general revenues, income tax accounted for 68.31 percent, as compared to 62.00 percent of the total during 2020. Property taxes for 2021 were \$9,738,559, a \$185,168 increase from 2020. Income tax revenue increased primarily due to an increase in collections during 2021.

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In 2021, general revenues from grants and entitlements, such as local government funds, are also revenue generators. Grants and entitlements decreased due to prior year amounts received from the State Workers' Compensation program. The City monitors all sources of revenues very closely for fluctuations. Operating grants, interest and contributions decreased due to fewer grant dollars received than the prior year.

Overall, program expenses decreased for governmental activities. Public safety expenses, which is the largest of the City's expenses in 2021, accounted for program expenses of \$21,774,363. This is a decrease of \$3,939,700 from 2020's public safety expenses. This is due to the changes in pension expense related to the Ohio Police and Fire pension reporting a change between expected and actual experience on investments. Public safety accounts for the City's safety forces, including police, fire and paramedic services.

The next largest program expense for 2021 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 \$20,010,446 increased by \$2,503,345, as compared to expenses of \$17,507,101 for 2020.

Transportation expenses were \$5,348,697 for 2021. Transportation expenses decreased from the prior year due to few road maintenance projects completed during the year. 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.

Community development expenses of \$4,736,225 decreased from \$9,579,628 in 2020 due to a decrease 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 65.97 percent of total governmental 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 court fines and forfeitures, building permits, tree and lighting assessments and facility rentals.

Business-Type Activity and Enterprise Funds

The business-type activities of the City, which includes the City's sewer and refuse operations, increased the City's net position by \$3,202,821 during 2021, as compared to an increase of net position of \$2,294,446 during 2020. The increase in net position in business-type activities is due to an increase in charges for services and revenues exceeding program expenses.

Program expenses increased during 2021 due to the City implementing changes with their refuse services. Program revenues exceeded program expenses in the amount of \$1,050,782 (before general revenues and transfers) for the sewer operations in 2021. This is due to careful monitoring of the City's revenue and expenses during the year. Program expenses exceeded program revenues in the amount of \$1,011,547 (before general revenues and transfers) for the refuse operations in 2021.

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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 \$54,249,867. This is an increase of \$7,079,667 over the prior year with revenues outpacing expenditures. This increase is mainly due to an increase in several revenue line items including municipal income taxes, intergovernmental revenue and charges for services. The City is monitoring their expenses to work on maintaining efficiency throughout the departments.

Nonspendable fund balance of \$1,537,469 includes inventory, prepaid items and unclaimed money. Fund balance in the amount of \$14,381,852 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 \$2,673,037 is committed to public building maintenance, economic development, ambulance services, police facility improvements and Ring Road construction. Assigned fund balance includes \$4,358,594 for capital improvements, economic development, City Hall maintenance, earned benefits and purchases on order. Unassigned fund balances of \$31,239,815 represents all balances not previously classified.

All governmental funds had total revenues of \$69,472,989 and expenditures of \$65,644,673. The increase in revenues was primarily attributable to an increase in municipal income taxes and charges for services revenue received during the year. The increase in expenditures was primarily due to an increase in general government and debt service.

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 \$34,190,469, of which \$1,537,469 was nonspendable because of inventory, prepaid items and unclaimed money, \$1,112,658 was assigned for earned benefits and purchases on order. \$31,540,342 was unassigned for financial reporting purposes. During 2021, there was an increase in revenues due to an increase in municipal income taxes and charges for services revenues. General fund expenditures saw an increase during 2021 due to increases in general government costs. Total fund balance of the City's general fund increased by \$3,476,389 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, 2021
Unaudited

Local Fiscal Recovery Fund

The local fiscal recovery fund is used to account for and report federal monies received in response to the pandemic. The City was awarded over \$19 million in American Rescue Plan Act (ARPA) funds. During 2021, the City spent \$177,538 of these funds for public safety. The remaining \$19,230,993 has been reported as unearned revenue.

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 2021, 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 budgeted revenues (including other financing sources) were \$57,165,060 and final budgeted revenues (including other financing sources) were \$57,405,208, while actual revenues were at \$55,795,394. The decrease of actual revenues from the final budget is related to lower than expected property taxes, municipal income taxes and charges for services received during the year. Original general fund budgeted expenditures (including other financing uses) were \$62,681,141, and the final amended budget (including other financing uses) was \$66,397,129. Actual general fund expenditures (including other financing uses) were \$56,737,854, or \$9,659,275 less than final budgeted expenditures (including other financing uses). The difference can be attributed to the City closely monitoring spending and reducing costs as much as possible.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2021, governmental capital assets amounted to \$72,620,323. This is a decrease of \$7,231,330 from the prior year due to another year of depreciation. The most significant additions to governmental capital assets came in machinery and equipment, which included \$1,013,980 of additions during 2021. The City purchased vehicles for community development and public safety as well as new playground equipment. Total capital assets for business-type activities increased from \$7,280,652 in 2020 to \$8,230,218 in 2021 mainly due to the purchase of new refuse equipment.

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, capital leases, asset retirement obligations and notes payable.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The general obligation bonds in the amount of \$15,683,000 are composed of (1) 2015 Cedar Lee Parking Deck Refunding Bonds; (2) 2020 Restructuring Refunding Bonds, (3) 2021 Various Purpose Bonds and (4) 2018 Vehicle Acquisition Bonds.

The special assessment bonds in the amount of \$1,663,000 consist of the 2021 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 \$59,144 is financed through the Ohio Department of Transportation for the purposes of capital improvement.

The Ohio Public Works Commission loans in the amount of \$1,838,402 and the Ohio Water Development Authority loans in the amount of \$676,842 are being paid semi-annually for several projects: 2001 Taylor Road rehabilitation, 2005 Coventry Road rehabilitation, 2006 Lee Road rehabilitation, 2006 Meadowbrook Boulevard rehabilitation, 2010 Monticello Boulevard rehabilitation, 2012 Monticello Boulevard rehabilitation, 2019 Meadowbrook Boulevard reconstruction, 2010 Runnymede water line project, 2006 Meadowbrook Boulevard sewer, 2007 sewer rehabilitation project and 2021 solid waste refuse and recycling 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 \$1,505,556 are notes issued in the anticipation of the issuance of bonds to pay costs related to the Top of the Hill Project.

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 \$73,799,638 at December 31, 2021.

Additional information concerning the City's debt can be found in Notes 18 and 19 to the basic financial statements.

Current Financial Related Activities

The Administration and City Council developed a capital improvement plan for the aging sewer system. 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 216-291-4444.

City of Cleveland Heights, Ohio
Statement of Net Position
December 31, 2021

	Governmental Activities	Business-Type Activities*	Total*
Assets			
Equity in Pooled Cash and Cash Equivalents	\$59,706,239	\$9,378,033	\$69,084,272
Cash and Cash Equivalents with Escrow Agents	1,200,000	0	1,200,000
Materials and Supplies Inventory	945,297	8,551	953,848
Accrued Interest Receivable	341,774	0	341,774
Accounts Receivable	3,137,900	3,699,359	6,837,259
Internal Balances	4,400,000	(4,400,000)	0
Intergovernmental Receivable	2,799,191	0	2,799,191
Prepaid Items	493,686	0	493,686
Municipal Income Taxes Receivable	13,933,312	0	13,933,312
Property Taxes Receivable	11,934,943	0	11,934,943
Loans Receivable	3,292,330	0	3,292,330
Special Assessments Receivable	5,599,047	1,699,023	7,298,070
Assets Held For Resale	1,006,901	0	1,006,901
Economic Development Properties	4,354,900	0	4,354,900
Net Pension Asset (See Note 16)	100,878	22,145	123,023
Net OPEB Asset See Note 17)	1,205,414	264,603	1,470,017
Nondepreciable Capital Assets	5,260,735	135,222	5,395,957
Depreciable Capital Assets, Net	67,359,588	8,094,996	75,454,584
<i>Total Assets</i>	<u>187,072,135</u>	<u>18,901,932</u>	<u>205,974,067</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	1,261,612	0	1,261,612
Pension	7,954,475	1,651,543	8,256,928
OPEB	4,754,120	927,465	4,888,551
<i>Total Deferred Outflows of Resources</i>	<u>13,970,207</u>	<u>2,579,008</u>	<u>14,407,091</u>
Liabilities			
Accounts Payable	1,454,257	86,322	1,540,579
Contracts Payable	348,311	86,080	434,391
Accrued Wages	393,958	38,870	432,828
Retainage Payable	48,420	0	48,420
Matured Compensated Absences Payable	3,055	0	3,055
Intergovernmental Payable	1,027,285	57,815	1,085,100
Unearned Revenue	19,255,386	0	19,255,386
Deposits Held Payable	746,067	0	746,067
Accrued Interest Payable	47,376	1,575	48,951
Long-Term Liabilities:			
Due Within One Year	4,383,122	358,889	4,742,011
Due in More Than One Year:			
Net Pension Liability (See Note 16)	46,765,369	2,292,277	49,057,646
Net OPEB Liability (See Note 17)	5,645,307	0	5,645,307
Other Amounts Due In More Than One Year	22,519,140	1,572,648	24,091,788
<i>Total Liabilities</i>	<u>102,637,053</u>	<u>4,494,476</u>	<u>107,131,529</u>
Deferred Inflows of Resources			
Property Taxes	9,704,911	0	9,704,911
Pension	13,593,165	1,082,839	13,326,914
OPEB	9,921,553	858,548	9,987,067
<i>Total Deferred Inflows of Resources</i>	<u>33,219,629</u>	<u>1,941,387</u>	<u>33,018,892</u>
Net Position			
Net Investment in Capital Assets	54,826,985	6,735,816	61,562,801
Restricted for:			
Debt Service	1,689,595	0	1,689,595
Road Improvements	3,329,425	0	3,329,425
Community Development	12,244,428	0	12,244,428
Municipal Court Special Projects	2,395,073	0	2,395,073
Street Lighting	2,960,554	0	2,960,554
Public Safety	766,625	0	766,625
Drug and Law Enforcement	349,602	0	349,602
Other Purposes	261,172	0	261,172
Unrestricted (Deficit)	(13,637,799)	8,309,261	(5,328,538)
<i>Total Net Position</i>	<u>\$65,185,660</u>	<u>\$15,045,077</u>	<u>\$80,230,737</u>

* After deferred outflows of resources and deferred inflows of resources related to the change in internal proportionate share of pension related items have been eliminated.

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2021

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$20,010,446	\$5,519,177	\$1,274,560	\$0
Public Safety	21,774,363	6,771,130	365,758	0
Public Health Services	235,802	84,115	25,668	0
Transportation	5,348,697	716,505	2,179,976	0
Community Development	4,736,225	1,913,882	4,143,510	127,500
Sanitation	17,323	0	0	0
Culture and Recreation	2,749,311	808,375	542,328	94,536
Interest and Fiscal Charges	490,071	0	0	0
<i>Total Governmental Activities</i>	<u>55,362,238</u>	<u>15,813,184</u>	<u>8,531,800</u>	<u>222,036</u>
Business-Type Activities				
Sewer	3,856,708	4,880,773	0	26,717
Refuse	3,820,913	2,709,366	0	100,000
<i>Total Business-Type Activities</i>	<u>7,677,621</u>	<u>7,590,139</u>	<u>0</u>	<u>126,717</u>
<i>Total</i>	<u>\$63,039,859</u>	<u>\$23,403,323</u>	<u>\$8,531,800</u>	<u>\$348,753</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
Special Item and Transfers*

Transfer of Refuse Operations
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$13,216,709)	\$0	(\$13,216,709)
(14,637,475)	0	(14,637,475)
(126,019)	0	(126,019)
(2,452,216)	0	(2,452,216)
1,448,667	0	1,448,667
(17,323)	0	(17,323)
(1,304,072)	0	(1,304,072)
(490,071)	0	(490,071)
(30,795,218)	0	(30,795,218)
0	1,050,782	1,050,782
0	(1,011,547)	(1,011,547)
0	39,235	39,235
(30,795,218)	39,235	(30,755,983)
7,572,897	0	7,572,897
220,810	0	220,810
220,810	0	220,810
1,135,555	0	1,135,555
588,487	0	588,487
32,534,589	0	32,534,589
49	0	49
3,622,919	0	3,622,919
393,663	0	393,663
54,133	0	54,133
1,285,301	978,584	2,263,885
47,629,213	978,584	48,607,797
(1,828,378)	1,828,378	0
(356,624)	356,624	0
45,444,211	3,163,586	48,607,797
14,648,993	3,202,821	17,851,814
50,536,667	11,842,256	62,378,923
\$65,185,660	\$15,045,077	\$80,230,737

City of Cleveland Heights, Ohio

Balance Sheet

Governmental Funds

December 31, 2021

	General	Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$23,788,320	\$19,230,993	\$15,562,802	\$58,582,115
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	904,033	0	220,091	1,124,124
Equity in Pooled Cash and Cash Equivalents with Escrow Agents	0	0	1,200,000	1,200,000
Accounts Receivable	0	0	23,700	23,700
Materials and Supplies Inventory	886,197	0	59,100	945,297
Accrued Interest Receivable	0	0	341,774	341,774
Accounts Receivable	81,404	0	3,032,796	3,114,200
Interfund Receivable	5,337,470	0	0	5,337,470
Intergovernmental Receivable	1,544,629	0	1,254,562	2,799,191
Prepaid Items	493,686	0	0	493,686
Municipal Income Taxes Receivable	13,933,312	0	0	13,933,312
Property Taxes Receivable	9,266,729	0	2,668,214	11,934,943
Special Assessments Receivable	1,209,177	0	4,389,870	5,599,047
Loans Receivable	0	0	3,292,330	3,292,330
Assets Held For Resale	0	0	1,006,901	1,006,901
<i>Total Assets</i>	<u>\$57,444,957</u>	<u>\$19,230,993</u>	<u>\$33,052,140</u>	<u>\$109,728,090</u>
Liabilities				
Accounts Payable	\$956,940	\$0	\$253,526	\$1,210,466
Contracts Payable	348,311	0	0	348,311
Accrued Wages	368,034	0	25,924	393,958
Retainage Payable	25,277	0	23,143	48,420
Interfund Payable	0	0	937,470	937,470
Intergovernmental Payable	702,673	0	324,232	1,026,905
Matured Compensated Absences Payable	3,055	0	0	3,055
Unearned Revenue	0	19,230,993	24,393	19,255,386
<i>Payables from Restricted Assets:</i>				
Accounts Payable	0	0	243,791	243,791
Intergovernmental Payable	380	0	0	380
Deposits Held Payable	746,067	0	0	746,067
<i>Total Liabilities</i>	<u>3,150,737</u>	<u>19,230,993</u>	<u>1,832,479</u>	<u>24,214,209</u>
Deferred Inflows of Resources				
Property Taxes	7,535,247	0	2,169,664	9,704,911
Unavailable Revenue	12,568,504	0	8,990,599	21,559,103
<i>Total Deferred Inflows of Resources</i>	<u>20,103,751</u>	<u>0</u>	<u>11,160,263</u>	<u>31,264,014</u>
Fund Balances				
Nonspendable	1,537,469	0	59,100	1,596,569
Restricted	0	0	14,381,852	14,381,852
Committed	0	0	2,673,037	2,673,037
Assigned	1,112,658	0	3,245,936	4,358,594
Unassigned (Deficit)	31,540,342	0	(300,527)	31,239,815
<i>Total Fund Balances</i>	<u>34,190,469</u>	<u>0</u>	<u>20,059,398</u>	<u>54,249,867</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$57,444,957</u>	<u>\$19,230,993</u>	<u>\$33,052,140</u>	<u>\$109,728,090</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, 2021*

Total Governmental Fund Balances		\$54,249,867
<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.		72,620,323
Economic development properties are not financial resources and therefore are not reported in the funds.		4,354,900
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Charges for Services	3,411,181	
Delinquent Property Taxes	2,230,032	
Municipal Income Tax	8,474,005	
Intergovernmental	2,069,188	
Interest	341,774	
Special Assessments	5,032,923	
Total	21,559,103	
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(47,376)
Deferred Outflows of Resources represent deferred charges on refunding which are not reported in the funds.		1,261,612
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(14,915,000)	
Special Assessment Bonds	(1,663,000)	
OPWC Loans	(1,712,102)	
OWDA Loans	(152,540)	
State Infrastructure Bank Loan	(59,144)	
Notes	(1,505,556)	
Compensated Absences Payable	(4,179,289)	
Retrospective Workers' Compensation	(655,888)	
Capital Lease Obligation Payable	(2,006,743)	
Asset Retirement Obligation	(53,000)	
Total	(26,902,262)	
The net pension asset, net pension liability, net OPEB asset 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	100,878	
Deferred Outflows - Pension	7,954,475	
Deferred Inflows - Pension	(13,593,165)	
Net Pension Liability	(46,765,369)	
Net OPEB Asset	1,205,414	
Deferred Outflows - OPEB	4,754,120	
Deferred Inflows - OPEB	(9,921,553)	
Net OPEB Liability	(5,645,307)	
Total	(61,910,507)	
<i>Net Position of Governmental Activities</i>		\$65,185,660

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, 2021

	General	Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$7,568,400	\$0	\$2,164,321	\$9,732,721
Municipal Income Taxes	31,984,999	0	0	31,984,999
Admissions Taxes	49	0	0	49
Charges for Services	5,976,333	0	1,842,813	7,819,146
Licenses, Permits and Fees	2,790,851	0	1,485	2,792,336
Fines and Forfeitures	1,855,442	0	637,504	2,492,946
Intergovernmental	3,424,617	177,538	6,979,926	10,582,081
Special Assessments	0	0	2,183,856	2,183,856
Interest	45,135	0	4,607	49,742
Rentals	0	0	23,403	23,403
Contributions and Donations	0	0	40,640	40,640
Franchise Taxes	485,769	0	0	485,769
Miscellaneous	1,091,749	0	193,552	1,285,301
<i>Total Revenues</i>	<u>55,223,344</u>	<u>177,538</u>	<u>14,072,107</u>	<u>69,472,989</u>
Expenditures				
Current:				
General Government	20,661,391	0	1,869,328	22,530,719
Public Safety	18,182,726	177,538	5,429,987	23,790,251
Public Health Services	384,031	0	19,131	403,162
Transportation	3,185,559	0	1,097,938	4,283,497
Community Development	3,218,793	0	3,303,476	6,522,269
Sanitation	17,323	0	0	17,323
Culture and Recreation	1,838,742	0	930,536	2,769,278
Capital Outlay	373,588	0	603,913	977,501
Debt Service:				
Principal Retirement	0	0	3,870,793	3,870,793
Interest and Fiscal Charges	0	0	413,694	413,694
Issuance Costs	0	0	66,186	66,186
<i>Total Expenditures</i>	<u>47,862,153</u>	<u>177,538</u>	<u>17,604,982</u>	<u>65,644,673</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,361,191</u>	<u>0</u>	<u>(3,532,875)</u>	<u>3,828,316</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	0	0	1,490,000	1,490,000
Premium on Bond Anticipation Notes Issued	0	0	15,556	15,556
Capital Lease Issued	0	0	1,200,000	1,200,000
General Obligation Bonds Issued	0	0	759,000	759,000
Special Assessment Refunding Bonds Issued	0	0	1,682,000	1,682,000
Payment to Refunding Bond Escrow Agent	0	0	(1,653,879)	(1,653,879)
Transfer of Refuse Operations	115,298	0	0	115,298
Transfers In	0	0	4,328,591	4,328,591
Transfers Out	(4,000,100)	0	(685,115)	(4,685,215)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,884,802)</u>	<u>0</u>	<u>7,136,153</u>	<u>3,251,351</u>
<i>Net Change in Fund Balances</i>	3,476,389	0	3,603,278	7,079,667
<i>Fund Balances Beginning of Year</i>	<u>30,714,080</u>	<u>0</u>	<u>16,456,120</u>	<u>47,170,200</u>
<i>Fund Balances End of Year</i>	<u>\$34,190,469</u>	<u>\$0</u>	<u>\$20,059,398</u>	<u>\$54,249,867</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, 2021*

Net Change in Fund Balances - Total Governmental Funds	\$7,079,667
<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 Asset Additions	1,142,080
Economic Development Properties Additions	1,773,400
Current Year Depreciation	<u>(5,954,191)</u>
Total	(3,038,711)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(1,887,358)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:	
Delinquent Property Taxes	5,838
Municipal Income Taxes	549,590
Intergovernmental	(19,366)
Interest	4,391
Special Assessments	3,817
Charges for Services	497,680
Franchise Taxes	<u>(92,106)</u>
Total	949,844
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Principal Retirement	3,870,793
Payment to Refunded Escrow Agent	<u>1,653,879</u>
Total	5,524,672
Other financing sources in the governmental funds increase long-term liabilities in the statement of net position:	
General Obligation Bonds Issued	(759,000)
Special Assessment Refunding Bonds Issued	(1,682,000)
Bond Anticipation Notes Issued	(1,490,000)
Premium on Notes Issued	(15,556)
Inception of Capital Lease	<u>(1,200,000)</u>
Total	(5,146,556)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued Interest	11,789
Amortization of Premium	7,916
Amortization of Loss on Refunding	<u>(96,082)</u>
Total	(76,377)
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	1,217,864
Retrospective Workers' Compensation	<u>146,933</u>
Total	1,364,797
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	6,254,656
OPEB	<u>8,651,777</u>
Total	14,906,433
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	(2,910,623)
OPEB	<u>(173,119)</u>
Total	(3,083,742)
Refuse operations were transferred from governmental activities to the refuse enterprise fund.	
Capital Assets	(531,861)
Charges for Services	(1,079,190)
Special Assessments	(623,642)
General Obligation Bonds	114,000
Solid Waste Liability	<u>177,017</u>
Total	<u>(1,943,676)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$14,648,993</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$8,084,710	\$7,950,668	\$7,568,400	(\$382,268)
Municipal Income Taxes	33,983,683	33,420,242	31,813,396	(1,606,846)
Admissions Taxes	27	27	26	(1)
Charges for Services	6,383,039	6,277,210	5,975,402	(301,808)
Licenses, Permits and Fees	3,064,015	3,013,214	2,868,339	(144,875)
Fines and Forfeitures	1,646,594	1,619,294	1,541,438	(77,856)
Intergovernmental	2,170,782	3,322,540	4,312,496	989,956
Interest	48,214	47,415	45,135	(2,280)
Franchise Taxes	523,452	514,773	490,023	(24,750)
Miscellaneous	1,260,544	1,239,825	1,180,739	(59,086)
<i>Total Revenues</i>	<u>57,165,060</u>	<u>57,405,208</u>	<u>55,795,394</u>	<u>(1,609,814)</u>
Expenditures				
Current:				
General Government	25,646,988	25,721,385	20,496,678	5,224,707
Public Safety	18,939,666	19,651,118	18,311,079	1,340,039
Public Health Services	447,638	465,412	373,102	92,310
Transportation	4,070,351	4,104,908	3,590,657	514,251
Community Development	3,091,747	3,676,637	3,320,246	356,391
Sanitation	2,854,187	2,736	21	2,715
Culture and Recreation	2,580,564	2,594,933	1,845,971	748,962
<i>Total Expenditures</i>	<u>57,631,141</u>	<u>56,217,129</u>	<u>47,937,754</u>	<u>8,279,375</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(466,081)</u>	<u>1,188,079</u>	<u>7,857,640</u>	<u>6,669,561</u>
Other Financing Sources (Uses)				
Advances Out	0	(4,400,000)	(4,400,000)	0
Transfers Out	(5,050,000)	(5,780,000)	(4,400,100)	1,379,900
<i>Total Other Financing Sources (Uses)</i>	<u>(5,050,000)</u>	<u>(10,180,000)</u>	<u>(8,800,100)</u>	<u>1,379,900</u>
<i>Net Change in Fund Balance</i>	(5,516,081)	(8,991,921)	(942,460)	8,049,461
<i>Fund Balance Beginning of Year</i>	21,464,528	21,464,528	21,464,528	0
Prior Year Encumbrances Appropriated	740,033	740,033	740,033	0
<i>Fund Balance End of Year</i>	<u>\$16,688,480</u>	<u>\$13,212,640</u>	<u>\$21,262,101</u>	<u>\$8,049,461</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
Local Fiscal Recovery Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$19,408,531	\$19,408,531	\$19,408,531	\$0
Expenditures				
Current:				
Public Safety	<u>177,538</u>	<u>177,538</u>	<u>177,538</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	19,230,993	19,230,993	19,230,993	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$19,230,993</u></u>	<u><u>\$19,230,993</u></u>	<u><u>\$19,230,993</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio

Statement of Fund Net Position

Proprietary Funds

December 31, 2021

	Business Type Activities - Enterprise Funds		
	Sewer	Refuse	Total
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$5,407,502	\$3,970,531	\$9,378,033
Materials and Supplies Inventory	8,551	0	8,551
Accounts Receivable	2,585,155	1,114,204	3,699,359
Special Assessments Receivable	1,129,896	569,127	1,699,023
<i>Total Current Assets</i>	<u>9,131,104</u>	<u>5,653,862</u>	<u>14,784,966</u>
<i>Noncurrent Assets</i>			
Net Pension Asset (See Note 16)	7,382	14,763	22,145
Net OPEB Asset (See Note 17)	88,200	176,403	264,603
Nondepreciable Capital Assets	0	135,222	135,222
Depreciable Capital Assets, Net	7,204,774	890,222	8,094,996
<i>Total Noncurrent Assets</i>	<u>7,300,356</u>	<u>1,216,610</u>	<u>8,516,966</u>
<i>Total Assets</i>	<u>16,431,460</u>	<u>6,870,472</u>	<u>23,301,932</u>
Deferred Outflows of Resources			
Pension	101,855	1,622,688	1,724,543
OPEB	47,147	922,274	969,421
<i>Total Deferred Outflows of Resources</i>	<u>149,002</u>	<u>2,544,962</u>	<u>2,693,964</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	25,432	60,890	86,322
Contracts Payable	10,280	75,800	86,080
Accrued Wages	14,472	24,398	38,870
Interfund Payable	0	4,400,000	4,400,000
Accrued Interest Payable	1,575	0	1,575
Intergovernmental Payable	21,436	36,379	57,815
Compensated Absences Payable	84,926	141,877	226,803
General Obligation Bonds	72,000	0	72,000
OPWC Loans	22,964	0	22,964
OWDA Loans	37,122	0	37,122
<i>Total Current Liabilities</i>	<u>290,207</u>	<u>4,739,344</u>	<u>5,029,551</u>
<i>Long-Term Liabilities (Net of Current Portion)</i>			
Compensated Absences Payable	32,503	64,156	96,659
General Obligation Bonds	582,000	114,000	696,000
OPWC Loan Payable	103,336	0	103,336
OWDA Loan Payable	0	487,180	487,180
Solid Waste Liability	0	189,473	189,473
Net Pension Liability (See Note 16)	764,092	1,528,185	2,292,277
<i>Total Long-Term Liabilities</i>	<u>1,481,931</u>	<u>2,382,994</u>	<u>3,864,925</u>
<i>Total Liabilities</i>	<u>1,772,138</u>	<u>7,122,338</u>	<u>8,894,476</u>
Deferred Inflows of Resources			
Pension	484,335	671,504	1,155,839
OPEB	361,523	538,981	900,504
<i>Total Deferred Inflows of Resources</i>	<u>845,858</u>	<u>1,210,485</u>	<u>2,056,343</u>
Net Position			
Net Investment in Capital Assets	6,387,352	348,464	6,735,816
Unrestricted	7,575,114	734,147	8,309,261
<i>Total Net Position</i>	<u>\$13,962,466</u>	<u>\$1,082,611</u>	<u>\$15,045,077</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 Funds
For the Year Ended December 31, 2021*

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Sewer</u>	<u>Refuse</u>	<u>Total</u>
Operating Revenues			
Charges for Services	\$4,880,773	\$2,709,366	\$7,590,139
Miscellaneous	972,804	5,780	978,584
<i>Total Operating Revenues</i>	<u>5,853,577</u>	<u>2,715,146</u>	<u>8,568,723</u>
Operating Expenses			
Personal Services	406,672	2,214,009	2,620,681
Other Than Personal Services	3,126,942	1,400,699	4,527,641
Depreciation	306,596	206,205	512,801
<i>Total Operating Expenses</i>	<u>3,840,210</u>	<u>3,820,913</u>	<u>7,661,123</u>
<i>Operating Income (Loss)</i>	2,013,367	(1,105,767)	907,600
Non-Operating Revenues (Expenses)			
Interest and Fiscal Charges	(16,498)	0	(16,498)
<i>Income (Loss) Before Capital Contributions, Special Item and Transfers</i>	1,996,869	(1,105,767)	891,102
Capital Contributions	26,717	100,000	126,717
Transfer of Refuse Operations	0	(115,298)	(115,298)
Special Item - Transfer of Refuse Operations	0	1,943,676	1,943,676
Transfers In	96,624	260,000	356,624
<i>Change in Net Position</i>	2,120,210	1,082,611	3,202,821
<i>Net Position Beginning of Year</i>	<u>11,842,256</u>	<u>0</u>	<u>11,842,256</u>
<i>Net Position End of Year</i>	<u>\$13,962,466</u>	<u>\$1,082,611</u>	<u>\$15,045,077</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business Type Activities - Enterprise Funds		
	Sewer	Refuse	Total
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$4,750,203	\$2,728,867	\$7,479,070
Cash Received from Other Operating Sources	22,840	5,780	28,620
Cash Payments to Suppliers for Goods and Services	(3,204,401)	(1,416,556)	(4,620,957)
Cash Payments for Employee Services and Benefits	(1,287,019)	(1,997,838)	(3,284,857)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>281,623</u>	<u>(679,747)</u>	<u>(398,124)</u>
Cash Flows from Noncapital Financing Activities			
Advances In	0	4,400,000	4,400,000
Transfers In	0	260,000	260,000
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>0</u>	<u>4,660,000</u>	<u>4,660,000</u>
Cash Flows from Capital and Related Financing Activities			
Capital Contributions	26,717	100,000	126,717
Proceeds of OWDA Loans	0	487,180	487,180
Principal Paid on OWDA Loans	(18,001)	0	(18,001)
Interest Paid on OWDA Loans	(1,102)	0	(1,102)
Acquisition of Capital Assets	(230,718)	(623,988)	(854,706)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(223,104)</u>	<u>(36,808)</u>	<u>(259,912)</u>
<i>Net Increase (Decrease) In Cash and Cash Equivalents</i>	58,519	3,943,445	4,001,964
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>5,348,983</u>	<u>27,086</u>	<u>5,376,069</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$5,407,502</u></u>	<u><u>\$3,970,531</u></u>	<u><u>\$9,378,033</u></u>

(continued)

City of Cleveland Heights, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2021

	Business Type Activities - Enterprise Funds		
	Sewer	Refuse	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	\$2,013,367	(\$1,105,767)	\$907,600
Adjustments:			
Depreciation	306,596	206,205	512,801
(Increase)/Decrease in Assets and Deferred Outflows:			
Accounts Receivable	(46,730)	(35,014)	(81,744)
Special Assessments Receivable	(87,729)	54,515	(33,214)
Materials and Supplies Inventory	(5,740)	0	(5,740)
Interfund Receivable	3,889	0	3,889
Net Pension Asset	(872)	(1,745)	(2,617)
Deferred Outflows - Pension	326,536	1,029,913	1,356,449
Deferred Outflows - OPEB	194,744	669,904	864,648
Increase/(Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	18,820	(18,180)	640
Contracts Payable	(90,539)	(12,878)	(103,417)
Accrued Wages	4,456	6,214	10,670
Interfund Payable	(949,964)	0	(949,964)
Intergovernmental Payable	2,593	4,127	6,720
Compensated Absences	(266,134)	206,033	(60,101)
Solid Waste Liability	0	12,456	12,456
Net Pension Liability	(4,094)	(8,187)	(12,281)
Net OPEB Liability	(426,256)	(852,513)	(1,278,769)
Deferred Inflows - Pension	(417,193)	(457,743)	(874,936)
Deferred Inflows - OPEB	(294,127)	(377,087)	(671,214)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$281,623</u>	<u>(\$679,747)</u>	<u>(\$398,124)</u>

Non-Cash Capital Transactions

During 2021, the general bond retirement fund paid \$60,000 in principal and \$12,967 in interest on vehicle acquisition bonds for the sewer enterprise fund.

During 2021, the general bond retirement fund paid \$255,903 in principal and \$3,790 in interest on motorized equipment notes and issued various purpose bonds in the amount of \$259,000 for the sewer enterprise fund.

During 2021, 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 2021, refuse operations were transferred from the City's governmental activities to the refuse enterprise fund. The transfer included cash in the amount of \$27,086, accounts receivable of \$1,079,190, special assessments receivable of \$623,642 and capital assets valued at \$531,861. The refuse enterprise fund also assumed liabilities that included accounts payable, contracts payable, accrued wages, intergovernmental payable, general obligation bonds and solid waste liability of \$79,070, \$12,878, \$18,184, \$32,252, \$114,000 and \$177,017, respectively. As a result, \$1,828,378 has been reported as a transfer of operations in the refuse enterprise fund.

During 2021, the refuse fund had contracts payable for capital assets in the amount of \$75,800.

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

Assets	
Cash and Cash Equivalents in Segregated Accounts	<u>\$956,263</u>
Liabilities	
Accounts Payable	33,544
Intergovernmental Payable	<u>211,789</u>
<i>Total Liabilities</i>	<u>245,333</u>
Net Position	
Restricted for Individuals, Organizations	
Other Governments	<u><u>\$710,930</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, 2021

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Additions	
Fines and Forfeitures for Other Governments	\$798,553
Fines and Forfeitures for Individuals	<u>83,982</u>
<i>Total Additions</i>	<u>882,535</u>
Deductions	
Fines and Forfeitures Distributions to Other Governments	787,418
Fines and Forfeitures Distributions to Individuals	<u>164,399</u>
<i>Total Deductions</i>	<u>951,817</u>
<i>Change in Fiduciary Net Position</i>	(69,282)
<i>Net Position Beginning of Year</i>	<u>780,212</u>
<i>Net Position End of Year</i>	<u><u>\$710,930</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, 2021

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.

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. On November 2, 2021, the citizens of the City elected its first Mayor under their new mayor-council-administrator form of government. The new form of government starts on January 1, 2022, when the Mayor will be sworn in to office 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. The Mayor will serve full time as the City’s chief executive officer for a four-year term. The new office will have executive responsibilities for leading and managing the government, and Council will maintain its current legislative, policy-making, and fiscal responsibilities.

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. The CIC is included in the City’s reporting entity because of its financial benefit/burden relationship with the City. The CIC 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 has no significant financial activity. As a result, no financial information is presented at December 31, 2021.

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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 24 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 and local fiscal recovery special revenue fund are the City's major governmental funds.

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

Local Fiscal Recovery Fund The local fiscal recovery fund accounts for and reports restricted federal monies received in response to the coronavirus pandemic.

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 are the City's major enterprise funds.

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

Refuse Fund The refuse fund accounts for the refuse collection services to the residents and businesses 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

Like the government-wide statements, all proprietary funds 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.

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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 assets 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 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 16 and 17.

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 assets 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, 2021, but which were levied to finance fiscal year 2022 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 and charges for services. 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 16 and 17).

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 2021. 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.

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

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

Pooled Cash and Cash Equivalents

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

During 2021, 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 2021, 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 \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2021 was \$45,135, which includes \$26,372 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.

Cash and cash equivalents that are held separately by the City for the purchase and payment of capital lease equipment is recorded as "cash and cash equivalents with escrow agents".

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

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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.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Assets Held for Resale

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

Economic Development Properties

The City contains certain nonproductive foreclosure properties which were acquired at no cost to the City. The City identifies a specific property and with the approval of City Council, obtains the property with the purpose of selling it to become a viable and productive property within the community. The properties are sold for \$100 to developers. The properties held by the City at year end are reported as economic development properties and are valued at fair market value at the time acquired. Since these properties are expected to be sold at a significant amount less than fair market value and are considered essentially donated, they are reported in the governmental activities column of the statement of net position, but are not reported in the fund financial statements.

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 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

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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.

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position.

Compensated Absences

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

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

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

City of Cleveland Heights, Ohio
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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.

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

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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 and refuse. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

Interfund Activity

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

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

Bond Premiums

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
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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.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. During 2021, the City recognized a transfer of operations to the refuse enterprise fund in the amount of \$1,943,676, which was recorded as a special item in the refuse enterprise fund on the Statement of Revenues, Expenses and Changes in Fund Net Position. See Note 26 for additional information.

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 State and 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. Restricted assets in the ambulance fund represent lease proceeds held until a new fire truck is purchased.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of resources restricted to capital acquisition and construction.

Estimates

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

Note 3 – Change in Accounting Principles

For 2021, the City implemented the Governmental Accounting Standards Board's (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City is also implementing *Implementation Guide No. 2019-1*. These changes were incorporated in the City's 2021 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, 2021

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
<i>General</i>			
Community Development:			
Public Relations:			
Personal Services	\$177,912	\$180,361	(\$2,449)

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
<i>Special Revenue Fund:</i>			
Community Development Block Grant - COVID Relief Grant			
	\$1,004,658	\$805,929	(\$198,729)
<i>Capital Projects Fund:</i>			
Police Facility Improvement			
	52,803	38,835	(13,968)

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(I):

Fund	Amount
<i>Special Revenue Funds:</i>	
Foundation Grants	\$25,236
Community Development Block Grant - COVID Relief Grant	78,305
Lead Safe Cuyahoga	31,032

Management has indicated that appropriations and cash balances will be closely monitored to prevent future violations.

Accountability

At December 31, 2021, the following funds had deficit fund balances.

Fund	Amounts
<i>Special Revenue Funds:</i>	
Community Development Block Grant - COVID Relief Grant	\$78,305
Lead Safe Cuyahoga	141,476
Fire Pension	43,039

City of Cleveland Heights, Ohio
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The deficit fund balances in the community development block grant – coronavirus 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 governmental 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
<i>Nonspendable:</i>			
Inventory	\$886,197	\$59,100	\$945,297
Prepaid Items	493,686	0	493,686
Unclaimed Money	157,586	0	157,586
<i>Total Nonspendable</i>	<u>1,537,469</u>	<u>59,100</u>	<u>1,596,569</u>
<i>Restricted for:</i>			
Capital Projects	0	465,637	465,637
Debt Service	0	435,450	435,450
Road Improvements	0	2,617,678	2,617,678
Community Development	0	5,915,253	5,915,253
Municipal Court Special Projects	0	2,269,314	2,269,314
Street Lighting	0	1,428,185	1,428,185
Public Safety	0	683,196	683,196
Drug and Law Enforcement	0	475,361	475,361
Other Purposes:			
Aging and Youth Recreation	0	81,016	81,016
Juvenile Diversion Program	0	10,762	10,762
<i>Total Restricted</i>	<u>\$0</u>	<u>\$14,381,852</u>	<u>\$14,381,852</u>

(continued)

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
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Fund Balances (continued)	General	Other Governmental Funds	Total Governmental Funds
<i>Committed to:</i>			
Public Building Maintenance	\$0	\$423	\$423
Economic Development	0	1,770	1,770
Ambulance Services	0	2,628,446	2,628,446
Police Facility Improvement	0	7,353	7,353
Ring Road Construction	0	35,045	35,045
<i>Total Committed</i>	0	2,673,037	2,673,037
<i>Assigned to:</i>			
Capital Improvements	0	1,757,712	1,757,712
Economic Development	0	1,376,571	1,376,571
City Hall Maintenance	0	111,653	111,653
Earned Benefits	441,671	0	441,671
Purchases on Order:			
Other than Personal Services	670,987	0	670,987
<i>Total Assigned</i>	1,112,658	3,245,936	4,358,594
Unassigned (Deficit)	31,540,342	(300,527)	31,239,815
Total Fund Balances	\$34,190,469	\$20,059,398	\$54,249,867

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 and the major special revenue 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) 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.
- (c) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (d) Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
- (e) Budgetary revenues and expenditures of the earned benefits fund are classified to the general fund for GAAP reporting.

City of Cleveland Heights, Ohio
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- (f) Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general and major special revenue funds.

	General	Local Fiscal Recovery
GAAP Basis	\$3,476,389	\$0
Net Adjustment for Revenue Accruals	427,778	19,230,993
Beginning Unrecorded Cash	(398,462)	0
Ending Unrecorded Cash	404,557	0
Net Adjustment for Expenditure Accruals	1,382,622	0
Advances Out	(4,400,000)	0
Excess of revenues and other financing sources over expenditures and other financing uses:		
Earned Benefits	(32,261)	0
Encumbrances	(1,803,083)	0
Budget Basis	(\$942,460)	\$19,230,993

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, 2021

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

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

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

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

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

City of Cleveland Heights, Ohio
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Investments

At December 31, 2021, the City had \$62,625,322 invested in STAR Ohio measured at net asset value per share with an average maturity of 51.3 days.

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, 2021 interfund transfers were as follows:

Transfers To	Transfers From		Total
	General	Other Governmental Funds	
Other Governmental Funds	\$3,740,100	\$588,491	\$4,328,591
Sewer	0	96,624	96,624
Refuse	260,000	0	260,000
Total	\$4,000,100	\$685,115	\$4,685,215

The general fund transfers to other governmental funds and refuse enterprise fund 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 2021 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.

The City recognized \$115,298 as a transfer of refuse operations in the general and refuse funds. The City recognized \$1,828,378 as a transfer of refuse operations from governmental activities to business-type activities on the Statement of Activities. See Note 26 for additional information.

Interfund Balances

As of December 31, 2021, interfund balances were as follows:

Interfund Payable	Interfund Receivable
	General
Governmental:	
Other Governmental Funds	\$937,470
Enterprise:	
Refuse	4,400,000
Total	\$5,337,470

City of Cleveland Heights, Ohio
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Interfund balances at December 31, 2021, consisted of general fund advances of \$937,470 and \$4,400,000 to nonmajor special revenue funds and the refuse enterprise fund, respectively, due to deficit cash balances and due to the timing of reimbursement of expenditures.

Internal Balances – Change in Proportionate Share

The City uses an internal proportionate share to allocate its net pension/OPEB liabilities (asset) and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension/OPEB deferred outflows/inflows of resources in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

Balances related to the internal proportionate share for pension and OPEB at December 31, 2021, were as follows:

	Pension		OPEB	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Governmental Activities	\$1,075	\$1,348,015	\$0	\$793,034
Business-Type Activities:				
Sewer	0	73,000	0	41,956
Refuse	1,421,015	1,075	834,990	0
Total Business-Type Activities	1,421,015	74,075	834,990	41,956
Total	\$1,422,090	\$1,422,090	\$834,990	\$834,990

Note 9 – Receivables

Receivables at December 31, 2021, 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 \$7,298,070 in the general fund, community development block grant, tree and street lighting special revenue funds, the general bond retirement fund and the sewer and refuse enterprise funds. At December 31, 2021, the amount of delinquent special assessments was \$2,769,240.

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 \$3,292,330. At December 31, 2021 there were no delinquent loans.

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Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021 on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and are collected in 2022 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021 was \$12.42 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2021 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	\$711,601,930
Other Real Estate	111,879,150
Public Utility Property	<u>21,983,510</u>
Total Assessed Valuation	<u><u>\$845,464,590</u></u>

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, 2021 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2021 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.

City of Cleveland Heights, Ohio
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Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government	\$910,802
Gas Excise Tax	817,559
Homestead and Rollback	612,189
Auto Registration	211,582
Targeting Addiction Assistance	117,250
CDBG - Coronavirus Relief	78,305
State of Ohio	41,518
Bureau of Workers' Compensation	9,986
<i>Total Intergovernmental Receivables</i>	<i>\$2,799,191</i>

Note 10 – Capital Assets

A summary of changes in capital assets during 2021 follows:

	Balance 12/31/2020	Additions	Deletions	Transfer	Balance 12/31/2021
Governmental Activities					
<i>Nondepreciable Capital Assets</i>					
Land	\$5,288,136	\$0	\$0	(\$135,222)	\$5,152,914
Construction in Progress	1,887,358	75,114	(1,887,358)	0	75,114
Intangible Assets	32,707	0	0	0	32,707
<i>Total Nondepreciable Capital Assets</i>	<i>7,208,201</i>	<i>75,114</i>	<i>(1,887,358)</i>	<i>(135,222)</i>	<i>5,260,735</i>
<i>Depreciable Capital Assets</i>					
Land Improvements	2,184,283	0	0	0	2,184,283
Building and Improvements	64,096,034	216,786	(163,800)	(518,178)	63,630,842
Machinery and Equipment	25,540,632	1,013,980	(412,782)	(3,998,430)	22,143,400
Infrastructure					
Streets and Sidewalks	69,648,961	1,723,558	(1,723,558)	0	69,648,961
Off-Street Parking	3,523,927	0	0	0	3,523,927
<i>Total Depreciable Capital Assets</i>	<i>164,993,837</i>	<i>2,954,324</i>	<i>(2,300,140)</i>	<i>(4,516,608)</i>	<i>161,131,413</i>
<i>Less Accumulated Depreciation</i>					
Land Improvements	(1,666,508)	(88,423)	0	0	(1,754,931)
Building and Improvements	(32,969,657)	(1,607,966)	0	470,927	(34,106,696)
Machinery and Equipment	(21,108,378)	(1,470,470)	412,782	3,649,042	(18,517,024)
Infrastructure					
Streets and Sidewalks	(34,447,738)	(2,705,101)	0	0	(37,152,839)
Off-Street Parking	(2,158,104)	(82,231)	0	0	(2,240,335)
<i>Total Accumulated Depreciation</i>	<i>(92,350,385)</i>	<i>(5,954,191) *</i>	<i>412,782</i>	<i>4,119,969</i>	<i>(93,771,825)</i>
<i>Total Depreciable Capital Assets, Net</i>	<i>72,643,452</i>	<i>(2,999,867)</i>	<i>(1,887,358)</i>	<i>(396,639)</i>	<i>67,359,588</i>
<i>Total Governmental Capital Assets, Net</i>	<i>\$79,851,653</i>	<i>(\$2,924,753)</i>	<i>(\$3,774,716)</i>	<i>(\$531,861)</i>	<i>\$72,620,323</i>

City of Cleveland Heights, Ohio
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*Depreciation expense was charged to governmental functions as follows:

General Government	\$1,265,536
Public Safety	758,557
Transportation	2,982,111
Community Development	153,361
Culture and Recreation	794,626
Total	\$5,954,191

	Balance 12/31/2020	Additions	Deletions	Transfer	Balance 12/31/2021
Business-Type Activity					
<i>Nondepreciable Capital Assets</i>					
Land	\$0	\$0	\$0	\$135,222	\$135,222
<i>Depreciable Capital Assets</i>					
Buildings and Improvements	148,238	0	0	518,178	666,416
Machinery and Equipment	5,221,828	930,506	(95,855)	3,998,430	10,054,909
Infrastructure					
Sanitary Sewer Lines	7,609,119	0	0	0	7,609,119
Storm Sewer Lines	2,941,631	0	0	0	2,941,631
<i>Total Depreciable Capital Assets</i>	15,920,816	930,506	(95,855)	4,516,608	21,272,075
<i>Less Accumulated Depreciation</i>					
Buildings and Improvements	(89,358)	(21,541)	0	(470,927)	(581,826)
Machinery and Equipment	(4,480,602)	(290,805)	95,855	(3,649,042)	(8,324,594)
Infrastructure					
Sanitary Sewer Lines	(2,686,777)	(128,844)	0	0	(2,815,621)
Storm Sewer Lines	(1,383,427)	(71,611)	0	0	(1,455,038)
<i>Total Accumulated Depreciation</i>	(8,640,164)	(512,801)	95,855	(4,119,969)	(13,177,079)
<i>Total Depreciable Capital Assets, Net</i>	7,280,652	417,705	0	396,639	8,094,996
<i>Total Business-Type Activity Capital Assets, Net</i>	\$7,280,652	\$417,705	\$0	\$531,861	\$8,230,218

Governmental activities transferred assets with a net book value of \$531,861 to the refuse enterprise fund.

Note 11 – Assets Held For Resale

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

Note 12 – Significant Commitments

Contractual Commitments

As of December 31, 2021, the County had contractual commitments for the following projects:

	Contract Amount	Amount Paid	Remaining on Contract
General	\$4,801,014	\$2,997,931	\$1,803,083
Other Governmental Funds	869,385	84,927	784,458
Sewer	1,637,999	1,104,238	533,761
Refuse	1,703,477	536,723	1,166,754
Total	\$9,011,875	\$4,723,819	\$4,288,056

City of Cleveland Heights, Ohio
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Remaining commitment amounts were encumbered at year end. The amount of \$75,800 in contracts payable for business-type activities 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 Funds:	
General Fund	\$1,803,083	Sewer	\$651,334
Other Governmental Funds	<u>1,659,075</u>	Refuse	<u>1,620,488</u>
Total Governmental Funds	<u><u>\$3,462,158</u></u>	Total Proprietary Funds	<u><u>\$2,271,822</u></u>

Note 13 – 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 Federal Insurance Company for property insurance and Old Republic Union Insurance Company for general, automobile, public officials and police professional liability insurance.

The types of coverage and deductibles are as follows:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Blanket Property and Contents, Replacement	\$111,290,000	\$50,000
General Liability	15,000,000	150,000
Automobile Liability	5,000,000	150,000
Public Officials Liability	5,000,000	150,000
Police Professional Liability	5,000,000	150,000

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 2021 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 \$655,888 have been accrued as a liability at December 31, 2021 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 2020 and 2021 were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2020	\$705,250	597,513	499,942	\$802,821
2021	802,821	405,644	552,577	655,888

City of Cleveland Heights, Ohio
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Note 14 – 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 for non-bargaining staff. Police and Local 860 employees are entitled to 750 hours and fire employees are entitled to 1,000 hours.

Note 15 – 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 2022 and 2037 that will cost approximately \$48 million. These improvements will be financed by sewer rates.

Federal and State Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2021.

Note 16 - Defined Benefit Pension Plans

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

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

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

The net pension/OPEB liability (asset) represents 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

City of Cleveland Heights, Ohio
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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.

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 17 for the required OPEB disclosures.

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. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional 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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an 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 who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
 2021 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2021, the City’s contractually required contribution was \$1,640,117 for the traditional plan, \$32,811 for the combined plan and \$4,681 for the member-directed plan. Of these amounts, \$257,845 is reported as an intergovernmental payable for the traditional plan, \$5,380 for the combined plan, and \$769 for the member-directed plan.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

City of Cleveland Heights, Ohio
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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 Annual Comprehensive Financial Report 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.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	Police	Firefighters
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,910,940 for 2021. Of this amount, \$454,675 is reported as an intergovernmental payable.

City of Cleveland Heights, Ohio
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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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.0860010%	0.0426180%	0.5328193%	
Prior Measurement Date	<u>0.0948370%</u>	<u>0.0380170%</u>	<u>0.5351832%</u>	
Change in Proportionate Share	<u>-0.0088360%</u>	<u>0.0046010%</u>	<u>-0.0023639%</u>	
Proportionate Share of the:				
Net Pension Liability	\$12,734,876	\$0	\$36,322,770	\$49,057,646
Net Pension Asset	0	123,023	0	123,023
Pension Expense	(1,200,573)	2,663	2,904,360	1,706,450

2021 pension expense for the member-directed defined contribution plan was \$4,681. The aggregate pension expense for all pension plans was \$1,711,131 for 2021.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$0	\$0	\$1,518,415	\$1,518,415
Changes of assumptions	0	7,683	609,151	616,834
Changes in proportion and differences between City contributions and proportionate share of contributions	0	6,631	1,531,180	1,537,811
City contributions subsequent to the measurement date	<u>1,640,117</u>	<u>32,811</u>	<u>2,910,940</u>	<u>4,583,868</u>
Total Deferred Outflows of Resources	<u>\$1,640,117</u>	<u>\$47,125</u>	<u>\$6,569,686</u>	<u>\$8,256,928</u>

City of Cleveland Heights, Ohio
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	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$532,710	\$23,210	\$1,415,027	\$1,970,947
Net difference between projected and actual earnings on pension plan investments	4,963,683	18,296	1,761,895	6,743,874
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,691,635</u>	<u>8,258</u>	<u>2,912,200</u>	<u>4,612,093</u>
Total Deferred Inflows of Resources	<u>\$7,188,028</u>	<u>\$49,764</u>	<u>\$6,089,122</u>	<u>\$13,326,914</u>

\$4,583,868 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 2022. 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	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:				
2022	(\$3,377,379)	(\$8,881)	(\$1,043,582)	(\$4,429,842)
2023	(1,110,311)	(5,667)	207,154	(908,824)
2024	(2,023,366)	(9,886)	(1,507,553)	(3,540,805)
2025	(676,972)	(4,638)	(137,597)	(819,207)
2026	0	(2,028)	51,202	49,174
Thereafter	<u>0</u>	<u>(4,350)</u>	<u>0</u>	<u>(4,350)</u>
Total	<u>(\$7,188,028)</u>	<u>(\$35,450)</u>	<u>(\$2,430,376)</u>	<u>(\$9,653,854)</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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, 2020, 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, 2020, are presented below.

City of Cleveland Heights, Ohio
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	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	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, 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 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

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 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 long-term expected 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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

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Discount Rate The discount rate used to measure the total pension liability was 7.2 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%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$24,291,842	\$12,734,876	\$3,125,276
OPERS Combined Plan	(85,662)	(123,023)	(150,868)

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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 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. Assumptions considered are: 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, 2020, are presented below.

City of Cleveland Heights, Ohio
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For the Year Ended December 31, 2021

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
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	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases 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 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, 2020, are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.5x

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 1.25 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	\$50,565,949	\$36,322,770	\$24,402,668

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Note 17 - Defined Benefit OPEB Plans

See Note 16 for a description of the net OPEB liability (asset).

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with

City of Cleveland Heights, Ohio
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differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, 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. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and 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 2021 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 \$4,681 for 2021. Of this amount, \$769 is reported as an intergovernmental payable.

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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

City of Cleveland Heights, Ohio
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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.

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

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.

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, 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 \$68,144 for 2021. Of this amount, \$10,658 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 (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) 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:

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	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.0825120%	0.5328193%	
Prior Measurement Date	<u>0.0908040%</u>	<u>0.5351832%</u>	
Change in Proportionate Share	<u>-0.0082920%</u>	<u>-0.0023639%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$0	\$5,645,307	\$5,645,307
Net OPEB Asset	\$1,470,017	\$0	\$1,470,017
OPEB Expense	(\$9,664,287)	\$173,119	(\$9,491,168)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes of assumptions	\$722,677	\$3,118,725	\$3,841,402
Changes in proportion and differences between City contributions and proportionate share of contributions	4,764	969,560	974,324
City contributions subsequent to the measurement date	<u>4,681</u>	<u>68,144</u>	<u>72,825</u>
Total Deferred Outflows of Resources	<u>\$732,122</u>	<u>\$4,156,429</u>	<u>\$4,888,551</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$1,326,682	\$931,174	\$2,257,856
Changes of assumptions	2,381,868	899,967	3,281,835
Net difference between projected and actual earnings on OPEB plan investments	782,952	209,790	992,742
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,014,377</u>	<u>2,440,257</u>	<u>3,454,634</u>
Total Deferred Inflows of Resources	<u>\$5,505,879</u>	<u>\$4,481,188</u>	<u>\$9,987,067</u>

\$72,825 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 or an increase to the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	(\$2,705,868)	(\$133,752)	(\$2,839,620)
2023	(1,640,076)	(84,073)	(1,724,149)
2024	(340,239)	(162,395)	(502,634)
2025	(92,255)	(170,836)	(263,091)
2026	0	66,991	66,991
Thereafter	<u>0</u>	<u>91,162</u>	<u>91,162</u>
Total	<u>(\$4,778,438)</u>	<u>(\$392,903)</u>	<u>(\$5,171,341)</u>

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For the Year Ended December 31, 2021

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 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, 2019, rolled forward to the measurement date of December 31, 2020. 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	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent, initial 3.50 percent, ultimate in 2035
Prior Measurement date	10.5 percent, initial 3.50 percent, ultimate in 2030
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement 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. Postretirement 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 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 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

City of Cleveland Heights, Ohio
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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. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) 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 2.00 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City’s proportionate share of the net OPEB asset	(\$365,528)	(\$1,470,017)	(\$2,377,996)

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Sensitivity of the City’s Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City’s proportionate share of the net OPEB asset	(\$1,505,844)	(\$1,470,017)	(\$1,429,933)

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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.

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
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	3.25 percent
Blended discount rate:	
Current measurement date	2.96 percent
Prior measurement date	3.56 percent
Cost of Living Adjustments	2.2 percent simple

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 16.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 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 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. 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 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

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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 2.96 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 (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$7,039,376	\$5,645,307	\$4,495,364

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 18 – Notes Payable

Changes in the City's note activity for the year ended December 31, 2021, were as follows:

	Outstanding 12/31/2020	Additions	(Reductions)	Outstanding 12/31/2021
Governmental Activities:				
<i>Bond Anticipation Notes</i>				
<i>General Bond Retirement Fund:</i>				
Motorized Equipment	\$53,611	\$0	(\$53,611)	\$0
Premium	532	0	(532)	0
<i>Total General Obligation Bond Retirement Fund</i>	54,143	0	(54,143)	0
<i>Capital Improvements Fund:</i>				
Top of the Hill	360,000	0	(360,000)	0
<i>Total Governmental Activities</i>	\$414,143	\$0	(\$414,143)	\$0

In 2020, the City issued \$53,611 in bond anticipation notes for the purchase of motorized equipment at a premium of \$532 and with an interest rate of 1.52 percent. These notes were fully retired at maturity.

In 2020, the City issued \$360,000 in bond anticipation notes for economic development with an interest rate of 1.45 percent. These notes were fully retired at maturity.

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Note 19 – Long-term Obligations

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
General Obligation Bonds				
Cedar Lee Parking Deck Refunding	2015	2028	2.03 %	\$4,640,000
Restructuring Refunding	2020	2037	0.43 - 1.93	11,796,000
Various Purpose	2021	2030	1.52	759,000
Special Assessment Bonds				
Ring Road Improvement Refunding	2014	2029	2.93	2,510,000
2021 Ring Road Improvement Refunding	2021	2029	1.32	1,682,000
OPWC Loans from Direct Borrowings				
Taylor Road Rehabilitation	2001	2021	0.00	132,780
Coventry Road Rehabilitation	2005	2025	0.00	369,741
Lee Road Rehabilitation	2006	2029	0.00	39,852
Meadowbrook Boulevard	2006	2026	0.00	2,204,524
Monticello Boulevard	2010	2031	0.00	248,880
Monticello Boulevard	2012	2034	0.00	640,800
Meadowbrook Boulevard	2019	2049	0.00	766,582
OWDA Loan from Direct Borrowing				
OWDA Loan - Runnymede Water Line	2010	2030	3.84	280,298
Long-term Notes				
Top of the Hill	2021	2022	1.3	1,490,000
Top of the Hill	2020	2021	1.45	1,490,000
Street Improvements	2020	2021	1.52	238,000
Motorized Equipment	2020	2021	1.52	394,000
Police Mobile Radios	2020	2021	1.52	166,000
State Infrastructure Bank Loan from Direct Borrowing				
Taylor Road Rehab	2014	2022	3.00	427,323
Business-Type Activities				
General Obligation Bonds				
Vehicle Acquisition	2018	2027	2.85	635,000
Restructuring Refunding	2020	2037	0.43 - 1.93	114,000
Various Purpose	2021	2030	1.52	259,000
OPWC Loans from Direct Borrowings				
Meadowbrook Boulevard Rehabilitation - Sewer	2006	2022	0.00	459,276
OWDA Loan from Direct Borrowing				
OWDA Loan - Demington Sewer	2007	2022	4.12	425,071
OWDA Loan - Refuse Automation	2021	2031	1.68 - 1.73	487,180

Changes in long-term obligations during the year ended December 31, 2021, consisted of the following:

	Balance 12/31/2020	Increase	Decrease	Transfer	Balance 12/31/2021	Amounts Due in One Year
Governmental Activities						
General Obligation Bonds						
2015 Cedar Lee Parking Deck Refunding Bonds	\$3,355,000	\$0	\$390,000	\$0	\$2,965,000	\$400,000
2020 Restructuring Refunding Bonds	11,910,000	0	605,000	(114,000)	11,191,000	510,000
2021 Various Purpose Bonds	0	759,000	0	0	759,000	89,000
<i>Total General Obligation Bonds</i>	<u>\$15,265,000</u>	<u>\$759,000</u>	<u>\$995,000</u>	<u>(\$114,000)</u>	<u>\$14,915,000</u>	<u>\$999,000</u>

(continued)

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	Balance 12/31/2020	Increase	Decrease	Transfer	Balance 12/31/2021	Amounts Due in One Year
Governmental Activities (continued)						
Special Assessment Bonds						
(with governmental commitment)						
2014 Ring Road Improvement Refunding	\$1,760,000	\$0	\$1,760,000	\$0	\$0	\$0
2021 Ring Road Improvement Refunding	0	1,682,000	19,000	0	1,663,000	147,000
<i>Total OPWC Loans</i>	<u>1,760,000</u>	<u>1,682,000</u>	<u>1,779,000</u>	<u>0</u>	<u>1,663,000</u>	<u>147,000</u>
Loans from Direct Borrowings:						
OPWC Loans						
2001 Taylor Road Rehabilitation	9,957	0	6,638	0	3,319	3,319
2005 Coventry Road Rehabilitation	92,434	0	18,486	0	73,948	18,487
2006 Lee Road Rehabilitation	18,930	0	1,992	0	16,938	1,993
2006 Meadowbrook Boulevard	447,795	0	68,892	0	378,903	68,892
2010 Monticello Boulevard	136,884	0	12,444	0	124,440	12,444
2012 Monticello Boulevard	354,999	0	25,357	0	329,642	25,358
2019 Meadowbrook Boulevard	811,978	0	27,066	0	784,912	27,066
<i>Total OPWC Loans</i>	<u>1,872,977</u>	<u>0</u>	<u>160,875</u>	<u>0</u>	<u>1,712,102</u>	<u>157,559</u>
OWDA Loan						
2010 Runnymede Water Line	159,579	0	7,039	0	152,540	14,487
State Infrastructure Bank Loan						
Taylor Road Rehab	116,554	0	57,410	0	59,144	59,144
Total Loans from Direct Borrowings	<u>2,149,110</u>	<u>0</u>	<u>225,324</u>	<u>0</u>	<u>1,923,786</u>	<u>231,190</u>
Long-term Notes						
2020 Top of the Hill	1,490,000	0	1,490,000	0	0	0
2021 Top of the Hill	0	1,490,000	0	0	1,490,000	0
2021 Top of the Hill Premium	0	15,556	0	0	15,556	0
Street Improvements	238,000	0	238,000	0	0	0
Street Improvements Premium	2,361	0	2,361	0	0	0
Motorized Equipment	394,000	0	394,000	0	0	0
Motorized Equipment Premium	3,908	0	3,908	0	0	0
Police Mobile Radios	166,000	0	166,000	0	0	0
Police Mobile Radios Premium	1,647	0	1,647	0	0	0
<i>Total Long-term Notes</i>	<u>2,295,916</u>	<u>1,505,556</u>	<u>2,295,916</u>	<u>0</u>	<u>1,505,556</u>	<u>0</u>
Other Long-Term Obligations						
Compensated Absences Payable	5,397,153	1,053,057	2,270,921	0	4,179,289	2,223,953
Workers' Compensation Liability	802,821	405,644	552,577	0	655,888	493,686
Solid Waste Liability	177,017	0	0	(177,017)	0	0
Capital Leases	1,020,212	1,200,000	213,469	0	2,006,743	288,293
Asset Retirement Obligation	53,000	0	0	0	53,000	0
<i>Total Other Long-Term Obligations</i>	<u>7,450,203</u>	<u>2,658,701</u>	<u>3,036,967</u>	<u>(177,017)</u>	<u>6,894,920</u>	<u>3,005,932</u>
Net Pension Liability						
OPERS	17,620,467	0	7,177,868	0	10,442,599	0
OPF	36,052,800	269,970	0	0	36,322,770	0
<i>Total Net Pension Liability</i>	<u>53,673,267</u>	<u>269,970</u>	<u>7,177,868</u>	<u>0</u>	<u>46,765,369</u>	<u>0</u>
Net OPEB Liability						
OPERS	11,789,846	0	11,789,846	0	0	0
OPF	5,286,394	358,913	0	0	5,645,307	0
<i>Total Net OPEB Liability</i>	<u>17,076,240</u>	<u>358,913</u>	<u>11,789,846</u>	<u>0</u>	<u>5,645,307</u>	<u>0</u>
Total Governmental Long-Term Liabilities	<u>\$99,669,736</u>	<u>\$7,234,140</u>	<u>\$27,299,921</u>	<u>(\$291,017)</u>	<u>\$79,312,938</u>	<u>\$4,383,122</u>

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	Balance 12/31/2020	Increase	Decrease	Transfer	Balance 12/31/2021	Amounts Due in One Year
Business-Type Activities						
General Obligation Bonds						
2018 Vehicle Acquisition Bonds	\$455,000	\$0	\$60,000	\$0	\$395,000	\$12,000
2020 Restructuring Bonds	0	0	0	114,000	114,000	0
2021 Various Purpose	0	259,000	0	0	259,000	60,000
<i>Total General Obligation Bonds</i>	<u>455,000</u>	<u>259,000</u>	<u>60,000</u>	<u>114,000</u>	<u>768,000</u>	<u>72,000</u>
Loans from Direct Borrowings:						
OPWC Loans						
Meadowbrook Boulevard Rehabilitation - Sewer	149,264	0	22,964	0	126,300	22,964
OWDA Loans						
OWDA Loan - Demington Sewer	55,123	0	18,001	0	37,122	37,122
OWDA Loan - Refuse Automation	0	487,180	0	0	487,180	0
<i>Total OWDA Loans</i>	<u>55,123</u>	<u>487,180</u>	<u>18,001</u>	<u>0</u>	<u>524,302</u>	<u>37,122</u>
Total Loans from Direct Borrowings	<u>204,387</u>	<u>487,180</u>	<u>40,965</u>	<u>0</u>	<u>650,602</u>	<u>60,086</u>
Long-term Notes						
Motorized Equipment	253,389	0	253,389	0	0	0
Premium	2,514	0	2,514	0	0	0
<i>Total Long-term Notes</i>	<u>255,903</u>	<u>0</u>	<u>255,903</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Long-Term Obligations						
Compensated Absences Payable	383,563	164,394	224,495	0	323,462	226,803
Solid Waste Liability	0	12,456	0	177,017	189,473	0
<i>Total Long-term Obligations</i>	<u>383,563</u>	<u>176,850</u>	<u>224,495</u>	<u>177,017</u>	<u>512,935</u>	<u>226,803</u>
Net Pension Liability						
OPERS	1,124,709	1,167,568	0	0	2,292,277	0
Net OPEB Liability						
OPERS	752,545	0	752,545	0	0	0
Total Business-Type Activities						
Long-term Liabilities	<u>\$3,176,107</u>	<u>\$2,090,598</u>	<u>\$1,333,908</u>	<u>\$291,017</u>	<u>\$4,223,814</u>	<u>\$358,889</u>

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

In 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, 2021, \$2,855,000 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 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

In 2020, the City issued general obligation bonds in the amount of \$11,796,000, to refund various purpose bonds previously issued in 2014, 2015, 2016 and 2017 and the building improvement bonds issued in 2017. The bonds were issued with interest rates ranging from 0.43 to 1.93 percent. The bonds were issued for a 17 year period with a final maturity in 2037. The bonds will be retired through the general bond retirement fund. As of December 31, 2020, \$6,702,000 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 2020, the City issued general obligation bonds in the amount of \$114,000 to refund various purpose bonds issued in 2014 and 2015 for the transfer station. The bonds were issued with interest rates ranging from 1.93 to 2.84 percent. The bonds were issued for a 17 year period with a final maturity in 2037. The bonds will be retired through the refuse enterprise fund. As of December 31, 2020, \$108,000 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 2021, the City issued various purpose general obligation bonds in the amount of \$759,000 for the purpose of retiring notes previously issued for street improvements, motorized equipment and police radios. The bonds were issued with a fixed interest rate of 1.52 percent. The bonds were issued for a 10 year period with a final maturity during fiscal year 2030. The bonds will be retired through the general bond retirement fund.

In 2021, the City issued various purpose general obligation bonds in the amount of \$259,000 for the purpose of retiring notes previously issued motorized equipment. The bonds were issued with a fixed interest rate of 1.52 percent. The bonds were issued for a 10 year period with a final maturity during fiscal year 2030. 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. These bonds were refunded with the 2021 refunding.

In 2021, the City issued special assessment refunding bonds in the amount of \$1,682,000, to refund special assessment refunded bonds previously issued in 2014. The bonds were issued with a fixed interest rate of 1.32 percent. The bonds were issued for a 10 year period with a final maturity in 2029. The bonds will be retired through the general bond retirement fund. The outstanding balance of the refunded bonds were called and fully repaid.

	Amount
Balance at December 31, 2020:	
2014 Ring Road Improvement Refunding	\$1,760,000
Amount Refunded	(1,630,000)
Principal Payment on Non-Refunded Bonds	(130,000)
Outstanding at December 31, 2021	\$0

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Net proceeds of \$1,682,000 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded bonds. As a result, \$1,630,000 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. As of December 31, 2021, the defeased bonds have been called and fully repaid.

	Amount
Outstanding at December 31, 2020:	
2014 Ring Road Improvement Refunding	\$1,760,000
2014 Deferred Charge on Refunding	(24,296)
	1,735,704
Outstanding at December 31, 2020	1,735,704
Principal Paid on Non-Refunded Bonds	(130,000)
Payment to Refunded Bond Escrow Agent	(1,653,879)
	(1,653,879)
2021 Accounting Loss	(\$48,175)

The refunding resulting in the recognition of an accounting loss of \$48,175. By restructuring the bonds, the City has decreased its aggregated debt service payments by \$269,698 over the next ten years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$261,431.

Long-term Notes During 2021, the City issued \$1,490,000 in bond anticipation notes for economic development. The notes have an interest rate of 1.30 percent and matured on April 19, 2022 and were retired with the issuance of bonds. See Note 26 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 fund and sewer and refuse enterprise 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 and refuse enterprise funds. See Notes 16 and 17 for additional information regarding the net pension liability and net OPEB liability. The City transferred the solid waste liability to the refuse fund. See Note 26 for additional information on the transfer. The solid waste liability will be paid from the refuse 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 and refuse enterprise funds. In the event that the sewer and refuse enterprise funds would fail to pay the OPWC and OWDA loans, payment would be made by any general tax revenues collected in the general, bond retirement or capital projects funds. The Meadowbrook Boulevard OPWC loan 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 \$1,712,102 and related to business type activities of \$126,300 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

The City's outstanding OWDA loans from direct borrowings of \$152,540 related to governmental activities and \$524,302 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.

A line of credit has been established with the Ohio Water Development Authority (OWDA) in the amount of \$4,452,516 for solid waste refuse and recycling automation. The City has entered into a contractual agreement for a construction loan from the OWDA. Under the terms of this agreement, OWDA will reimburse, advance or directly pay for construction cost of the approved project. OWDA will capitalize administrative costs and construction interest and then add them to the total amount of the final loan. The loan will not have an accurate repayment schedule until the loan is finalized and, therefore, are not included in the schedule of future annual debt service requirements. The County is currently making payments based on estimates. The balance of the loan at December 31, 2021 is \$487,180.

The City's outstanding State Infrastructure Bank Loan is financed through the Department of Transportation (ODOT) from direct borrowings related to governmental activities of \$59,144 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 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 \$73,799,638 and the unvoted legal debt margin was \$31,809,318 at December 31, 2021. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2021, are as follows:

Year	Governmental Activities			
	General Obligation Bonds		Special Assesment Bonds	
	Principal	Interest	Principal	Interest
2022	\$999,000	\$315,124	\$147,000	\$21,952
2023	1,023,000	298,470	150,000	20,011
2024	834,000	284,792	152,000	18,031
2025	810,000	271,663	155,000	16,025
2026	921,000	258,266	158,000	13,979
2027-2031	4,577,000	1,025,591	901,000	29,370
2032-2036	4,730,000	522,788	0	0
2037	1,021,000	28,996	0	0
Total	\$14,915,000	\$3,005,690	\$1,663,000	\$119,368

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Governmental Activities					
Loans From Direct Borrowings					
Year	OPWC Loans	OWDA Loan		State Infrastructure Bank Loan Payable	
		Principal	Interest	Principal	Interest
2022	\$157,559	\$14,487	\$5,720	\$59,144	\$1,334
2023	154,239	15,049	5,158	0	0
2024	154,239	15,632	4,575	0	0
2025	154,238	16,238	3,969	0	0
2026	135,751	16,868	3,339	0	0
2027-2031	365,753	74,266	6,562	0	0
2032-2036	211,401	0	0	0	0
2037-2041	135,330	0	0	0	0
2042-2046	135,330	0	0	0	0
2046-2050	108,262	0	0	0	0
Total	\$1,712,102	\$152,540	\$29,323	\$59,144	\$1,334

Business-Type Activities					
Year	Loans from Direct Borrowings				
	General Obligation Bonds		OWDA Loans		OPWC
	Principal	Interest	Principal	Interest	Loans
2022	\$72,000	\$19,449	\$37,122	\$1,117	\$22,964
2023	81,000	16,079	0	0	22,964
2024	97,000	13,985	0	0	22,964
2025	97,000	11,645	0	0	22,963
2026	102,000	9,306	0	0	22,963
2027-2031	240,000	20,396	0	0	11,482
2032-2036	65,000	7,084	0	0	0
2037	14,000	398	0	0	0
Total	\$768,000	\$98,342	\$37,122	\$1,117	\$126,300

Note 20 – Top of the Hill – Conduit Debt

During 2020, the City created a tax increment financing (TIF) district for urban redevelopment pursuant to Ohio Revised Code Chapter 5709 with respect to certain parcels within the City generally known as “Top of the Hill”. City Council has exempted 100 percent of the increase in the assessed value of these parcels from real property taxation for a period of up to thirty years. The benefitted property owners will make service payments in lieu of the property tax payments. The school district will receive a portion of those service payments in lieu of the exempted taxes in accordance with an agreement between the City and the school district. Service payments are expected to begin in 2023.

After creating this TIF district, the City authorized and sold \$24,375,000 aggregate principal amount of Taxable Economic Development Revenue Bonds and loaned the proceeds to Cleveland Heights FCIII, LLC, an Ohio limited liability company (CHFCIII), to pay a portion of the costs of constructing certain project improvements to be developed and owned by CHFCIII on the Top of the Hill parcels. Loan proceeds, to the extent not allocated to fund reserves or pay financing costs, are to be used by CHFCIII to pay costs of construction of the project improvements consisting of luxury apartments, parking, commercial, retail and restaurant space on the Top of the Hill parcels deemed to be in the public interest. CHFCIII is an affiliate of F & C Development, Inc., an Indiana corporation (FCD), the master developer of the Top of the Hill parcels. CHFCIII, FCD and their affiliates are legally separate entities, unrelated to the City.

Although the bonds bear the name of the City, the City has no obligation for this debt, or for any amounts payable with respect thereto, beyond the resources, if any, provided by or on behalf of the third-party on whose behalf the debt is issued. Payments on the loan to CHFCIII are in the same amounts as the payments on the

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

conduit bonds, and such loan payments are guaranteed by the principal owner of FCD. Service payments are an obligation of CHFCIII, joined by a separate affiliate of FCD that leases the Top of the Hill parcels to CHFCIII. Available service payments, if any, paid by or on behalf of CHFCIII will be credited against the loan payments otherwise due from that entity. The bonds do not constitute a general obligation, debt or bonded indebtedness of the City. Neither is the full faith and credit or taxing power of the City pledged to make repayment. Accordingly, the bonds constitute conduit debt and are not reported as liabilities in the accompanying financial statements.

At December 31, 2021, bonds had been issued, and the related loan was made, in a principal amount of \$22,825,000 and that entire principal amount remained outstanding. In accordance with the documentation relating to the sale of the bonds, the City is to deliver the balance of the bonds against payment of the related purchase price, and deliver the remaining loan proceeds to CHFCIII in the amount of \$1,550,000 on January 3, 2022.

Note 21 – Capital Leases

During 2021, the City entered into a lease agreement for a fire truck. At the time the City entered into this lease, the fire truck had not yet been purchased. No payments have been made on the lease as of December 31, 2021. The entire principal amount owed on the lease is \$1,200,000. As part of the agreement, Key Municipal Finance, a division of Key Corporate Capital Incorporated, as lessor, provided \$1,200,000 for the purchase of the fire truck. Amounts are paid to the vendor by the fiscal agent at the discretion of the City. As of December 31, 2021, \$1,200,000 is held by the fiscal agent and will be paid for the fire truck costs.

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, 2021:

	Amounts
Equipment	\$1,727,334
Less Accumulated Depreciation	(1,136,189)
Current Book Value	\$591,145

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, 2021.

Year Ending December 31, 2021	Governmental Activities
2022	\$337,964
2023	293,554
2024	247,396
2025	247,395
2029	247,395
2027-2031	867,982
Total	2,241,686
Less: Amount Representing Interest	(234,943)
Present Value of Net Minimum Lease Payments	\$2,006,743

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 22 – Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a City classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$53,000 associated with the City's underground storage tanks was estimated by the City engineer. The assets have been fully depreciated. The City maintains insurance related to any potential pollution remediation associated with the USTs.

Note 23 – 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 30th, 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, 2021, the current final closure cost estimate is \$189,473, and is reported as a liability on the City's books.

Note 24 – 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 2021, 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.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 2021. 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 2021, the City paid RITA \$949,233 for income tax collection services.

Note 25 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 26 – Transfer of Operations

On January 1, 2021 the City transferred their refuse operations from governmental activities to the refuse enterprise fund. For 2021, the City is reporting a special item of \$1,828,378 related to the following assets and liabilities recognized in the transfer of operations.

	Governmental Activities	Business-Type Activities	Total
		Refuse	
Assets			
Equity in Pooled Cash and Cash Equivalents	(\$27,086)	\$27,086	\$0
Accounts Receivable	(1,079,190)	1,079,190	0
Special Assessments Receivable	(623,642)	623,642	0
Capital Assets	(531,861)	531,861	0
<i>Total Assets</i>	<u>(\$2,261,779)</u>	<u>\$2,261,779</u>	<u>\$0</u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

	Governmental Activities	Business-Type Activities	Total
		Refuse	
Liabilities			
Accounts Payable	(\$79,070)	\$79,070	\$0
Contracts Payable	(12,878)	12,878	0
Accrued Wages	(18,184)	18,184	0
Intergovernmental Payable	(32,252)	32,252	0
Long-Term Liabilities:			
Other Amounts Due in More Than One Year	(291,017)	291,017	0
<i>Total Liabilities</i>	<u>(433,401)</u>	<u>433,401</u>	<u>0</u>
Net Position			
Net Investment of Capital Assets	(417,861)	417,861	0
Unrestricted	(1,410,517)	1,410,517	0
<i>Total Net Position</i>	<u>(\$1,828,378)</u>	<u>\$1,828,378</u>	<u>\$0</u>

No other assets, liabilities, or deferred outflows/inflows were recognized as part of this transaction. No adjustment was made to arrive at the net booked value of the capital assets.

Note 27 – Subsequent Events

On February 16, 2022, the City issued \$3,067,000 in economic development nontax revenue bonds which were used to refund \$2,965,000 in parking deck improvement refunding bonds. The bonds bear an interest rate of 2.6 percent and mature on December 1, 2033.

On April 18, 2022, the City issued \$1,344,000 (at a premium of \$190,000) in economic development nontax revenue refunding bonds which were used to retire \$1,490,000 in economic development nontax revenue notes. The bonds were sold at an interest rate of 2.25 percent and mature on December 1, 2031.

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 Eight Years (1)**

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.0860010%	0.0948370%	0.1049320%	0.1008200%
City's Proportionate Share of the Net Pension Liability	\$12,734,876	\$18,745,176	\$28,738,748	\$15,816,704
City's Covered Payroll	\$11,715,595	\$12,950,126	\$13,281,107	\$14,333,754
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	108.70%	144.75%	216.39%	110.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%

(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.

2017	2016	2015	2014
0.1089160%	0.1194990%	0.1277430%	0.1277430%
\$24,732,971	\$20,698,733	\$15,407,233	\$15,059,235
\$14,087,875	\$14,666,438	\$15,189,233	\$13,602,627
175.56%	141.13%	101.44%	110.71%
77.25%	81.08%	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 Four Years (1)**

	2021	2020	2019	2018
City's Proportion of the Net Pension Asset	0.0426180%	0.0380170%	0.0425260%	0.0390650%
City's Proportionate Share of the Net Pension Asset	\$123,023	\$79,275	\$47,554	\$53,180
City's Covered Payroll	\$187,821	\$169,236	\$181,886	\$159,992
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-65.50%	-46.84%	-26.14%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	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.

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

	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability (Asset)	0.0825120%	0.0908040%	0.1010160%	0.0966600%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,470,017)	\$12,542,391	\$13,170,101	\$10,496,564
City's Covered Payroll	\$12,020,141	\$13,265,937	\$13,646,743	\$14,666,179
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-12.23%	94.55%	96.51%	71.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%

(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.

2017

0.1043700%

\$10,541,725

\$14,087,875

74.83%

54.04%

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 Eight Years (1)**

	2021	2020	2019	2018
City's Proportion of the Net Pension Liability	0.5328193%	0.5351832%	0.5213870%	0.6027760%
City's Proportionate Share of the Net Pension Liability	\$36,322,770	\$36,052,800	\$42,558,956	\$36,995,085
City's Covered Payroll	\$14,768,334	\$12,420,140	\$12,824,566	\$11,438,528
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	245.95%	290.28%	331.85%	323.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.65%	69.89%	63.07%	70.91%

(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.

2017	2016	2015	2014
0.5629800%	0.6381960%	0.5471273%	0.5471273%
\$35,658,588	\$41,055,597	\$28,343,475	\$26,646,816
\$11,929,672	\$11,915,147	\$10,740,721	\$11,100,872
298.91%	344.57%	263.89%	240.04%
68.36%	66.77%	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 Five Years (1)**

	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability	0.5328193%	0.5351832%	0.5213870%	0.6027760%
City's Proportionate Share of the Net OPEB Liability	\$5,645,307	\$5,286,394	\$4,748,028	\$34,152,444
City's Covered Payroll	\$14,768,334	\$12,420,140	\$12,824,566	\$11,438,528
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.23%	42.56%	37.02%	298.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.42%	47.08%	46.57%	14.13%

(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.

2017

0.5629800%

\$26,723,395

\$11,929,672

224.01%

15.96%

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

	2021	2020	2019	2018
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$1,640,117	\$1,704,740	\$1,876,476	\$1,859,355
Contributions in Relation to the Contractually Required Contribution	<u>(1,640,117)</u>	<u>(1,704,740)</u>	<u>(1,876,476)</u>	<u>(1,859,355)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$11,418,141	\$11,715,595	\$12,950,126	\$13,281,107
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Liability - Combined Plan (4)				
Contractually Required Contribution	\$32,811	\$26,295	\$23,693	\$25,464
Contributions in Relation to the Contractually Required Contribution	<u>(32,811)</u>	<u>(26,295)</u>	<u>(23,693)</u>	<u>(25,464)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$234,364	\$187,821	\$169,236	\$181,886
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan (2)				
Contractually Required Contribution	\$4,681	\$4,669	\$5,863	\$7,350
Contributions in Relation to the Contractually Required Contribution	<u>(4,681)</u>	<u>(4,669)</u>	<u>(5,863)</u>	<u>(7,350)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$11,769,530	\$12,020,141	\$13,265,937	\$13,646,743
OPEB Contributions as a Percentage of Covered Payroll	<u>0.04%</u>	<u>0.04%</u>	<u>0.04%</u>	<u>0.05%</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.

2017	2016	2015	2015	2014
\$1,863,388	\$1,690,545	\$1,826,707	\$1,892,517	\$1,840,602
(1,863,388)	(1,690,545)	(1,826,707)	(1,892,517)	(1,840,602)
\$0	\$0	\$0	\$0	\$0
\$14,333,754	\$14,087,875	\$14,666,438	\$15,189,233	\$13,602,627
13.00%	12.00%	12.46%	12.46%	13.53%
\$20,799				
(20,799)				
\$0				
\$159,992				
13.00%				
\$151,835	\$281,758			
(151,835)	(281,758)			
\$0	\$0			
\$14,666,179	\$14,087,875			
1.04%	2.00%			

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

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	\$2,910,940	\$3,149,254	\$2,657,819	\$2,699,820
Contributions in Relation to the Contractually Required Contribution	<u>(2,910,940)</u>	<u>(3,149,254)</u>	<u>(2,657,819)</u>	<u>(2,699,820)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$13,628,905	\$14,768,334	\$12,420,140	\$12,824,566
Pension Contributions as a Percentage of Covered Payroll	<u>21.36%</u>	<u>21.32%</u>	<u>21.40%</u>	<u>21.05%</u>
Net OPEB Liability				
Contractually Required Contribution	\$68,144	\$73,842	\$62,100	\$64,123
Contributions in Relation to the Contractually Required Contribution	<u>(68,144)</u>	<u>(73,842)</u>	<u>(62,100)</u>	<u>(64,123)</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>21.86%</u>	<u>21.82%</u>	<u>21.90%</u>	<u>21.55%</u>

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

See accompanying notes to the required supplementary information.

2017	2016	2015	2014	2013	2012
\$2,505,231	\$2,547,007	\$2,542,641	\$2,289,692	\$2,022,363	\$1,642,143
(2,505,231)	(2,547,007)	(2,542,641)	(2,289,692)	(2,022,363)	(1,642,143)
\$0	\$0	\$0	\$0	\$0	\$0
\$11,438,528	\$11,929,672	\$11,915,147	\$10,740,721	\$11,100,872	\$10,905,975
21.90%	21.35%	21.34%	21.32%	18.22%	15.06%
\$57,193	\$59,648	\$59,576	\$53,704	\$401,482	\$736,154
(57,193)	(59,648)	(59,576)	(53,704)	(401,482)	(736,154)
\$0	\$0	\$0	\$0	\$0	\$0
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%
22.40%	21.85%	21.84%	21.82%	21.84%	21.81%

City of Cleveland Heights, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

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 in prior years 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	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use 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.

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.

City of Cleveland Heights, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Changes in Assumptions – OPERS Pension – Combined Plan

For 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

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
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	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases 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/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

Amounts reported 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/Conduent Modified 2016 Improvement Scale.

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

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

City of Cleveland Heights, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:	
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

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 Statements and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

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.

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 2021; 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.

Community Development Block Grant Fund – Covid Relief Grant - To account for and report restricted Federal grant monies for expenditures related to Covid relief through 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.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

Lead Safe Cuyahoga Fund - To account for and report grants 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. The fund did not have any budgetary activity in 2021; therefore, budgetary information is not provided.

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.

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

First Suburbs Development Council Fund - To account for and report grants restricted to the expenditures of the First Suburbs Development Council. The fund did not have any budgetary activity in 2021; therefore, budgetary information is not provided.

Coronavirus Relief Fund - To account for and report restricted monies received from the federal government to assist local governments with the coronavirus pandemic.

Federal Miscellaneous Grants Fund - To account for and report restricted monies received from the federal government.

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

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

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. The fund did not have any budgetary activity in 2021; therefore, budgetary information is not provided.

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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.

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 2021; therefore, budgetary information is not provided.

City of Cleveland Heights, Ohio

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,466,743	\$435,450	\$3,660,609	\$15,562,802
Restricted Asset:				
Equity in Pooled Cash and Cash Equivalents	220,091	0	0	220,091
Equity in Pooled Cash and Cash Equivalents with Escrow Agents	1,200,000	0	0	1,200,000
Accounts Receivable	23,700	0	0	23,700
Materials and Supplies Inventory	59,100	0	0	59,100
Accrued Interest Receivable	341,774	0	0	341,774
Accounts Receivable	3,032,796	0	0	3,032,796
Intergovernmental Receivable	1,139,307	78,583	36,672	1,254,562
Property Taxes Receivable	571,770	1,429,393	667,051	2,668,214
Special Assessments Receivable	3,164,870	1,225,000	0	4,389,870
Loans Receivable	3,292,330	0	0	3,292,330
Assets Held for Resale	876,326	0	130,575	1,006,901
<i>Total Assets</i>	<u>\$25,388,807</u>	<u>\$3,168,426</u>	<u>\$4,494,907</u>	<u>\$33,052,140</u>
Liabilities				
Accounts Payable	\$216,935	\$0	\$36,591	\$253,526
Accrued Wages	25,924	0	0	25,924
Retainage Payable	23,143	0	0	23,143
Interfund Payable	937,470	0	0	937,470
Intergovernmental Payable	323,610	0	622	324,232
Unearned Revenue	24,393	0	0	24,393
<i>Payables from Restricted Assets:</i>				
Accounts Payable	243,791	0	0	243,791
<i>Total Liabilities</i>	<u>1,795,266</u>	<u>0</u>	<u>37,213</u>	<u>1,832,479</u>
Deferred Inflows of Resources				
Property Taxes	464,928	1,162,320	542,416	2,169,664
Unavailable Revenue	7,258,636	1,570,656	161,307	8,990,599
<i>Deferred Inflows of Resources</i>	<u>7,723,564</u>	<u>2,732,976</u>	<u>703,723</u>	<u>11,160,263</u>
Fund Balances				
Nonspendable	59,100	0	0	59,100
Restricted	13,480,765	435,450	465,637	14,381,852
Committed	2,630,639	0	42,398	2,673,037
Assigned	0	0	3,245,936	3,245,936
Unassigned (Deficit)	(300,527)	0	0	(300,527)
<i>Total Fund Balances</i>	<u>15,869,977</u>	<u>435,450</u>	<u>3,753,971</u>	<u>20,059,398</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$25,388,807</u>	<u>\$3,168,426</u>	<u>\$4,494,907</u>	<u>\$33,052,140</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, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$441,322	\$1,134,842	\$588,157	\$2,164,321
Charges for Services	1,842,813	0	0	1,842,813
Licenses, Permits and Fees	60	0	1,425	1,485
Fines and Forfeitures	637,504	0	0	637,504
Intergovernmental	6,632,134	125,492	222,300	6,979,926
Special Assessments	2,064,437	119,419	0	2,183,856
Interest	4,607	0	0	4,607
Rentals	0	0	23,403	23,403
Contributions and Donations	40,640	0	0	40,640
Miscellaneous	135,436	0	58,116	193,552
<i>Total Revenues</i>	<u>11,798,953</u>	<u>1,379,753</u>	<u>893,401</u>	<u>14,072,107</u>
Expenditures				
Current:				
General Government	1,859,148	1,181	8,999	1,869,328
Public Safety	5,422,080	0	7,907	5,429,987
Public Health Services	19,131	0	0	19,131
Transportation	1,097,938	0	0	1,097,938
Community Development	3,164,104	0	139,372	3,303,476
Culture and Recreation	772,016	0	158,520	930,536
Capital Outlay	0	0	603,913	603,913
Debt Service:				
Principal Retirement	368,964	3,439,039	62,790	3,870,793
Interest and Fiscal Charges	28,417	379,868	5,409	413,694
Issuance Costs	0	66,186	0	66,186
<i>Total Expenditures</i>	<u>12,731,798</u>	<u>3,886,274</u>	<u>986,910</u>	<u>17,604,982</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(932,845)</u>	<u>(2,506,521)</u>	<u>(93,509)</u>	<u>(3,532,875)</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	0	1,490,000	0	1,490,000
Premium on Bond Anticipation Notes Issued	0	15,556	0	15,556
Capital Lease Issued	1,200,000	0	0	1,200,000
General Obligation Bonds Issued	0	759,000	0	759,000
Special Assessment Refunding Bonds Issued	0	1,682,000	0	1,682,000
Payment to Refunding Bond Escrow Agent	0	(1,653,879)	0	(1,653,879)
Transfers In	2,710,100	253,286	1,365,205	4,328,591
Transfers Out	(202,195)	(438,865)	(44,055)	(685,115)
<i>Total Other Financing Sources (Uses)</i>	<u>3,707,905</u>	<u>2,107,098</u>	<u>1,321,150</u>	<u>7,136,153</u>
<i>Net Change in Fund Balances</i>	2,775,060	(399,423)	1,227,641	3,603,278
<i>Fund Balances Beginning of Year</i>	<u>13,094,917</u>	<u>834,873</u>	<u>2,526,330</u>	<u>16,456,120</u>
<i>Fund Balances End of Year</i>	<u>\$15,869,977</u>	<u>\$435,450</u>	<u>\$3,753,971</u>	<u>\$20,059,398</u>

City of Cleveland Heights, Ohio

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2021

	Street Construction, Maintenance and Repair	Foundation Grants	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
Assets					
Equity in Pooled Cash and Cash Equivalents	\$2,536,049	\$0	\$423	\$158,978	\$197,582
Restricted Asset:					
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	0
Equity in Pooled Cash and Cash Equivalents with Escrow Agents	0	0	0	0	0
Accounts Receivable	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	1,029,141	0	0	427	0
Property Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Loans Receivable	0	0	0	0	0
Assets Held for Resale	0	116,930	0	0	0
<i>Total Assets</i>	<u>\$3,565,190</u>	<u>\$116,930</u>	<u>\$423</u>	<u>\$159,405</u>	<u>\$197,582</u>
Liabilities					
Accounts Payable	\$110,557	\$0	\$0	\$6,550	\$0
Accrued Wages	1,888	0	0	0	835
Retainage Payable	16,964	0	0	0	0
Interfund Payable	125,578	29,236	0	0	0
Intergovernmental Payable	2,171	0	0	0	0
Unearned Revenue	0	0	0	0	0
<i>Payables from Restricted Assets:</i>					
Accounts Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>257,158</u>	<u>29,236</u>	<u>0</u>	<u>6,550</u>	<u>835</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	0
Unavailable Revenue	690,354	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>690,354</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	2,617,678	87,694	0	152,855	196,747
Committed	0	0	423	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>2,617,678</u>	<u>87,694</u>	<u>423</u>	<u>152,855</u>	<u>196,747</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$3,565,190</u>	<u>\$116,930</u>	<u>\$423</u>	<u>\$159,405</u>	<u>\$197,582</u>

Community Development Block Grant	Community Development Block Grant - Covid Relief Grant	Home Program	FEMA Grant	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment
\$787,232	\$0	\$199,681	\$159,547	\$1,770	\$164,932	\$289,870
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	341,774	0	0	0	0
0	0	0	0	0	0	0
0	78,305	0	0	0	0	0
0	0	0	0	0	0	0
566,124	0	0	0	0	0	0
935,746	0	2,356,584	0	0	0	0
0	0	0	0	0	0	0
<u>\$2,289,102</u>	<u>\$78,305</u>	<u>\$2,898,039</u>	<u>\$159,547</u>	<u>\$1,770</u>	<u>\$164,932</u>	<u>\$289,870</u>
\$4,825	\$0	\$18,862	\$0	\$0	\$0	\$0
8,506	0	0	0	0	0	0
6,179	0	0	0	0	0	0
203,542	78,305	131,064	0	0	0	0
12,005	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>235,057</u>	<u>78,305</u>	<u>149,926</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
566,124	78,305	341,774	0	0	0	0
<u>566,124</u>	<u>78,305</u>	<u>341,774</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
1,487,921	0	2,406,339	159,547	0	164,932	289,870
0	0	0	0	1,770	0	0
0	(78,305)	0	0	0	0	0
<u>1,487,921</u>	<u>(78,305)</u>	<u>2,406,339</u>	<u>159,547</u>	<u>1,770</u>	<u>164,932</u>	<u>289,870</u>
<u>\$2,289,102</u>	<u>\$78,305</u>	<u>\$2,898,039</u>	<u>\$159,547</u>	<u>\$1,770</u>	<u>\$164,932</u>	<u>\$289,870</u>

(continued)

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2021

	Municipal Court Clerk Computerization	DUI Enforcement and Education	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program
Assets					
Equity in Pooled Cash and Cash Equivalents	\$101,109	\$125,759	\$2,201,348	\$0	\$123,584
Restricted Asset:					
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	0
Equity in Pooled Cash and Cash Equivalents with Escrow Agents	0	0	0	0	0
Accounts Receivable	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	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Loans Receivable	0	0	0	0	0
Assets Held for Resale	0	0	0	0	759,396
<i>Total Assets</i>	<u>\$101,109</u>	<u>\$125,759</u>	<u>\$2,201,348</u>	<u>\$0</u>	<u>\$882,980</u>
Liabilities					
Accounts Payable	\$0	\$0	\$16,818	\$0	\$0
Accrued Wages	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Interfund Payable	16,325	0	0	141,476	0
Intergovernmental Payable	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
<i>Payables from Restricted Assets:</i>					
Accounts Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>16,325</u>	<u>0</u>	<u>16,818</u>	<u>141,476</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	84,784	125,759	2,184,530	0	882,980
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	(141,476)	0
<i>Total Fund Balances (Deficit)</i>	<u>84,784</u>	<u>125,759</u>	<u>2,184,530</u>	<u>(141,476)</u>	<u>882,980</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$101,109</u>	<u>\$125,759</u>	<u>\$2,201,348</u>	<u>\$0</u>	<u>\$882,980</u>

Street Lighting	Tree	Police Pension	Fire Pension	First Suburbs Development Council	Coronavirus Relief	Federal Miscellaneous Grants
\$1,428,185	\$811,171	\$206,887	\$317,249	\$60,254	\$24,393	\$199,242
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	15,717	15,717	0	0	0
0	0	285,885	285,885	0	0	0
1,532,369	1,066,377	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$2,960,554</u>	<u>\$1,877,548</u>	<u>\$508,489</u>	<u>\$618,851</u>	<u>\$60,254</u>	<u>\$24,393</u>	<u>\$199,242</u>
\$0	\$4,718	\$0	\$0	\$0	\$0	\$0
0	6,481	0	0	0	0	0
0	0	0	0	0	0	0
0	0	23,010	188,934	0	0	0
0	9,149	126,838	171,354	0	0	0
0	0	0	0	0	24,393	0
0	0	0	0	0	0	0
0	20,348	149,848	360,288	0	24,393	0
0	0	232,464	232,464	0	0	0
1,532,369	1,066,377	69,138	69,138	0	0	0
1,532,369	1,066,377	301,602	301,602	0	0	0
0	0	0	0	0	0	0
1,428,185	790,823	57,039	0	60,254	0	199,242
0	0	0	0	0	0	0
0	0	0	(43,039)	0	0	0
1,428,185	790,823	57,039	(43,039)	60,254	0	199,242
<u>\$2,960,554</u>	<u>\$1,877,548</u>	<u>\$508,489</u>	<u>\$618,851</u>	<u>\$60,254</u>	<u>\$24,393</u>	<u>\$199,242</u>

(continued)

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2021

	Parking	Ambulance Services	Office on Aging Donations	Youth Recreation Donation	Police Memorial Trust
Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,294	\$1,264,448	\$20,050	\$60,065	\$11,808
Restricted Asset:					
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	0
Equity in Pooled Cash and Cash Equivalents with Escrow Agents	0	1,200,000	0	0	0
Accounts Receivable	0	0	0	0	0
Materials and Supplies Inventory	59,100	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0
Accounts Receivable	5	3,031,961	830	0	0
Intergovernmental Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Loans Receivable	0	0	0	0	0
Assets Held for Resale	0	0	0	0	0
<i>Total Assets</i>	<u>\$63,399</u>	<u>\$5,496,409</u>	<u>\$20,880</u>	<u>\$60,065</u>	<u>\$11,808</u>
Liabilities					
Accounts Payable	\$42,006	\$12,599	\$0	\$0	\$0
Accrued Wages	0	8,214	0	0	0
Retainage Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	2,093	0	0	0
Unearned Revenue	0	0	0	0	0
<i>Payables from Restricted Assets:</i>					
Accounts Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>42,006</u>	<u>22,906</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	2,845,057	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>2,845,057</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	59,100	0	0	0	0
Restricted	0	0	20,880	60,065	11,808
Committed	0	2,628,446	0	0	0
Unassigned (Deficit)	(37,707)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>21,393</u>	<u>2,628,446</u>	<u>20,880</u>	<u>60,065</u>	<u>11,808</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$63,399</u>	<u>\$5,496,409</u>	<u>\$20,880</u>	<u>\$60,065</u>	<u>\$11,808</u>

Youth Advisory Commission	Juvenile Diversion Program	Fire Damage Deposits	Total Nonmajor Special Revenue Funds
\$71	\$10,762	\$0	\$11,466,743
0	0	220,091	220,091
0	0	0	1,200,000
0	0	23,700	23,700
0	0	0	59,100
0	0	0	341,774
0	0	0	3,032,796
0	0	0	1,139,307
0	0	0	571,770
0	0	0	3,164,870
0	0	0	3,292,330
0	0	0	876,326
<u>\$71</u>	<u>\$10,762</u>	<u>\$243,791</u>	<u>\$25,388,807</u>
\$0	\$0	\$0	\$216,935
0	0	0	25,924
0	0	0	23,143
0	0	0	937,470
0	0	0	323,610
0	0	0	24,393
0	0	243,791	243,791
0	0	243,791	1,795,266
0	0	0	464,928
0	0	0	7,258,636
0	0	0	7,723,564
0	0	0	59,100
71	10,762	0	13,480,765
0	0	0	2,630,639
0	0	0	(300,527)
71	10,762	0	15,869,977
<u>\$71</u>	<u>\$10,762</u>	<u>\$243,791</u>	<u>\$25,388,807</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, 2021

	Street Construction, Maintenance and Repair	Foundation Grants	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0
Fines and Forfeitures	0	0	0	36,694	228,292
Intergovernmental	2,172,956	192,635	0	4,969	0
Special Assessments	0	0	0	0	0
Interest	75	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	14,324	0	0	7,337	0
<i>Total Revenues</i>	<u>2,187,355</u>	<u>192,635</u>	<u>0</u>	<u>49,000</u>	<u>228,292</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	62,555	148,515
Public Health Services	0	0	0	0	0
Transportation	1,097,938	0	0	0	0
Community Development	0	45,019	0	0	0
Culture and Recreation	0	0	0	0	0
Debt Service:					
Principal Retirement	218,285	0	0	0	0
Interest and Fiscal Charges	3,071	0	0	0	0
<i>Total Expenditures</i>	<u>1,319,294</u>	<u>45,019</u>	<u>0</u>	<u>62,555</u>	<u>148,515</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>868,061</u>	<u>147,616</u>	<u>0</u>	<u>(13,555)</u>	<u>79,777</u>
Other Financing Sources (Uses)					
Capital Lease 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>(22,964)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	845,097	147,616	0	(13,555)	79,777
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,772,581</u>	<u>(59,922)</u>	<u>423</u>	<u>166,410</u>	<u>116,970</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$2,617,678</u></u>	<u><u>\$87,694</u></u>	<u><u>\$423</u></u>	<u><u>\$152,855</u></u>	<u><u>\$196,747</u></u>

Community Development Block Grant	Community Development Block Grant - Covic Relief 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	391,768	0	0
0	0	0	0	0	0	0
194,811	0	0	0	0	0	17,744
1,178,326	440,945	106,762	24,678	28,395	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	0	0
<u>1,373,137</u>	<u>440,945</u>	<u>106,762</u>	<u>24,678</u>	<u>420,164</u>	<u>0</u>	<u>17,744</u>
0	0	0	0	0	0	0
0	0	0	24,997	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,400,476	368,639	14,676	0	0	0	0
0	0	0	0	443,215	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>1,400,476</u>	<u>368,639</u>	<u>14,676</u>	<u>24,997</u>	<u>443,215</u>	<u>0</u>	<u>0</u>
(27,339)	72,306	92,086	(319)	(23,051)	0	17,744
0	0	0	0	0	0	0
0	0	0	0	20,000	0	0
0	0	0	0	0	0	0
0	0	0	0	20,000	0	0
(27,339)	72,306	92,086	(319)	(3,051)	0	17,744
<u>1,515,260</u>	<u>(150,611)</u>	<u>2,314,253</u>	<u>159,866</u>	<u>4,821</u>	<u>164,932</u>	<u>272,126</u>
<u>\$1,487,921</u>	<u>(\$78,305)</u>	<u>\$2,406,339</u>	<u>\$159,547</u>	<u>\$1,770</u>	<u>\$164,932</u>	<u>\$289,870</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, 2021

	Municipal Court Clerk Computerization	DUI Enforcement and Education	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0
Fines and Forfeitures	58,555	3,787	97,621	0	0
Intergovernmental	0	0	0	194,978	0
Special Assessments	0	0	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	26,430
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>58,555</u>	<u>3,787</u>	<u>97,621</u>	<u>194,978</u>	<u>26,430</u>
Expenditures					
Current:					
General Government	17,553	0	51,773	0	0
Public Safety	0	0	0	0	0
Public Health Services	0	0	0	0	0
Transportation	0	0	0	0	0
Community Development	0	0	0	114,190	0
Culture and Recreation	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>17,553</u>	<u>0</u>	<u>51,773</u>	<u>114,190</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>41,002</u>	<u>3,787</u>	<u>45,848</u>	<u>80,788</u>	<u>26,430</u>
Other Financing Sources (Uses)					
Capital Lease Issued	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	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>
<i>Net Change in Fund Balances</i>	41,002	3,787	45,848	80,788	26,430
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>43,782</u>	<u>121,972</u>	<u>2,138,682</u>	<u>(222,264)</u>	<u>856,550</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$84,784</u></u>	<u><u>\$125,759</u></u>	<u><u>\$2,184,530</u></u>	<u><u>(\$141,476)</u></u>	<u><u>\$882,980</u></u>

Street Lighting	Tree	Police Pension	Fire Pension	First Suburbs Development Council	Coronavirus Relief	Federal Miscellaneous Grants
\$0	\$0	\$220,661	\$220,661	\$0	\$0	\$0
0	0	0	0	0	0	0
0	60	0	0	0	0	0
0	0	0	0	0	0	0
0	0	31,437	31,437	0	463,739	553,103
981,157	1,083,280	0	0	0	0	0
0	0	0	0	0	330	0
0	0	0	0	0	0	0
0	51,247	0	0	0	0	0
981,157	1,134,587	252,098	252,098	0	464,069	553,103
0	0	0	0	0	66,762	0
781,978	0	1,288,556	1,710,394	0	92,362	0
0	0	0	0	0	15,607	0
0	0	0	0	0	0	0
0	905,529	0	0	0	290,515	25,060
0	0	0	0	0	0	328,801
0	0	0	0	0	0	0
0	0	0	0	0	0	0
781,978	905,529	1,288,556	1,710,394	0	465,246	353,861
199,179	229,058	(1,036,458)	(1,458,296)	0	(1,177)	199,242
0	0	0	0	0	0	0
0	0	1,000,000	1,600,000	0	0	0
0	(33,694)	0	0	0	0	0
0	(33,694)	1,000,000	1,600,000	0	0	0
199,179	195,364	(36,458)	141,704	0	(1,177)	199,242
1,229,006	595,459	93,497	(184,743)	60,254	1,177	0
<u>\$1,428,185</u>	<u>\$790,823</u>	<u>\$57,039</u>	<u>(\$43,039)</u>	<u>\$60,254</u>	<u>\$0</u>	<u>\$199,242</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, 2021

	Police Radios	Water Improvement Grants	Parking	Ambulance Services	Office on Aging Donations
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	450,155	1,000,890	0
Licenses, Permits and Fees	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	1,207,774	0	0	0
Special Assessments	0	0	0	0	0
Interest	0	0	5	4,197	0
Contributions and Donations	0	0	0	0	10,112
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>1,207,774</u>	<u>450,160</u>	<u>1,005,087</u>	<u>10,112</u>
Expenditures					
Current:					
General Government	0	1,207,774	515,286	0	0
Public Safety	10,261	0	0	1,239,935	0
Public Health Services	0	0	0	0	3,524
Transportation	0	0	0	0	0
Community Development	0	0	0	0	0
Culture and Recreation	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	150,679	0
Interest and Fiscal Charges	0	0	0	25,346	0
<i>Total Expenditures</i>	<u>10,261</u>	<u>1,207,774</u>	<u>515,286</u>	<u>1,415,960</u>	<u>3,524</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(10,261)</u>	<u>0</u>	<u>(65,126)</u>	<u>(410,873)</u>	<u>6,588</u>
Other Financing Sources (Uses)					
Capital Lease Issued	0	0	0	1,200,000	0
Transfers In	0	0	90,100	0	0
Transfers Out	0	0	0	(145,537)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>90,100</u>	<u>1,054,463</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(10,261)</u>	<u>0</u>	<u>24,974</u>	<u>643,590</u>	<u>6,588</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>10,261</u>	<u>0</u>	<u>(3,581)</u>	<u>1,984,856</u>	<u>14,292</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$21,393</u>	<u>\$2,628,446</u>	<u>\$20,880</u>

<u>Youth Recreation Donation</u>	<u>Police Memorial Trust</u>	<u>Youth Advisory Commission</u>	<u>Juvenile Diversion Program</u>	<u>Fire Damage Deposits</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$0	\$0	\$441,322
0	0	0	0	0	1,842,813
0	0	0	0	0	60
0	0	0	0	0	637,504
0	0	0	0	0	6,632,134
0	0	0	0	0	2,064,437
0	0	0	0	0	4,607
240	0	0	3,858	0	40,640
0	0	0	0	62,527	135,436
<u>240</u>	<u>0</u>	<u>0</u>	<u>3,858</u>	<u>62,527</u>	<u>11,798,953</u>
0	0	0	0	0	1,859,148
0	0	0	0	62,527	5,422,080
0	0	0	0	0	19,131
0	0	0	0	0	1,097,938
0	0	0	0	0	3,164,104
0	0	0	0	0	772,016
0	0	0	0	0	368,964
0	0	0	0	0	28,417
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62,527</u>	<u>12,731,798</u>
<u>240</u>	<u>0</u>	<u>0</u>	<u>3,858</u>	<u>0</u>	<u>(932,845)</u>
0	0	0	0	0	1,200,000
0	0	0	0	0	2,710,100
0	0	0	0	0	(202,195)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,707,905</u>
240	0	0	3,858	0	2,775,060
59,825	11,808	71	6,904	0	13,094,917
<u>\$60,065</u>	<u>\$11,808</u>	<u>\$71</u>	<u>\$10,762</u>	<u>\$0</u>	<u>\$15,869,977</u>

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

	Police Facility Improvement	Recreation Facility Improvement	Capital Improvements	Economic Development	City Hall Maintenance
Assets					
Equity in Pooled Cash and Cash Equivalents	\$7,975	\$474,474	\$1,757,712	\$1,273,750	\$111,653
Intergovernmental Receivable	0	36,672	0	0	0
Property Taxes Receivable	0	667,051	0	0	0
Assets Held for Resale	0	0	0	130,575	0
<i>Total Assets</i>	<u>\$7,975</u>	<u>\$1,178,197</u>	<u>\$1,757,712</u>	<u>\$1,404,325</u>	<u>\$111,653</u>
Liabilities					
Accounts Payable	\$0	\$8,837	\$0	\$27,754	\$0
Intergovernmental Payable	622	0	0	0	0
<i>Total Liabilities</i>	<u>622</u>	<u>8,837</u>	<u>0</u>	<u>27,754</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes	0	542,416	0	0	0
Unavailable Revenue	0	161,307	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>703,723</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Restricted	0	465,637	0	0	0
Committed	7,353	0	0	0	0
Assigned	0	0	1,757,712	1,376,571	111,653
<i>Total Fund Balances</i>	<u>7,353</u>	<u>465,637</u>	<u>1,757,712</u>	<u>1,376,571</u>	<u>111,653</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$7,975</u>	<u>\$1,178,197</u>	<u>\$1,757,712</u>	<u>\$1,404,325</u>	<u>\$111,653</u>

Ring Road Construction	Total Nonmajor Capital Projects Funds
\$35,045	\$3,660,609
0	36,672
0	667,051
0	130,575
<u>\$35,045</u>	<u>\$4,494,907</u>
\$0	\$36,591
0	622
0	37,213
0	542,416
0	161,307
0	703,723
0	465,637
35,045	42,398
0	3,245,936
<u>35,045</u>	<u>3,753,971</u>
<u>\$35,045</u>	<u>\$4,494,907</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, 2021

	Police Facility Improvement	Recreation Facility Improvement	Capital Improvements	Energy Improvements	Economic Development
Revenues					
Property Taxes	\$0	\$588,157	\$0	\$0	\$0
Licenses, Permits and Fees	1,425	0	0	0	0
Intergovernmental	0	94,800	0	0	127,500
Rentals	0	0	0	0	0
Miscellaneous	0	0	0	0	58,116
<i>Total Revenues</i>	<u>1,425</u>	<u>682,957</u>	<u>0</u>	<u>0</u>	<u>185,616</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Public Safety	7,907	0	0	0	0
Community Development	0	0	0	0	139,372
Culture and Recreation	0	158,520	0	0	0
Capital Outlay	0	447,048	146,088	777	10,000
Debt Service:					
Principal Retirement	0	62,790	0	0	0
Interest and Fiscal Charges	0	3,822	0	0	1,587
<i>Total Expenditures</i>	<u>7,907</u>	<u>672,180</u>	<u>146,088</u>	<u>777</u>	<u>150,959</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,482)</u>	<u>10,777</u>	<u>(146,088)</u>	<u>(777)</u>	<u>34,657</u>
Other Financing Sources (Uses)					
Transfers In	0	0	1,000,000	0	365,205
Transfers Out	0	(44,055)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(44,055)</u>	<u>1,000,000</u>	<u>0</u>	<u>365,205</u>
<i>Net Change in Fund Balances</i>	<u>(6,482)</u>	<u>(33,278)</u>	<u>853,912</u>	<u>(777)</u>	<u>399,862</u>
<i>Fund Balances Beginning of Year</i>	<u>13,835</u>	<u>498,915</u>	<u>903,800</u>	<u>777</u>	<u>976,709</u>
<i>Fund Balances End of Year</i>	<u>\$7,353</u>	<u>\$465,637</u>	<u>\$1,757,712</u>	<u>\$0</u>	<u>\$1,376,571</u>

City Hall Maintenance	Ring Road Construction	Total Nonmajor Capital Projects Funds
\$0	\$0	\$588,157
0	0	1,425
0	0	222,300
23,403	0	23,403
0	0	58,116
<u>23,403</u>	<u>0</u>	<u>893,401</u>
8,999	0	8,999
0	0	7,907
0	0	139,372
0	0	158,520
0	0	603,913
0	0	62,790
0	0	5,409
<u>8,999</u>	<u>0</u>	<u>986,910</u>
<u>14,404</u>	<u>0</u>	<u>(93,509)</u>
0	0	1,365,205
0	0	(44,055)
<u>0</u>	<u>0</u>	<u>1,321,150</u>
14,404	0	1,227,641
<u>97,249</u>	<u>35,045</u>	<u>2,526,330</u>
<u>\$111,653</u>	<u>\$35,045</u>	<u>\$3,753,971</u>

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and 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, 2021

	<u>Municipal Court</u>	<u>Evidence Room</u>	<u>Total Custodial Funds</u>
Assets			
Cash and Cash Equivalents In Segregated Accounts	<u>\$245,333</u>	<u>\$710,930</u>	<u>\$956,263</u>
Liabilities			
Accounts Payable	33,544	0	33,544
Intergovernmental Payable	<u>211,789</u>	<u>0</u>	<u>211,789</u>
<i>Total Liabilities</i>	<u>245,333</u>	<u>0</u>	<u>245,333</u>
Net Position			
Restricted for Individuals, Organizations and Other Governments	<u>\$0</u>	<u>\$710,930</u>	<u>\$710,930</u>

City of Cleveland Heights, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

	Municipal Court	Evidence Room	Total Custodial Funds
Additions			
Fines and Forfeitures for Other Governments	\$798,553	\$0	\$798,553
Fines and Forfeitures for Individuals	78,633	5,349	83,982
<i>Total Additions</i>	<u>877,186</u>	<u>5,349</u>	<u>882,535</u>
Deductions			
Fines and Forfeitures Distributions to Other Governments	787,418	0	787,418
Fines and Forfeitures Distributions to Individuals	89,768	74,631	164,399
<i>Total Deductions</i>	<u>877,186</u>	<u>74,631</u>	<u>951,817</u>
<i>Net Increase (Decrease) in Fiduciary Net Position</i>	0	(69,282)	(69,282)
<i>Net Position Beginning of Year</i>	<u>0</u>	<u>780,212</u>	<u>780,212</u>
<i>Net Position End of Year</i>	<u>\$0</u>	<u>\$710,930</u>	<u>\$710,930</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$8,084,710	\$7,950,668	\$7,568,400	(\$382,268)
Municipal Income Taxes	33,983,683	33,420,242	31,813,396	(1,606,846)
Admissions Taxes	27	27	26	(1)
Charges for Services	6,383,039	6,277,210	5,975,402	(301,808)
Licenses, Permits and Fees	3,064,015	3,013,214	2,868,339	(144,875)
Fines and Forfeitures	1,646,594	1,619,294	1,541,438	(77,856)
Intergovernmental	2,170,782	3,322,540	4,312,496	989,956
Interest	48,214	47,415	45,135	(2,280)
Franchise Taxes	523,452	514,773	490,023	(24,750)
Miscellaneous	1,260,544	1,239,825	1,180,739	(59,086)
<i>Total Revenues</i>	<u>57,165,060</u>	<u>57,405,208</u>	<u>55,795,394</u>	<u>(1,609,814)</u>
Expenditures				
Current:				
General Government				
City Council				
Personal Services	77,884	77,884	72,532	5,352
Other than Personal Services	9,564	8,063	5,591	2,472
Total City Council	<u>87,448</u>	<u>85,947</u>	<u>78,123</u>	<u>7,824</u>
City Manager				
Personal Services	563,244	428,911	403,745	25,166
Other than Personal Services	19,913	19,612	15,614	3,998
Capital Outlay	0	12,000	0	12,000
Total City Manager	<u>583,157</u>	<u>460,523</u>	<u>419,359</u>	<u>41,164</u>
Management Information System				
Personal Services	338,715	335,943	294,372	41,571
Other than Personal Services	236,261	249,261	129,098	120,163
Capital Outlay	12,000	0	0	0
Total Management Information System	<u>586,976</u>	<u>585,204</u>	<u>423,470</u>	<u>161,734</u>
Civil Service Commission				
Personal Services	2,381	2,929	2,907	22
Other than Personal Services	30,300	46,290	37,184	9,106
Total Civil Service Commission	<u>32,681</u>	<u>49,219</u>	<u>40,091</u>	<u>9,128</u>
Finance Department				
Personal Services	440,679	460,845	406,259	54,586
Other than Personal Services	154,300	130,773	87,991	42,782
Non-Governmental	40,000	14,086	0	14,086
Total Finance Department	<u>634,979</u>	<u>605,704</u>	<u>494,250</u>	<u>111,454</u>
Income Tax Department				
Other than Personal Services	1,015,000	1,037,949	1,020,892	17,057
Law Department				
Personal Services	600,666	616,034	591,687	24,347
Other than Personal Services	467,425	632,426	592,015	40,411
Total Law Department	<u>\$1,068,091</u>	<u>\$1,248,460</u>	<u>\$1,183,702</u>	<u>\$64,758</u>

(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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Service Administration				
Personal Services	\$318,380	\$238,021	\$226,201	\$11,820
Other than Personal Services	7,992	8,548	3,853	4,695
Capital Outlay	0	444	0	444
Total Service Administration	326,372	247,013	230,054	16,959
Capital Projects				
Other than Personal Services	23,000	23,000	23,000	0
Public Properties and Park Maintenance				
Personal Services	1,204,883	1,185,913	1,158,205	27,708
Other than Personal Services	1,093,418	1,119,173	1,051,014	68,159
Total Public Properties and Park Maintenance	2,298,301	2,305,086	2,209,219	95,867
Community Service Administration				
Other than Personal Services	10,641	6,600	4,405	2,195
County Auditor				
Other than Personal Services	215,000	215,731	175,731	40,000
Municipal Court				
Personal Services	1,020,201	1,022,471	934,115	88,356
Other than Personal Services	192,052	192,043	134,760	57,283
Total Municipal Court	1,212,253	1,214,514	1,068,875	145,639
Hospitalization				
Personal Services	8,000,000	8,000,000	7,075,158	924,842
General Operations				
Personal Services	422,687	812,200	692,809	119,391
Other than Personal Services	1,061,744	1,571,224	1,400,986	170,238
Total General Operations	1,484,431	2,383,424	2,093,795	289,629
Hospitalization Insurance				
Personal Services	6,838,953	6,005,953	3,396,062	2,609,891
Water Administration				
Other than Personal Services	47,572	47,572	12,956	34,616
Capital Outlay	1,128,712	1,129,782	491,456	638,326
Total Water Administration	1,176,284	1,177,354	504,412	672,942
Unclaimed Monies				
Non-Governmental	53,421	69,704	56,080	13,624
<i>Total General Government</i>	<i>\$25,646,988</i>	<i>\$25,721,385</i>	<i>\$20,496,678</i>	<i>\$5,224,707</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Police Department				
Personal Services	\$9,215,469	\$9,289,811	\$8,192,516	\$1,097,295
Other than Personal Services	724,303	776,976	776,976	0
Capital Outlay	1,000	427,074	323,302	103,772
Total Police Department	9,940,772	10,493,861	9,292,794	1,201,067
Police Academy				
Other than Personal Services	110,107	42,253	30,031	12,222
Traffic Signs and Signals				
Personal Services	61,040	61,039	60,381	658
Other than Personal Services	146,450	185,650	184,957	693
Total Traffic Signs and Signals	207,490	246,689	245,338	1,351
Animal Protection Unit				
Personal Services	73,634	79,997	78,945	1,052
Other than Personal Services	33,934	31,862	24,203	7,659
Total Animal Protection Unit	107,568	111,859	103,148	8,711
Fire Department				
Personal Services	6,672,509	6,839,828	6,835,435	4,393
Other than Personal Services	296,920	286,920	243,453	43,467
Capital Outlay	1,500	1,500	0	1,500
Total Fire Department	6,970,929	7,128,248	7,078,888	49,360
Fire Department Dispatch				
Personal Services	1,500,000	1,500,000	1,452,905	47,095
Fire Prevention Bureau				
Personal Services	96,500	122,708	105,913	16,795
Other than Personal Services	5,300	5,100	2,062	3,038
Capital Outlay	1,000	400	0	400
Total Fire Prevention Bureau	102,800	128,208	107,975	20,233
<i>Total Public Safety</i>	18,939,666	19,651,118	18,311,079	1,340,039
Public Health Services				
Health and Vital Statistics				
Other than Personal Services	\$243,500	\$259,689	\$259,689	\$0

(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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Office on Aging				
Personal Services	\$169,838	\$171,423	\$104,405	\$67,018
Other than Personal Services	34,300	34,300	9,008	25,292
Total Office on Aging	204,138	205,723	113,413	92,310
<i>Total Public Health Services</i>	<i>447,638</i>	<i>465,412</i>	<i>373,102</i>	<i>92,310</i>
Transportation				
Vehicle Maintenance				
Personal Services	876,271	831,671	793,840	37,831
Other than Personal Services	1,522,059	1,535,363	1,464,478	70,885
Capital Outlay	6,273	81,269	0	81,269
Total Vehicle Maintenance	2,404,603	2,448,303	2,258,318	189,985
Street Maintenance				
Personal Services	1,319,930	1,265,787	1,014,992	250,795
Other than Personal Services	345,818	384,818	317,347	67,471
Capital Outlay	0	6,000	0	6,000
Total Street Maintenance	1,665,748	1,656,605	1,332,339	324,266
<i>Total Transportation</i>	<i>4,070,351</i>	<i>4,104,908</i>	<i>3,590,657</i>	<i>514,251</i>
Community Development				
Community Relations				
Personal Services	106,386	0	0	0
Other than Personal Services	12,550	1,800	1,429	371
Total Community Relations	118,936	1,800	1,429	371
Public Relations				
Personal Services	175,358	177,912	180,361	(2,449)
Other than Personal Services	117,000	117,000	108,990	8,010
Total Public Relations	292,358	294,912	289,351	5,561
Planning Department				
Personal Services	523,991	473,012	376,008	97,004
Other than Personal Services	33,000	30,050	20,865	9,185
Capital Outlay	0	3,000	0	3,000
Total Planning Department	556,991	506,062	396,873	109,189
Planning Commission				
Personal Services	8,139	8,138	5,135	3,003
Other than Personal Services	3,899	3,900	1,043	2,857
Total Planning Commission	\$12,038	\$12,038	\$6,178	\$5,860

(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, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Board of Zoning Appeals				
Personal Services	5,813	5,813	4,844	969
Other than Personal Services	2,975	2,975	460	2,515
Total Board of Zoning Appeals	8,788	8,788	5,304	3,484
Architectural Board of Review				
Personal Services	11,492	11,492	6,201	5,291
Other than Personal Services	500	500	0	500
Total Architectural Board of Review	11,992	11,992	6,201	5,791
Special Improvement Districts				
Other than Personal Services	396,591	396,981	375,131	21,850
Building Department				
Other than Personal Services	545,700	1,048,700	1,044,989	3,711
Housing Inspections				
Personal Services	531,824	453,126	373,438	79,688
Other than Personal Services	46,800	105,800	105,800	0
Capital Outlay	24,000	25,000	5,504	19,496
Total Housing Inspections	602,624	583,926	484,742	99,184
Landmark Commission				
Other than Personal Services	16,100	15,600	0	15,600
Local Programming				
Personal Services	134,374	134,454	127,870	6,584
Other than Personal Services	190,255	356,384	341,051	15,333
Capital Outlay	205,000	305,000	241,127	63,873
Total Local Programming	529,629	795,838	710,048	85,790
Total Community Development	3,091,747	3,676,637	3,320,246	356,391
Sanitation				
Refuse Collection and Transfer Station				
Personal Services	1,913,340	0	0	0
Other than Personal Services	940,847	2,736	21	2,715
Total Sanitation	2,854,187	2,736	21	2,715
Culture and Recreation				
Recreation Administration				
Personal Services	315,106	322,485	318,997	3,488
Other than Personal Services	37,603	37,603	23,787	13,816
Total Recreation Administration	352,709	360,088	342,784	17,304
Swimming Pools				
Personal Services	273,629	266,375	266,245	130
Other than Personal Services	131,450	176,496	173,492	3,004
Total Swimming Pools	\$405,079	\$442,871	\$439,737	\$3,134

(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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Ice Programs				
Personal Services	\$250,987	\$251,788	\$101,114	\$150,674
Other than Personal Services	19,950	19,950	17,877	2,073
Total Ice Programs	270,937	271,738	118,991	152,747
General Recreation Programs				
Personal Services	144,222	145,037	57,339	87,698
Other than Personal Services	34,300	34,300	19,906	14,394
Total General Recreation Programs	178,522	179,337	77,245	102,092
Sports Programs				
Personal Services	126,995	126,995	97,418	29,577
Other than Personal Services	105,100	93,100	48,760	44,340
Total Sports Programs	232,095	220,095	146,178	73,917
Community Center				
Personal Services	644,289	649,371	463,177	186,194
Other than Personal Services	496,933	471,433	257,859	213,574
Total Community Center	1,141,222	1,120,804	721,036	399,768
<i>Total Culture and Recreation</i>	<i>2,580,564</i>	<i>2,594,933</i>	<i>1,845,971</i>	<i>748,962</i>
Total Expenditures	57,631,141	56,217,129	47,937,754	8,279,375
<i>Excess of Revenues Over Expenditures</i>	<i>(466,081)</i>	<i>1,188,079</i>	<i>7,857,640</i>	<i>6,669,561</i>
Other Financing Sources (Uses)				
Advances Out	0	(4,400,000)	(4,400,000)	0
Transfers Out	(5,050,000)	(5,780,000)	(4,400,100)	1,379,900
Total Other Financing Sources (Uses)	(5,050,000)	(10,180,000)	(8,800,100)	1,379,900
Net Change in Fund Balance	(5,516,081)	(8,991,921)	(942,460)	8,049,461
Fund Balance Beginning of Year	21,464,528	21,464,528	21,464,528	0
Prior Year Encumbrances Appropriated	740,033	740,033	740,033	0
Fund Balance End of Year	\$16,688,480	\$13,212,640	\$21,262,101	\$8,049,461

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Fiscal Recovery Fund
For the Year Ended December 31, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$19,408,531	\$19,408,531	\$19,408,531	\$0
Expenditures				
Current:				
Public Safety				
Personal Services	177,538	177,538	177,538	0
<i>Net Change in Fund Balance</i>	19,230,993	19,230,993	19,230,993	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$19,230,993</u>	<u>\$19,230,993</u>	<u>\$19,230,993</u>	<u>\$0</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$5,820,165	\$5,820,165	\$4,750,203	(\$1,069,962)
Intergovernmental	32,735	32,735	26,717	(6,018)
Miscellaneous	27,985	27,985	22,840	(5,145)
<i>Total Revenues</i>	<u>5,880,885</u>	<u>5,880,885</u>	<u>4,799,760</u>	<u>(1,081,125)</u>
Expenses				
Personal Services				
Sewer Maintenance	1,464,426	1,445,199	1,288,916	156,283
Other than Personal Services				
Sewer Maintenance	3,507,194	962,390	794,781	167,609
Capital Outlay				
Sewer Maintenance	2,666,495	5,219,538	3,291,672	1,927,866
Debt Service				
Principal Retirement	7,420	45,627	18,001	27,626
Interest and Fiscal Charges	1,102	1,102	1,102	0
Total Debt Service	8,522	46,729	19,103	27,626
<i>Total Expenses</i>	<u>7,646,637</u>	<u>7,673,856</u>	<u>5,394,472</u>	<u>2,279,384</u>
<i>Net Change in Fund Equity</i>	(1,765,752)	(1,792,971)	(594,712)	1,198,259
<i>Fund Equity Beginning of Year</i>	4,669,990	4,669,990	4,669,990	0
Prior Year Encumbrances Appropriated	664,055	664,055	664,055	0
<i>Fund Equity End of Year</i>	<u>\$3,568,293</u>	<u>\$3,541,074</u>	<u>\$4,739,333</u>	<u>\$1,198,259</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Refuse Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$3,669,049	\$3,669,049	\$2,728,867	(\$940,182)
Intergovernmental	134,453	134,453	100,000	(34,453)
Miscellaneous	7,772	7,772	5,780	(1,992)
<i>Total Revenues</i>	<u>3,811,274</u>	<u>3,811,274</u>	<u>2,834,647</u>	<u>(976,627)</u>
Expenses				
Personal Services				
Refuse Collection	2,158,157	2,158,157	1,999,102	159,055
Other than Personal Services				
Refuse Collection	1,016,082	1,016,743	915,602	101,141
Capital Outlay				
Refuse Collection	897,464	4,983,918	2,745,430	2,238,488
<i>Total Expenses</i>	<u>4,071,703</u>	<u>8,158,818</u>	<u>5,660,134</u>	<u>2,498,684</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenses before Transfers</i>	<u>(260,429)</u>	<u>(4,347,544)</u>	<u>(2,825,487)</u>	<u>1,522,057</u>
Other Financing Sources (Uses)				
OWDA Loan Issued	500,000	487,180	487,180	0
Advances In	0	4,400,000	4,400,000	0
Transfers In	0	0	260,000	260,000
<i>Total Other Financing Sources (Uses)</i>	<u>500,000</u>	<u>4,887,180</u>	<u>5,147,180</u>	<u>260,000</u>
<i>Net Change in Fund Equity</i>	239,571	539,636	2,321,693	1,782,057
<i>Fund Equity Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$239,571</u>	<u>\$539,636</u>	<u>\$2,321,693</u>	<u>\$1,782,057</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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,788,094	\$1,788,094	\$2,162,519	\$374,425
Interest	62	62	75	13
Miscellaneous	11,844	11,844	14,324	2,480
<i>Total Revenues</i>	<u>1,800,000</u>	<u>1,800,000</u>	<u>2,176,918</u>	<u>376,918</u>
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	155,905	156,505	140,501	16,004
Other than Personal Services	700	700	201	499
Capital Outlay	2,166,338	2,166,338	1,723,189	443,149
Total Transportation	<u>2,322,943</u>	<u>2,323,543</u>	<u>1,863,891</u>	<u>459,652</u>
Debt Service:				
Principal Retirement	241,252	241,252	241,249	3
Interest and Fiscal Charges	3,071	3,071	3,071	0
Total Debt Service	<u>244,323</u>	<u>244,323</u>	<u>244,320</u>	<u>3</u>
<i>Total Expenditures</i>	<u>2,567,266</u>	<u>2,567,866</u>	<u>2,108,211</u>	<u>459,655</u>
<i>Net Change in Fund Balance</i>	(767,266)	(767,866)	68,707	836,573
<i>Fund Balance Beginning of Year</i>	1,301,341	1,301,341	1,301,341	0
Prior Year Encumbrances Appropriated	<u>366,338</u>	<u>366,338</u>	<u>366,338</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$900,413</u>	<u>\$899,813</u>	<u>\$1,736,386</u>	<u>\$836,573</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$282,000	\$747,100	\$192,635	(\$554,465)
Expenditures				
Current:				
Community Development:				
Foundation Grants:				
Other Than Personal Services	25,060	27,693	2,633	25,060
Capital Outlay	206,015	478,634	187,619	291,015
<i>Total Expenditures</i>	<u>231,075</u>	<u>506,327</u>	<u>190,252</u>	<u>316,075</u>
<i>Net Change in Fund Balance</i>	50,925	240,773	2,383	(238,390)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(50,138)</u>	<u>(50,138)</u>	<u>(50,138)</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$787</u></u>	<u><u>\$190,635</u></u>	<u><u>(\$47,755)</u></u>	<u><u>(\$238,390)</u></u>

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, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$14,941	\$14,941	\$36,347	\$21,406
Intergovernmental	2,043	2,043	4,969	2,926
Miscellaneous	3,016	3,016	7,337	4,321
<i>Total Revenues</i>	20,000	20,000	48,653	28,653
Expenditures				
Current:				
Public Safety:				
Law Enforcement:				
Other than Personal Services	182,058	182,058	74,957	107,101
<i>Net Change in Fund Balance</i>	(162,058)	(162,058)	(26,304)	135,754
<i>Fund Balance Beginning of Year</i>	161,777	161,777	161,777	0
Prior Year Encumbrances Appropriated	11,858	11,858	11,858	0
<i>Fund Balance End of Year</i>	<u>\$11,577</u>	<u>\$11,577</u>	<u>\$147,331</u>	<u>\$135,754</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, 2021*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$144,000	\$144,000	\$240,314	\$96,314
Expenditures				
Current:				
Public Safety:				
Drug Law Enforcement:				
Personal Services	0	85,705	51,972	33,733
Other than Personal Services	144,463	120,196	100,807	19,389
<i>Total Expenditures</i>	<u>144,463</u>	<u>205,901</u>	<u>152,779</u>	<u>53,122</u>
<i>Net Change in Fund Balance</i>	(463)	(61,901)	87,535	149,436
<i>Fund Balance Beginning of Year</i>	107,574	107,574	107,574	0
Prior Year Encumbrances Appropriated	<u>463</u>	<u>463</u>	<u>463</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$107,574</u>	<u>\$46,136</u>	<u>\$195,572</u>	<u>\$149,436</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$250,809	\$299,748	\$195,641	(\$104,107)
Intergovernmental	3,613,793	4,318,936	2,818,900	(1,500,036)
<i>Total Revenues</i>	<u>3,864,602</u>	<u>4,618,684</u>	<u>3,014,541</u>	<u>(1,604,143)</u>
Expenditures				
Current:				
Community Development:				
Financial Administration				
Personal Services	13,117	14,101	13,310	791
Administrative Contracts				
Other than Personal Services	244,000	550,279	223,077	327,202
Commercial Area Improvements				
Capital Outlay	44,400	114,859	13,327	101,532
Water Improvement Projects				
Capital Outlay	179,532	0	0	0
CDBG - Office on Aging				
Personal Services	34,981	34,981	26,929	8,052
CDBG - Contingency				
Other than Personal Services	70,510	8,960	0	8,960
LDC - Economic Development				
Personal Services	119,362	142,287	110,075	32,212
Other than Personal Services	683,305	1,235,032	71,978	1,163,054
Total LDC - Economic Development	<u>802,667</u>	<u>1,377,319</u>	<u>182,053</u>	<u>1,195,266</u>
CDBG Administration				
Personal Services	115,267	126,172	80,062	46,110
Other than Personal Services	64,223	64,223	40,226	23,997
Capital Outlay	4,500	4,500	4,500	0
Total CDBG Administration	<u>183,990</u>	<u>194,895</u>	<u>124,788</u>	<u>70,107</u>
CDBG - Public Works				
Other than Personal Services	284,416	284,416	284,416	0
Capital Outlay	0	189,621	108,039	81,582
Total CDBG - Public Works	<u>284,416</u>	<u>474,037</u>	<u>392,455</u>	<u>81,582</u>
CDBG - Home Repair Resources Center				
Other than Personal Services	\$205,257	\$343,640	\$256,193	\$87,447

(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, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Housing Preservation				
Personal Services	\$377,671	\$345,021	\$313,442	\$31,579
Other than Personal Services	218,700	373,752	221,913	151,839
Capital Outlay	2,000	1,950	1,950	0
Total Housing Preservation	598,371	720,723	537,305	183,418
CDBG - Code Enforcement				
Personal Services	72,947	70,123	66,464	3,659
CDBG - Neighborhood Relations				
Personal Services	49,171	91,909	0	91,909
CDBG - GIS				
Personal Services	34,641	35,145	35,127	18
Other than Personal Services	4,300	0	0	0
Capital Outlay	10,000	7,693	0	7,693
Total CDBG - GIS	48,941	42,838	35,127	7,711
CDBG - Program Income				
Other than Personal Services	0	10,000	8,436	1,564
Total Expenditures	2,832,300	4,048,664	1,879,464	2,169,200
Net Change in Fund Balance	1,032,302	570,020	1,135,077	565,057
Fund Balance (Deficit) Beginning of Year	(671,923)	(671,923)	(671,923)	0
Prior Year Encumbrances Appropriated	111,901	111,901	111,901	0
Fund Balance End of Year	\$472,280	\$9,998	\$575,055	\$565,057

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant - Covid Relief Grant Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$956,215	\$1,154,944	\$440,945	(\$713,999)
Expenditures				
Current:				
Community Development:				
Home Administration				
Other than Personal Services	526,342	526,342	333,304	193,038
CDBG - Office on Aging				
Personal Services	35,000	35,000	9,673	25,327
Other than Personal Services	41,998	41,998	1,686	40,312
Capital Outlay	5,000	5,000	0	5,000
Total CDBG - Office on Aging	81,998	81,998	11,359	70,639
LDC - Economic Development				
Other than Personal Services	290,000	290,000	0	290,000
CDBG Administration				
Personal Services	56,318	56,318	24,301	32,017
Other than Personal Services	50,000	50,000	0	50,000
Total CDBG Administration	106,318	106,318	24,301	82,017
<i>Total Expenditures</i>	<u>1,004,658</u>	<u>1,004,658</u>	<u>368,964</u>	<u>635,694</u>
<i>Net Change in Fund Balance</i>	(48,443)	150,286	71,981	(78,305)
<i>Fund Balance (Deficit) Beginning of Year</i>	(165,286)	(165,286)	(165,286)	0
Prior Year Encumbrances Appropriated	15,000	15,000	15,000	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$198,729)</u>	<u>\$0</u>	<u>(\$78,305)</u>	<u>(\$78,305)</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Home Program Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$571,788	\$571,788	\$158,793	(\$412,995)
Expenditures				
Current:				
Community Development:				
Home Administration				
Other than Personal Services	157,871	157,871	152,239	5,632
Home - Program Income				
Other than Personal Services	104,482	104,482	53,575	50,907
<i>Total Expenditures</i>	<u>262,353</u>	<u>262,353</u>	<u>205,814</u>	<u>56,539</u>
<i>Net Change in Fund Balance</i>	309,435	309,435	(47,021)	(356,456)
<i>Fund Balance Beginning of Year</i>	246,352	246,352	246,352	0
Prior Year Encumbrances Appropriated	350	350	350	0
<i>Fund Balance End of Year</i>	<u>\$556,137</u>	<u>\$556,137</u>	<u>\$199,681</u>	<u>(\$356,456)</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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$24,678	\$24,678
Expenditures				
Current:				
Public Safety:				
FEMA:				
Capital Outlay	141,167	141,167	96,795	44,372
<i>Net Change in Fund Balance</i>	(141,167)	(141,167)	(72,117)	69,050
<i>Fund Balance Beginning of Year</i>	159,866	159,866	159,866	0
Prior Year Encumbrances Appropriated	19,375	19,375	19,375	0
<i>Fund Balance End of Year</i>	<u>\$38,074</u>	<u>\$38,074</u>	<u>\$107,124</u>	<u>\$69,050</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$733,602	\$826,844	\$391,768	(\$435,076)
Intergovernmental	53,171	59,929	28,395	(31,534)
Miscellaneous	2	2	1	(1)
<i>Total Revenues</i>	<u>786,775</u>	<u>886,775</u>	<u>420,164</u>	<u>(466,611)</u>
Expenditures				
Current:				
Culture and Recreation:				
Cain Park Recreation				
Personal Services	173,175	173,175	144,983	28,192
Other than Personal Services	518,500	353,746	268,375	85,371
Total Cain Park Recreation	<u>691,675</u>	<u>526,921</u>	<u>413,358</u>	<u>113,563</u>
Cain Park Arts Festival				
Other than Personal Services	26,100	26,100	24,797	1,303
Cain Park Arts Theater				
Other than Personal Services	69,000	69,000	5,319	63,681
<i>Total Expenditures</i>	<u>786,775</u>	<u>622,021</u>	<u>443,474</u>	<u>178,547</u>
<i>Excess of Revenues Under Expenditures</i>	0	264,754	(23,310)	(288,064)
Other Financing Sources				
Transfers In	0	0	20,000	20,000
<i>Net Change in Fund Balance</i>	0	264,754	(3,310)	(268,064)
<i>Fund Balance Beginning of Year</i>	<u>5,080</u>	<u>5,080</u>	<u>5,080</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,080</u>	<u>\$269,834</u>	<u>\$1,770</u>	<u>(\$268,064)</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, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>164,932</u>	<u>164,932</u>	<u>164,932</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$164,932</u></u>	<u><u>\$164,932</u></u>	<u><u>\$164,932</u></u>	<u><u>\$0</u></u>

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Driver's Alcohol Treatment Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$15,000	\$15,000	\$17,823	\$2,823
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	15,000	15,000	17,823	2,823
<i>Fund Balance Beginning of Year</i>	<u>271,197</u>	<u>271,197</u>	<u>271,197</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$286,197</u>	<u>\$286,197</u>	<u>\$289,020</u>	<u>\$2,823</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$58,105</u>	<u>(\$1,895)</u>
Expenditures				
Current:				
General Government:				
Court Computer				
Other than Personal Services	34,000	34,000	17,553	16,447
Capital Outlay	<u>25,000</u>	<u>25,000</u>		<u>25,000</u>
<i>Total Expenditures</i>	<u>59,000</u>	<u>59,000</u>	<u>17,553</u>	<u>41,447</u>
<i>Net Change in Fund Balance</i>	1,000	1,000	40,552	39,552
<i>Fund Balance Beginning of Year</i>	<u>56,016</u>	<u>56,016</u>	<u>56,016</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$57,016</u></u>	<u><u>\$57,016</u></u>	<u><u>\$96,568</u></u>	<u><u>\$39,552</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DUI Enforcement and Education Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$4,182	(\$818)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	5,000	5,000	4,182	(818)
<i>Fund Balance Beginning of Year</i>	<u>121,432</u>	<u>121,432</u>	<u>121,432</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$126,432</u></u>	<u><u>\$126,432</u></u>	<u><u>\$125,614</u></u>	<u><u>(\$818)</u></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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$0	\$0	\$96,864	\$96,864
Expenditures				
Current:				
General Government:				
Court Special Projects				
Personal Services	0	17,318	7,829	9,489
Other than Personal Services	99,241	54,241	13,625	40,616
Capital Outlay	0	45,000	42,869	2,131
<i>Total Expenditures</i>	99,241	116,559	64,323	52,236
<i>Net Change in Fund Balance</i>	(99,241)	(116,559)	32,541	149,100
<i>Fund Balance Beginning of Year</i>	2,130,836	2,130,836	2,130,836	0
Prior Year Encumbrances Appropriated	1,241	1,241	1,241	0
<i>Fund Balance End of Year</i>	<u>\$2,032,836</u>	<u>\$2,015,518</u>	<u>\$2,164,618</u>	<u>\$149,100</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$685,600	\$720,600	\$194,978	(\$525,622)
Expenditures				
Current:				
Community Development:				
LEAD Safe Cuyahoga				
Other than Personal Services	400,000	600,000	114,190	485,810
<i>Net Change in Fund Balance</i>	285,600	120,600	80,788	(39,812)
<i>Fund Balance (Deficit) Beginning of Year</i>	(111,820)	(111,820)	(111,820)	0
<i>Fund Balance (Deficit) End of Year</i>	\$173,780	\$8,780	(\$31,032)	(\$39,812)

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$0	\$0	\$981,157	\$981,157
Expenditures				
Current:				
Public Safety:				
Street Lighting				
Other than Personal Services	<u>11,000</u>	<u>861,000</u>	<u>854,375</u>	<u>6,625</u>
<i>Net Change in Fund Balance</i>	(11,000)	(861,000)	126,782	987,782
<i>Fund Balance Beginning of Year</i>	<u>1,301,403</u>	<u>1,301,403</u>	<u>1,301,403</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,290,403</u>	<u>\$440,403</u>	<u>\$1,428,185</u>	<u>\$987,782</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses, Permits and Fees	\$58	\$58	\$60	\$2
Special Assessments	1,045,483	1,045,483	1,083,280	37,797
Miscellaneous	49,459	49,459	51,247	1,788
<i>Total Revenues</i>	<u>1,095,000</u>	<u>1,095,000</u>	<u>1,134,587</u>	<u>39,587</u>
Expenditures				
Current:				
Community Development:				
Tree				
Personal Services	650,028	652,456	531,873	120,583
Other than Personal Services	380,447	425,042	326,740	98,302
Capital Outlay	100,877	86,377	63,919	22,458
<i>Total Expenditures</i>	<u>1,131,352</u>	<u>1,163,875</u>	<u>922,532</u>	<u>241,343</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(36,352)	(68,875)	212,055	280,930
Other Financing Uses				
Transfers Out	(11,109)	(33,694)	(33,694)	0
<i>Net Change in Fund Balance</i>	(47,461)	(102,569)	178,361	280,930
<i>Fund Balance Beginning of Year</i>	529,492	529,492	529,492	0
Prior Year Encumbrances Appropriated	73,622	73,622	73,622	0
<i>Fund Balance End of Year</i>	<u>\$555,653</u>	<u>\$500,545</u>	<u>\$781,475</u>	<u>\$280,930</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$1,082,745	\$1,082,745	\$220,661	(\$862,084)
Intergovernmental	154,256	154,256	31,437	(122,819)
<i>Total Revenues</i>	1,237,001	1,237,001	252,098	(984,903)
Expenditures				
Current:				
Public Safety:				
Police Pension				
Personal Services	1,221,296	1,308,905	1,286,139	22,766
<i>Excess of Revenues Over (Under) Expenditures</i>	15,705	(71,904)	(1,034,041)	(962,137)
Other Financing Sources				
Transfers In	0	0	1,000,000	1,000,000
<i>Net Change in Fund Balance</i>	15,705	(71,904)	(34,041)	37,863
<i>Fund Balance Beginning of Year</i>	143,751	143,751	143,751	0
<i>Fund Balance End of Year</i>	<u>\$159,456</u>	<u>\$71,847</u>	<u>\$109,710</u>	<u>\$37,863</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$1,520,394	\$1,607,924	\$220,661	(\$1,387,263)
Intergovernmental	216,607	229,077	31,437	(197,640)
<i>Total Revenues</i>	1,737,001	1,837,001	252,098	(1,584,903)
Expenditures				
Current:				
Public Safety:				
Fire Pension				
Personal Services	1,673,820	1,723,892	1,711,990	11,902
<i>Excess of Revenues Over (Under) Expenditures</i>	63,181	113,109	(1,459,892)	(1,573,001)
Other Financing Sources				
Transfers In	0	0	1,600,000	1,600,000
<i>Net Change in Fund Balance</i>	63,181	113,109	140,108	26,999
<i>Fund Balance Beginning of Year</i>	43,893	43,893	43,893	0
<i>Fund Balance End of Year</i>	<u>\$107,074</u>	<u>\$157,002</u>	<u>\$184,001</u>	<u>\$26,999</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Coronavirus Relief Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$149,093	\$149,093	\$40,000	(\$109,093)
Interest	1,230	1,230	330	(900)
<i>Total Revenues</i>	<u>150,323</u>	<u>150,323</u>	<u>40,330</u>	<u>(109,993)</u>
Expenditures				
Current:				
General Government				
Other than Personal Services	153,507	161,264	88,606	72,658
Capital Outlay	4,286	4,286	4,285	1
Total General Government	<u>157,793</u>	<u>165,550</u>	<u>92,891</u>	<u>72,659</u>
Public Safety				
Personal Services	0	40,000	3,195	36,805
Other than Personal Services	0	16,342	16,342	0
Capital Outlay	0	72,825	72,825	0
Total Public Safety	<u>0</u>	<u>129,167</u>	<u>92,362</u>	<u>36,805</u>
Public Health				
Other than Personal Services	176,924	40,000	40,000	0
Community Development				
Other than Personal Services	300,472	300,472	300,000	472
<i>Total Expenditures</i>	<u>635,189</u>	<u>635,189</u>	<u>525,253</u>	<u>109,936</u>
<i>Net Change in Fund Balance</i>	(484,866)	(484,866)	(484,923)	(57)
<i>Fund Balance Beginning of Year</i>	26,658	26,658	26,658	0
Prior Year Encumbrances Appropriated	458,265	458,265	458,265	0
<i>Fund Balance End of Year</i>	<u>\$57</u>	<u>\$57</u>	<u>\$0</u>	<u>(\$57)</u>

City of Cleveland Heights, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Miscellaneous Grants Fund
For the Year Ended December 31, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	<u>\$383,060</u>	<u>\$383,060</u>	<u>\$552,103</u>	<u>\$169,043</u>
Expenditures				
Current:				
Community Development				
Personal Services	83	83	83	0
Other than Personal Services	<u>24,977</u>	<u>24,977</u>	<u>24,977</u>	<u>0</u>
Total Community Development	<u>25,060</u>	<u>25,060</u>	<u>25,060</u>	<u>0</u>
Culture and Recreation				
Personal Services	11,013	11,013	11,013	0
Other than Personal Services	<u>346,015</u>	<u>346,015</u>	<u>317,788</u>	<u>28,227</u>
Total Culture and Recreation	<u>357,028</u>	<u>357,028</u>	<u>328,801</u>	<u>28,227</u>
<i>Total Expenditures</i>	<u>382,088</u>	<u>382,088</u>	<u>353,861</u>	<u>28,227</u>
<i>Net Change in Fund Balance</i>	972	972	198,242	197,270
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$972</u>	<u>\$972</u>	<u>\$198,242</u>	<u>\$197,270</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Public Safety:				
Police Radios				
Personal Services				0
Other than Personal Services	10,261	10,261	10,261	0
<i>Net Change in Fund Balance</i>	(10,261)	(10,261)	(10,261)	0
<i>Fund Balance Beginning of Year</i>	10,261	10,261	10,261	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Improvement Grants Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,207,774	\$1,207,774	\$1,207,774	\$0
Expenditures				
Current:				
General Government:				
Water Improvements				
Personal Services	141,931	141,931	141,931	0
Other than Personal Services	1,065,843	1,065,843	1,065,843	0
<i>Total Expenditures</i>	<u>1,207,774</u>	<u>1,207,774</u>	<u>1,207,774</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,208,787	\$1,208,787	\$450,150	(\$758,637)
Interest	13	13	5	(8)
<i>Total Revenues</i>	<u>1,208,800</u>	<u>1,208,800</u>	<u>450,155</u>	<u>(758,645)</u>
Expenditures				
Current:				
General Government:				
Off-Street Parking				
Personal Services	183,244	84,759	27,355	57,404
Other than Personal Services	1,051,771	773,816	742,610	31,206
<i>Total Expenditures</i>	<u>1,235,015</u>	<u>858,575</u>	<u>769,965</u>	<u>88,610</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(26,215)	350,225	(319,810)	(670,035)
Other Financing Sources				
Transfers In	0	0	90,100	90,100
<i>Net Change in Fund Balance</i>	(26,215)	350,225	(229,710)	(579,935)
<i>Fund Balance Beginning of Year</i>	218,194	218,194	218,194	0
Prior Year Encumbrances Appropriated	11,521	11,521	11,521	0
<i>Fund Balance End of Year</i>	<u>\$203,500</u>	<u>\$579,940</u>	<u>\$5</u>	<u>(\$579,935)</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$893,040	\$893,040	\$921,872	\$28,832
Intergovernmental	2,853	2,853	2,945	92
Interest	4,107	4,107	4,240	133
<i>Total Revenues</i>	<u>900,000</u>	<u>900,000</u>	<u>929,057</u>	<u>29,057</u>
Expenditures				
Current:				
Public Safety:				
Ambulance Services				
Personal Services	485,682	497,059	494,333	2,726
Other than Personal Services	324,167	344,987	264,345	80,642
Capital Outlay	344,743	343,473	13,828	329,645
<i>Total Public Safety</i>	<u>1,154,592</u>	<u>1,185,519</u>	<u>772,506</u>	<u>413,013</u>
Debt Service:				
Principal Retirement	176,259	151,708	150,679	1,029
Interest and Fiscal Charges	25,346	25,346	25,346	0
<i>Total Debt Service</i>	<u>201,605</u>	<u>177,054</u>	<u>176,025</u>	<u>1,029</u>
<i>Total Expenditures</i>	<u>1,356,197</u>	<u>1,362,573</u>	<u>948,531</u>	<u>414,042</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(456,197)</u>	<u>(462,573)</u>	<u>(19,474)</u>	<u>443,099</u>
Other Financing Uses				
Transfers Out	0	(145,537)	(145,537)	0
<i>Net Change in Fund Balance</i>	<u>(456,197)</u>	<u>(608,110)</u>	<u>(165,011)</u>	<u>443,099</u>
<i>Fund Balance Beginning of Year</i>	1,321,006	1,321,006	1,321,006	0
Prior Year Encumbrances Appropriated	21,710	21,710	21,710	0
<i>Fund Balance End of Year</i>	<u>\$886,519</u>	<u>\$734,606</u>	<u>\$1,177,705</u>	<u>\$443,099</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$500	\$500	\$9,282	\$8,782
Expenditures				
Current:				
Public Health Services:				
Office on Aging				
Other than Personal Services	6,360	6,360	3,544	2,816
Office on Aging Computer Center				
Other than Personal Services	5,180	5,180	0	5,180
Capital	3,000	3,000	0	3,000
Total Office on Aging Computer Center	8,180	8,180	0	8,180
<i>Total Expenditures</i>	14,540	14,540	3,544	10,996
<i>Net Change in Fund Balance</i>	(14,040)	(14,040)	5,738	19,778
<i>Fund Balance Beginning of Year</i>	14,312	14,312	14,312	0
<i>Fund Balance End of Year</i>	\$272	\$272	\$20,050	\$19,778

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$0	\$0	\$240	\$240
Expenditures				
Current:				
General Government:				
Youth Donations				
Other than Personal Services	<u>6,500</u>	<u>6,500</u>	<u>0</u>	<u>6,500</u>
<i>Net Change in Fund Balance</i>	(6,500)	(6,500)	240	6,740
<i>Fund Balance Beginning of Year</i>	<u>59,825</u>	<u>59,825</u>	<u>59,825</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$53,325</u></u>	<u><u>\$53,325</u></u>	<u><u>\$60,065</u></u>	<u><u>\$6,740</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Youth Advisory Commission Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions and Donations	\$30	\$30	\$0	(\$30)
Expenditures				
Current:				
General Government:				
Youth Advisory				
Other than Personal Services	100	100	0	100
<i>Net Change in Fund Balance</i>	(70)	(70)	0	70
<i>Fund Balance Beginning of Year</i>	71	71	71	0
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$71</u>	<u>\$70</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Contributions and Donations	\$5,100	\$5,100	\$3,858	(\$1,242)
Expenditures				
Current:				
Public Safety:				
Juvenile Diversion Program				
Other than Personal Services	12,000	8,000	0	8,000
<i>Net Change in Fund Balance</i>	(6,900)	(2,900)	3,858	6,758
<i>Fund Balance Beginning of Year</i>	6,904	6,904	6,904	0
<i>Fund Balance End of Year</i>	<u>\$4</u>	<u>\$4,004</u>	<u>\$10,762</u>	<u>\$6,758</u>

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$0	\$0	\$38,827	\$38,827
Expenditures				
Current:				
Public Safety:				
Fire Damage Deposits				
Other than Personal Services	8,173	10,664	8,580	2,084
<i>Net Change in Fund Balance</i>	(8,173)	(10,664)	30,247	36,743
<i>Fund Balance Beginning of Year</i>	189,844	189,844	189,844	0
<i>Fund Balance End of Year</i>	<u>\$181,671</u>	<u>\$179,180</u>	<u>\$220,091</u>	<u>\$36,743</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$0	\$0	\$2,163	\$2,163
Expenditures				
Current:				
General Government:				
Personal Services	93,525	148,227	81,259	66,968
Public Safety:				
Personal Services	318,053	276,340	276,340	0
Public Health Services:				
Personal Services	13,943	12,114	12,114	0
Transportation:				
Personal Services	47,004	40,839	40,839	0
Community Development:				
Personal Services	5,280	4,588	4,588	0
Sanitation:				
Personal Services	19,914	17,302	17,302	0
Culture and Recreation:				
Personal Services	2,281	1,982	1,982	0
<i>Total Expenditures</i>	500,000	501,392	434,424	66,968
<i>Excess of Revenues Over (Under) Expenditures</i>	(500,000)	(501,392)	(432,261)	69,131
Other Financing Sources				
Transfers In	400,000	400,000	400,000	0
<i>Net Change in Fund Balance</i>	(100,000)	(101,392)	(32,261)	69,131
<i>Fund Balance Beginning of Year</i>	476,987	476,987	476,987	0
<i>Fund Balance End of Year</i>	\$376,987	\$375,595	\$444,726	\$69,131

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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,735,014	\$1,074,908	\$1,134,842	\$59,934
Intergovernmental	191,860	118,864	125,492	6,628
Special Assessments	182,575	113,112	119,419	6,307
<i>Total Revenues</i>	<u>2,109,449</u>	<u>1,306,884</u>	<u>1,379,753</u>	<u>72,869</u>
Expenditures				
Current:				
General Government:				
Other than Personal Services	514	1,181	1,181	0
Debt Service:				
Principal Retirement	891,678	4,166,550	4,166,039	511
Interest and Fiscal Charges	165,831	405,279	405,242	37
Bond Issuance Costs	28,828	66,192	66,186	6
<i>Total Debt Service</i>	<u>1,086,337</u>	<u>4,638,021</u>	<u>4,637,467</u>	<u>554</u>
<i>Total Expenditures</i>	<u>1,086,851</u>	<u>4,639,202</u>	<u>4,638,648</u>	<u>554</u>
<i>Excess of Revenues Under Expenditures</i>	<u>1,022,598</u>	<u>(3,332,318)</u>	<u>(3,258,895)</u>	<u>73,423</u>
Other Financing Sources (Uses)				
Bond Anticipation Notes Issued	0	1,490,000	1,490,000	0
General Obligation Bonds Issued	0	2,700,000	2,700,000	0
Premium on Notes Issued	0	15,796	15,556	(240)
Payment to Refunded Bond Escrow Agent	(1,653,879)	(1,653,879)	(1,653,879)	0
Transfers In	0	253,286	253,286	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,653,879)</u>	<u>2,805,203</u>	<u>2,804,963</u>	<u>(240)</u>
<i>Net Change in Fund Balance</i>	<u>(631,281)</u>	<u>(527,115)</u>	<u>(453,932)</u>	<u>73,183</u>
<i>Fund Balance Beginning of Year</i>	<u>889,382</u>	<u>889,382</u>	<u>889,382</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$258,101</u>	<u>\$362,267</u>	<u>\$435,450</u>	<u>\$73,183</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, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	<u>\$25,000</u>	<u>\$39,500</u>	<u>\$1,425</u>	<u>(\$38,075)</u>
Expenditures				
Current:				
Public Safety:				
Police Facility Improvement				
Other than Personal Services	27,803	25,052	13,838	11,214
Capital Outlay	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>52,803</u>	<u>25,052</u>	<u>13,838</u>	<u>11,214</u>
<i>Net Change in Fund Balance</i>	(27,803)	14,448	(12,413)	(26,861)
<i>Fund Balance Beginning of Year</i>	3,532	3,532	3,532	0
Prior Year Encumbrances Appropriated	<u>10,303</u>	<u>10,303</u>	<u>10,303</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$13,968)</u>	<u>\$28,283</u>	<u>\$1,422</u>	<u>(\$26,861)</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, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$647,306	\$647,306	\$588,157	(\$59,149)
Intergovernmental	104,334	104,334	94,800	(9,534)
<i>Total Revenues</i>	<u>751,640</u>	<u>751,640</u>	<u>682,957</u>	<u>(68,683)</u>
Expenditures				
Current:				
Culture and Recreation:				
Recreation Facility Improvement				
Other than Personal Services	178,500	169,964	156,586	13,378
Capital Outlay	539,900	521,096	476,425	44,671
Debt Service:				
Principal Retirement	62,790	62,790	62,790	0
Interest and Fiscal Charges	3,822	3,822	3,822	0
Total Debt Service	66,612	66,612	66,612	0
<i>Total Expenditures</i>	<u>785,012</u>	<u>757,672</u>	<u>699,623</u>	<u>58,049</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,372)	(6,032)	(16,666)	(10,634)
Other Financing Uses				
Transfers Out	0	(44,055)	(44,055)	0
<i>Net Change in Fund Balance</i>	(33,372)	(50,087)	(60,721)	(10,634)
<i>Fund Balance Beginning of Year</i>	494,920	494,920	494,920	0
Prior Year Encumbrances Appropriated	33,372	33,372	33,372	0
<i>Fund Balance End of Year</i>	<u>\$494,920</u>	<u>\$478,205</u>	<u>\$467,571</u>	<u>(\$10,634)</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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	<u>146,271</u>	<u>552,642</u>	<u>426,112</u>	<u>126,530</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(146,271)	(552,642)	(426,112)	126,530
Other Financing Sources				
Transfers In	<u>112,820</u>	<u>112,820</u>	<u>1,000,000</u>	<u>887,180</u>
<i>Net Change in Fund Balance</i>	(33,451)	(439,822)	573,888	1,013,710
<i>Fund Balance Beginning of Year</i>	<u>903,800</u>	<u>903,800</u>	<u>903,800</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$870,349</u></u>	<u><u>\$463,978</u></u>	<u><u>\$1,477,688</u></u>	<u><u>\$1,013,710</u></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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	<u>777</u>	<u>777</u>	<u>777</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(777)	(777)	(777)	0
<i>Fund Balance Beginning of Year</i>	<u>777</u>	<u>777</u>	<u>777</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Development Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$127,500	\$127,500
Miscellaneous	0	0	58,116	58,116
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>185,616</u>	<u>185,616</u>
Expenditures				
Current:				
Community Development:				
Economic Development				
Other than Personal Services	492,214	523,204	233,527	289,677
Capital Outlay	39,872	42,382	10,000	32,382
<i>Total Expenditures</i>	<u>532,086</u>	<u>565,586</u>	<u>243,527</u>	<u>322,059</u>
<i>Net Change in Fund Balance</i>	(532,086)	(565,586)	(57,911)	507,675
<i>Fund Balance Beginning of Year</i>	1,095,858	1,095,858	1,095,858	0
Prior Year Encumbrances Appropriated	125,725	125,725	125,725	0
<i>Fund Balance End of Year</i>	<u>\$689,497</u>	<u>\$655,997</u>	<u>\$1,163,672</u>	<u>\$507,675</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, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Rentals	\$0	\$0	\$25,530	\$25,530
Expenditures				
Current:				
General Government:				
City Hall Maintenance				
Other than Personal Services	15,000	15,000	14,825	175
<i>Net Change in Fund Balance</i>	(15,000)	(15,000)	10,705	25,705
<i>Fund Balance Beginning of Year</i>	100,948	100,948	100,948	0
<i>Fund Balance End of Year</i>	<u>\$85,948</u>	<u>\$85,948</u>	<u>\$111,653</u>	<u>\$25,705</u>

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Statistical Section

Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S12 – S18
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S19 - S24
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	S25 – S27
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<i>Operating Information</i>	S28 - S35
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

City of Cleveland Heights, Ohio

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	2021	2020	2019 (3)	2018 (3)
Governmental Activities				
Net Investment in Capital Assets	\$54,826,985	\$60,220,712	\$62,050,520	\$65,914,958
Restricted	23,996,474	22,049,045	17,550,132	17,585,894
Unrestricted (Deficit)	<u>(13,637,799)</u>	<u>(31,733,090)</u>	<u>(35,400,132)</u>	<u>(57,431,301)</u>
<i>Total Governmental Activities Net Position</i>	<u>65,185,660</u>	<u>50,536,667</u>	<u>44,200,520</u>	<u>26,069,551</u>
Business-Type Activities				
Net Investment in Capital Assets	6,735,816	6,367,876	6,311,315	6,712,319
Unrestricted (Deficit)	<u>8,309,261</u>	<u>5,474,380</u>	<u>3,236,495</u>	<u>2,390,480</u>
<i>Total Business-Type Activities Net Position</i>	<u>15,045,077</u>	<u>11,842,256</u>	<u>9,547,810</u>	<u>9,102,799</u>
Primary government				
Net Investment in Capital Assets	61,562,801	66,588,588	68,361,835	72,627,277
Restricted	23,996,474	22,049,045	17,550,132	17,585,894
Unrestricted (Deficit)	<u>(5,328,538)</u>	<u>(26,258,710)</u>	<u>(32,163,637)</u>	<u>(55,040,821)</u>
<i>Total Primary Government Net Position</i>	<u>\$80,230,737</u>	<u>\$62,378,923</u>	<u>\$53,748,330</u>	<u>\$35,172,350</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.

2017 (2)	2016	2015	2014 (1)	2013	2012
\$66,649,264	\$65,331,766	\$63,355,613	\$63,242,503	\$64,402,234	\$66,164,102
15,323,423	14,526,578	16,344,332	15,988,947	16,261,342	16,014,581
(53,358,107)	(17,475,658)	(14,732,685)	(20,086,683)	13,108,074	14,583,025
<u>28,614,580</u>	<u>62,382,686</u>	<u>64,967,260</u>	<u>59,144,767</u>	<u>93,771,650</u>	<u>96,761,708</u>
6,363,409	20,305,226	20,428,734	20,507,524	20,927,544	21,386,384
646,273	3,178,139	2,464,954	(43,529)	2,028,666	2,017,605
<u>7,009,682</u>	<u>23,483,365</u>	<u>22,893,688</u>	<u>20,463,995</u>	<u>22,956,210</u>	<u>23,403,989</u>
73,012,673	85,636,992	83,784,347	83,750,027	85,329,778	87,550,486
15,323,423	14,526,578	16,344,332	15,988,947	16,261,342	16,014,581
(52,711,834)	(14,297,519)	(12,267,731)	(20,130,212)	15,136,740	16,600,630
<u>\$35,624,262</u>	<u>\$85,866,051</u>	<u>\$87,860,948</u>	<u>\$79,608,762</u>	<u>\$116,727,860</u>	<u>\$120,165,697</u>

City of Cleveland Heights, Ohio

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2021	2020	2019 (5)	2018 (4)
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments:				
General Government	\$5,519,177	\$3,863,163	\$4,216,412	\$4,218,129
Public Safety	6,771,130	5,604,225	4,535,659	5,621,987
Public Health Services	84,115	68,392	73,717	74,153
Transportation	716,505	750,080	575,016	682,738
Community Development	1,913,882	1,948,828	1,916,154	1,709,836
Sanitation	0	475,691	499,630	435,889
Culture and Recreation	808,375	262,558	1,285,929	1,121,306
Operating Grants and Contributions	8,531,800	9,605,946	4,767,431	5,614,681
Capital Grants and Contributions	222,036	2,269,849	76,250	71,438
<i>Total Governmental Activities Program Revenues</i>	<u>24,567,020</u>	<u>24,848,732</u>	<u>17,946,198</u>	<u>19,550,157</u>
Business-Type Activities:				
Charges for Services:				
Water (2)	0	0	0	0
Sewer	4,880,773	6,098,216	5,126,352	4,502,792
Refuse	2,709,366	0	0	0
Operating Grants and Contributions	0	0	0	0
Capital Grants and Contributions	126,717	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>7,716,856</u>	<u>6,098,216</u>	<u>5,126,352</u>	<u>4,502,792</u>
<i>Total Primary Government Program Revenues</i>	<u>32,283,876</u>	<u>30,946,948</u>	<u>23,072,550</u>	<u>24,052,949</u>
Expenses				
Governmental Activities:				
General Government	20,010,446	17,507,101	16,751,225	17,535,489
Public Safety	21,774,363	25,714,162	1,674,058	28,171,172
Public Health Services	235,802	487,876	1,018,905	385,738
Transportation	5,348,697	7,850,483	8,264,796	8,201,178
Community Development	4,736,225	9,579,628	6,327,473	5,321,819
Sanitation	17,323	2,528,836	2,473,844	2,655,695
Culture and Recreation	2,749,311	2,115,133	4,963,586	3,732,443
Interest and Fiscal Charges	490,071	409,601	550,743	624,516
<i>Total Governmental Activities Expenses</i>	<u>55,362,238</u>	<u>66,192,820</u>	<u>42,024,630</u>	<u>66,628,050</u>
Business-Type Activities:				
Water	0	0	0	0
Sewer	3,856,708	3,906,723	4,940,749	2,501,275
Refuse	3,820,913	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>7,677,621</u>	<u>3,906,723</u>	<u>4,940,749</u>	<u>2,501,275</u>
<i>Total Primary Government Expenses</i>	<u>\$63,039,859</u>	<u>\$70,099,543</u>	<u>\$46,965,379</u>	<u>\$69,129,325</u>

2017 (2)	2016	2015 (3)	2014	2013	2012
\$4,005,958	\$4,172,508	\$4,368,875	\$4,406,803	\$4,287,936	\$3,896,511
5,291,173	5,833,368	5,614,727	5,625,274	5,903,861	5,078,988
65,406	69,414	75,245	74,658	70,591	61,303
433,538	536,527	660,114	757,961	695,236	589,434
1,547,919	1,411,096	508,653	1,684,767	1,667,890	1,320,804
450,884	407,540	1,037,224	468,649	460,342	429,204
1,133,852	856,391	1,486,855	955,160	614,650	981,803
9,116,678	6,276,236	5,136,553	6,296,657	4,337,755	5,657,962
87,378	72,096	37,300	73,446	74,496	3,877,741
22,132,786	19,635,176	18,925,546	20,343,375	18,112,757	21,893,750
594,071	14,242,180	14,282,892	13,045,233	12,424,417	11,466,957
2,883,863	1,398,962	1,622,110	1,553,903	1,663,242	1,727,854
0	0	0	0	0	0
915,719	0	0	0	0	0
0	0	0	0	0	0
4,393,653	15,641,142	15,905,002	14,599,136	14,087,659	13,194,811
26,526,439	35,276,318	34,830,548	34,942,511	32,200,416	35,088,561
16,331,347	16,358,242	12,914,350	14,768,680	14,369,538	16,048,638
26,341,709	25,334,587	21,488,717	21,856,257	20,891,754	21,239,342
360,285	359,185	332,708	363,067	360,462	363,703
8,527,689	8,278,949	7,123,967	8,330,208	10,621,023	5,718,551
5,613,479	6,350,784	5,009,520	6,147,040	5,164,372	6,347,777
2,678,313	2,217,216	2,531,508	1,829,229	2,511,148	2,670,357
4,381,740	3,220,376	3,007,590	3,117,836	3,565,494	3,385,120
451,277	583,113	498,182	668,496	748,771	798,771
64,685,839	62,702,452	52,906,542	57,080,813	58,232,562	56,572,259
15,810,884	13,422,399	12,225,265	14,023,023	12,743,834	13,213,185
2,646,476	1,649,888	1,539,528	2,045,581	1,790,551	1,787,713
0	0	0	0	0	0
18,457,360	15,072,287	13,764,793	16,068,604	14,534,385	15,000,898
\$83,143,199	\$77,774,739	\$66,671,335	\$73,149,417	\$72,766,947	\$71,573,157

(continued)

City of Cleveland Heights, Ohio
Changes in Net Position (continued)
Last Ten Years
(accrual basis of accounting)

	2021	2020	2019 (5)	2018 (4)
Net (Expense)/Revenue				
Governmental Activities	(\$30,795,218)	(\$41,344,088)	(\$24,078,432)	(\$47,077,893)
Business-Type Activities	39,235	2,191,493	185,603	2,001,517
<i>Total Primary Government Net Expense</i>	<u>(30,755,983)</u>	<u>(39,152,595)</u>	<u>(23,892,829)</u>	<u>(45,076,376)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	7,572,897	7,450,491	6,742,046	6,811,660
Other Purposes	441,620	500,358	415,534	432,247
Debt Service	1,135,555	1,092,625	1,117,291	778,168
Capital Outlay	588,487	509,917	484,725	490,240
Municipal Income Taxes Levied For:				
General Purposes	32,534,589	29,612,738	25,858,382	29,088,986
Admissions Taxes	49	7,875	49,873	51,930
Grants and Entitlements not Restricted to Specific Programs	3,622,919	6,775,791	3,185,196	2,783,621
Franchise Taxes	393,663	502,937	519,245	545,814
Payment in Lieu of Taxes	0	0	0	0
Investment Earnings	54,133	240,858	556,379	391,208
Gain on Sale of Capital Assets	0	27,789	0	0
Miscellaneous	1,285,301	1,039,095	717,849	1,333,977
Transfer of Refuse Operations	(1,828,378)	0	0	0
Transfers	(356,624)	(80,239)	(94,219)	(85,884)
<i>Total Governmental Activities</i>	<u>45,444,211</u>	<u>47,680,235</u>	<u>39,552,301</u>	<u>42,621,967</u>
Business-Type Activities:				
Miscellaneous	978,584	22,714	165,189	5,500
Transfer of Refuse Operations	1,828,378	0	0	0
Transfers	356,624	80,239	94,219	85,884
<i>Total Business-Type Activities</i>	<u>3,163,586</u>	<u>102,953</u>	<u>259,408</u>	<u>91,384</u>
<i>Total Primary Government</i>	<u>48,607,797</u>	<u>47,783,188</u>	<u>39,811,709</u>	<u>42,713,351</u>
Change in Net Position				
Governmental Activities	14,648,993	6,336,147	15,473,869	(4,455,926)
Business-Type Activities (2)	3,202,821	2,294,446	445,011	2,092,901
<i>Total Primary Government Change in Net Position</i>	<u>\$17,851,814</u>	<u>\$8,630,593</u>	<u>\$15,918,880</u>	<u>(\$2,363,025)</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.

2017 (2)	2016	2015 (3)	2014	2013	2012
(\$42,553,053)	(\$43,067,276)	(\$33,980,996)	(\$36,737,438)	(\$40,119,805)	(\$34,678,509)
(14,063,707)	568,855	2,140,209	(1,469,468)	(446,726)	(1,806,087)
(56,616,760)	(42,498,421)	(31,840,787)	(38,206,906)	(40,566,531)	(36,484,596)
6,721,408	6,816,312	7,465,977	6,581,283	6,516,716	6,720,122
412,884	423,916	434,668	431,946	449,426	463,456
2,064,131	2,175,486	1,935,505	1,762,903	2,261,326	2,240,041
481,610	494,532	507,033	503,935	524,333	540,700
28,288,722	25,911,464	24,221,436	24,035,692	21,620,891	24,772,161
53,976	83,402	94,087	158,849	101,414	107,516
3,311,536	2,973,822	2,938,207	3,297,881	3,793,292	4,418,417
502,577	606,056	560,558	490,496	551,694	588,325
0	0	0	0	0	1,150,000
222,634	133,571	77,437	70,034	43,610	45,811
0	11,751	15,219	0	0	103,497
945,402	1,202,894	1,838,614	1,259,270	1,244,120	1,318,978
0	0	0	0	0	0
(48,445)	(20,666)	(285,252)	16,421	22,925	(863,549)
42,956,435	40,812,540	39,803,489	38,608,710	37,129,747	41,605,475
391,198	156	4,232	19,361	21,872	2,354
0	0	0	0	0	0
48,445	20,666	285,252	(16,421)	(22,925)	863,549
439,643	20,822	289,484	2,940	(1,053)	865,903
43,396,078	40,833,362	40,092,973	38,611,650	37,128,694	42,471,378
403,382	(2,254,736)	5,822,493	1,871,272	(2,990,058)	6,926,966
(13,624,064)	589,677	2,429,693	(1,466,528)	(447,779)	(940,184)
(\$13,220,682)	(\$1,665,059)	\$8,252,186	\$404,744	(\$3,437,837)	\$5,986,782

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

	2021	2020	2019 (2)	2018 (2)
General Fund				
Nonspendable	\$1,537,469	\$1,315,769	\$785,196	\$838,744
Assigned	1,112,658	5,820,581	2,682,558	67,126
Unassigned (Deficit)	31,540,342	23,577,730	18,381,013	16,691,897
<i>Total General Fund</i>	<u>34,190,469</u>	<u>30,714,080</u>	<u>21,848,767</u>	<u>17,597,767</u>
All Other Governmental Funds				
Nonspendable	59,100	62,144	57,855	57,855
Restricted	14,381,852	13,060,503	11,543,945	11,208,049
Committed	2,673,037	2,038,980	2,003,869	1,813,440
Assigned	3,245,936	1,977,758	2,406,233	1,688,722
Unassigned (Deficit)	(300,527)	(683,265)	(504,547)	(905,412)
<i>Total All Other Governmental Funds</i>	<u>20,059,398</u>	<u>16,456,120</u>	<u>15,507,355</u>	<u>13,862,654</u>
<i>Total Governmental Funds</i>	<u><u>\$54,249,867</u></u>	<u><u>\$47,170,200</u></u>	<u><u>\$37,356,122</u></u>	<u><u>\$31,460,421</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.

2017 (1)	2016	2015	2014	2013	2012
\$527,700	\$657,693	\$272,287	\$653,120	\$403,831	\$380,439
927,845	1,775,739	113,116	36,452	6,535,767	2,960,821
15,538,835	9,152,182	7,872,648	3,975,918	(2,980,886)	3,157,559
16,994,380	11,585,614	8,258,051	4,665,490	3,958,712	6,498,819
70,442	90,294	75,102	45,930	65,630	65,780
9,375,697	7,787,747	9,244,854	7,213,016	7,540,793	8,109,130
1,699,509	1,046,209	964,170	904,809	949,701	1,186,778
1,946,707	2,570,520	3,346,090	2,769,393	1,651,700	1,663,977
(667,990)	(1,607,207)	(583,989)	(311,850)	(803,088)	(1,338,387)
12,424,365	9,887,563	13,046,227	10,621,298	9,404,736	9,687,278
\$29,418,745	\$21,473,177	\$21,304,278	\$15,286,788	\$13,363,448	\$16,186,097

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

	2021	2020	2019	2018
Revenues				
Property Taxes	\$9,732,721	\$9,587,649	\$8,891,758	\$8,668,862
Municipal Income Taxes	31,984,999	28,679,829	29,553,138	27,664,058
Admissions Taxes	49	7,875	49,873	51,930
Charges for Services	7,819,146	4,479,868	6,483,852	6,505,988
Licenses, Permits and Fees	2,792,336	2,952,778	2,115,227	2,191,529
Fines and Forfeitures	2,492,946	2,455,371	2,189,634	2,238,932
Intergovernmental	10,582,081	15,693,150	7,435,430	8,523,205
Special Assessments	2,183,856	2,198,294	2,165,003	2,182,996
Interest	49,742	240,858	556,379	391,208
Rentals	23,403	26,030	280,601	263,921
Contributions and Donations	40,640	438,919	25,444	24,621
Franchise Taxes	485,769	500,480	429,596	545,814
Payment in Lieu of Taxes	0	0	0	0
Miscellaneous	1,285,301	1,039,095	717,849	1,333,977
<i>Total Revenues</i>	<u>69,472,989</u>	<u>68,300,196</u>	<u>60,893,784</u>	<u>60,587,041</u>
Expenditures				
Current:				
General Government	22,530,719	16,550,210	14,630,371	16,631,354
Public Safety	23,790,251	23,429,350	21,264,582	22,754,779
Public Health Services	403,162	376,682	391,688	385,212
Transportation	4,283,497	5,127,676	5,091,084	5,571,795
Community Development	6,522,269	9,365,328	5,925,595	5,651,512
Sanitation	17,323	2,322,803	2,184,685	2,304,250
Culture and Recreation	2,769,278	1,391,536	3,585,276	2,981,156
Capital Outlay	977,501	355,316	478,783	2,599,053
Debt Service:				
Principal Retirement	3,870,793	893,876	2,451,291	2,381,617
Interest and Fiscal Charges	413,694	354,500	518,702	595,403
Bond Issuance Costs	66,186	263,433	0	0
Principal Retirement - Current Refunding	0	53,611	0	0
Payment to Refunding Bond Escrow Agent	0	42,659	0	0
<i>Total Expenditures</i>	<u>65,644,673</u>	<u>60,526,980</u>	<u>56,522,057</u>	<u>61,856,131</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,828,316</u>	<u>7,773,216</u>	<u>4,371,727</u>	<u>(1,269,090)</u>
Other Financing Sources (Uses)				
Loans Issued	0	45,396	766,582	0
General Obligation Notes and Bonds Issued	2,249,000	14,198,000	851,611	582,000
General Obligation Notes and Bonds Premium	15,556	7,916	0	0
General Obligation Discount on Bonds Issued	0	0	0	0
Special Assessment Refunding Bonds Issued	1,682,000	0	0	0
Capital Lease Issued	1,200,000	550,000	0	447,201
Sale of Capital Assets	0	27,789	0	0
Current Refunding	0	(798,000)	0	0
Payment to Refunded Bond Escrow Agent	(1,653,879)	(11,910,000)	0	0
Special Item - Transfer of Refuse Operations	115,298	0	0	0
Transfers In	4,328,591	2,913,865	3,271,354	4,910,911
Transfers Out	(4,685,215)	(2,994,104)	(3,365,573)	(4,996,795)
<i>Total Other Financing Sources (Uses)</i>	<u>3,251,351</u>	<u>2,040,862</u>	<u>1,523,974</u>	<u>943,317</u>
<i>Net Change in Fund Balances</i>	<u>\$7,079,667</u>	<u>\$9,814,078</u>	<u>\$5,895,701</u>	<u>(\$325,773)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.6%	2.1%	5.4%	5.1%

2017	2016	2015	2014	2013	2012
\$9,520,699	\$9,767,040	\$10,154,350	\$9,329,219	\$9,476,596	\$9,906,172
28,725,003	26,552,239	24,797,290	23,281,969	21,676,288	23,022,254
53,976	83,402	94,087	158,849	101,414	107,516
4,196,025	3,620,781	3,831,395	3,819,341	5,541,130	5,156,842
3,994,350	4,841,715	5,083,144	4,941,868	2,042,386	1,957,712
2,376,533	2,113,387	2,437,592	2,596,790	3,215,569	2,937,542
12,505,221	9,334,689	8,052,404	9,891,209	7,900,584	10,602,604
2,115,997	2,134,257	2,207,781	2,158,785	1,944,755	1,982,802
222,634	133,571	77,437	70,034	43,610	45,811
326,808	25,200	22,200	50,198	27,932	50,476
19,446	40,492	30,999	21,902	12,336	12,348
502,577	606,056	560,558	490,496	551,694	588,325
0	0	0	0	0	1,150,000
945,402	1,202,894	1,838,614	1,259,270	1,244,120	1,318,978
65,504,671	60,455,723	59,187,851	58,069,930	53,778,414	58,839,382
15,026,725	16,212,345	14,994,218	14,836,528	15,394,711	15,354,284
21,430,864	21,375,902	21,499,555	22,462,442	21,216,050	20,796,144
351,307	355,707	382,879	366,334	362,178	362,103
5,751,208	7,703,370	4,912,147	6,014,505	5,877,513	5,162,780
5,391,557	6,246,063	5,204,623	6,138,590	5,065,872	6,163,082
2,216,257	2,122,964	2,272,075	2,258,106	2,350,856	2,417,960
3,719,148	3,052,494	2,853,367	2,642,396	2,489,045	2,628,806
9,325,850	1,820,801	1,887,039	2,630,003	1,778,253	2,330,729
4,320,888	4,009,532	2,404,860	2,045,393	1,964,862	2,094,509
321,081	469,202	397,428	599,873	693,272	748,794
144,976	41,347	117,332	95,463	0	0
0	0	0	0	0	0
0	0	0	0	0	0
67,999,861	63,409,727	56,925,523	60,089,633	57,192,612	58,059,191
(2,495,190)	(2,954,004)	2,262,328	(2,019,703)	(3,414,198)	780,191
0	0	0	0	482,601	24,540
8,017,000	3,115,000	8,477,000	5,635,000	1,590,000	0
214,216	11,211	0	0	9,185	0
(91,758)	0	0	0	0	0
0	0	0	0	0	0
0	0	0	730,133	0	0
0	17,358	15,219	26,477	0	128,697
0	0	0	0	0	0
0	0	(4,728,842)	(2,464,988)	(1,513,662)	0
0	0	0	0	0	0
3,263,213	3,104,993	2,550,316	3,325,327	3,998,494	3,982,694
(3,311,658)	(3,125,659)	(2,550,316)	(3,308,906)	(3,975,069)	(4,846,243)
8,091,013	3,122,903	3,763,377	3,943,043	591,549	(710,312)
\$5,595,823	\$168,899	\$6,025,705	\$1,923,340	(\$2,822,649)	\$69,879
8.1%	7.9%	5.4%	4.8%	5.0%	5.2%

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

	2021	2020	2019	2018
Inside Millage				
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>
Charter Millage				
1976 Charter/Current Expense	6.48000	6.48000	6.48000	6.48000
1997 Bond (\$15,000,000)	0.00000	0.00000	0.00000	0.00000
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>8.10000</u>	<u>8.10000</u>
<i>Total Millage</i>	<u>\$12.42000</u>	<u>\$12.42000</u>	<u>\$12.42000</u>	<u>\$12.42000</u>
Overlapping Rates by Taxing District				
<i>Cleveland Heights - University Heights</i>				
General Business and Public Utility Personal	\$158.30000	\$153.60000	\$154.20000	\$155.09000
Residential/Agricultural Real	86.60388	81.32595	81.79927	88.48750
Commercial/Industrial and Public Utility Real	107.29171	101.03392	101.34487	107.61380
<i>Cleveland Heights Library</i>				
Operating - continuing				
General Business and Public Utility Personal	10.00000	10.00000	10.00000	10.00000
Residential/Agricultural Real	7.81905	7.75659	7.74291	8.26150
Commercial/Industrial and Public Utility Real	8.87164	8.72311	8.69555	9.11310
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	14.85000	14.05000	14.05000	14.05000
Residential/Agricultural Real	14.00632	12.80115	12.79732	13.91400
Commercial/Industrial and Public Utility Real	14.30367	13.23033	13.07704	14.00610
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	7.78000	7.78000	7.38000	6.88000
Residential/Agricultural Real	7.10018	7.08618	6.68792	7.28830
Commercial/Industrial and Public Utility Real	7.33977	7.32436	6.84133	7.34360

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

2017	2016	2015	2014	2013	2012
\$2.22000	\$2.22000	\$2.57000	\$2.57000	\$2.22000	\$2.22000
1.50000	1.50000	1.15000	1.15000	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	1.50000	1.50000	1.40000	1.50000	1.40000
0.70000	0.70000	0.70000	0.70000	0.70000	0.70000
0.92000	0.92000	0.92000	0.00000	0.00000	0.00000
9.60000	9.60000	9.60000	8.58000	8.68000	8.58000
\$13.92000	\$13.92000	\$13.92000	\$12.90000	\$13.00000	\$12.90000
\$155.59000	\$149.59000	\$149.59000	\$149.59000	\$143.70000	\$143.70000
87.45518	81.30809	80.95140	80.38096	74.30494	71.72200
104.24162	98.15769	93.53970	92.77882	87.04456	84.67910
10.00000	10.00000	10.00000	7.80000	7.80000	7.80000
8.21562	8.20296	8.17220	5.92317	5.90716	5.71080
8.88868	8.88246	8.56850	6.31694	6.32897	6.17450
14.05000	14.05000	14.05000	14.05000	13.22000	13.22000
13.88020	13.86978	14.05000	14.05000	13.22000	13.11820
14.01236	14.05000	14.01950	13.94947	12.99676	12.78460
6.88000	6.88000	6.88000	5.98000	5.08000	5.08000
6.77011	6.76737	6.86430	5.96390	5.06349	5.00410
6.84687	6.86755	6.84010	5.88426	4.96214	4.86490

City of Cleveland Heights, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

Collection Year	Real Property Assessed Values			Tangible Personal Property	
	Residential/ Agricultural	Commercial Industrial	Estimated	Assessed Values	Estimated
			Actual Value		Actual Value
2021	\$711,601,930	\$111,879,150	\$2,352,803,086	\$21,983,510	\$24,981,261
2020	716,708,980	112,123,560	2,368,092,971	19,141,880	21,752,136
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

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.

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

Total			
Assessed Values	Estimated Actual Value	Ratio	Direct Tax Rate
\$845,464,590	\$2,377,784,347	35.56 %	\$12.42
847,974,420	2,389,845,107	35.48	12.42
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	13.92
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

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>
2021	\$12,777,916	\$9,882,065	77.34 %	\$553,670	\$10,435,735	81.67 %
2020	12,776,778	9,830,070	76.94	560,449	10,390,519	81.32
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

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
2021 and 2012*

Taxpayer	2021	
	Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Co.	\$11,796,510	1.40%
East Ohio Gas Company	5,986,340	0.71
American Transmission System	4,200,660	0.50
Musicians Towers OH, TC, LP	2,855,200	0.34
Kensington Limited Partnership	2,852,290	0.34
Waldorf Partners Limited Partnership	2,652,830	0.31
The Hebrew Academy of Cleveland	2,198,930	0.26
Concord Apartments, LLC	2,079,740	0.24
Severance Realty, LLC	2,010,480	0.24
Property Investment Co., LLC	1,980,100	0.23
Total	\$38,613,080	4.57%
Total Assessed Valuation	\$845,464,590	
Taxpayer	2012	
	Assessed Valuation	Percentage of Total Assessed Valuation
Severance SPE Leace Co., LLC	\$14,177,910	1.55%
Kaiser Foundation Health	11,348,150	1.24
Cleveland Electric Illuminating Company	9,320,520	1.02
American Retirement Corporation	2,724,580	0.30
Kensington Limited Partnership	2,573,270	0.28
City of Cleveland Heights	2,350,800	0.26
Waldorf Partners Limited Partnership	2,344,240	0.26
Severance SPE FEECO LLC	2,327,360	0.26
East Ohio Gas	2,279,760	0.25
Concord Apartments LLC	2,163,530	0.24
Total	\$51,610,120	5.66%
Total Assessed Valuation	\$911,825,870	

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
2021	2.25 %	\$31,813,396	\$11,914,926	37 %	\$1,279,380	4 %	\$18,619,090	59 %
2020	2.25	28,322,600	9,753,329	34	1,334,907	5	17,234,364	61
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

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
2021	44,652	\$2,377,784,347	\$15,683,000	0.66%	\$351
2020	45,312	2,389,845,107	15,720,000	0.66	347
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

(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	Special Assessment Bonds	Bond Anticipation Notes	Capital Leases	OPWC Loans	OWDA Loans	State Infrastructure Bank Loan
2021	\$14,915,000	\$1,663,000	\$1,505,556	\$2,006,743	\$1,712,102	\$152,540	\$59,144
2020	15,265,000	1,760,000	2,295,916	1,020,212	1,872,977	159,579	116,554
2019	14,716,560	1,890,000	851,611	694,249	1,918,011	173,262	172,280
2018	16,048,278	2,015,000	582,000	863,421	1,332,284	186,435	226,371
2017 (3)	17,333,458	2,140,000	722,000	507,061	1,422,713	205,278	278,875
2016	12,342,682	2,260,000	1,526,211	577,825	1,345,630	0	329,838
2015	12,971,816	2,375,000	1,515,000	646,918	1,461,069	0	0
2014	12,202,733	2,490,000	0	816,338	1,576,509	0	0
2013	10,830,316	2,522,575	0	193,836	1,679,271	0	0
2012	12,462,539	2,613,206	0	283,615	1,286,753	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)
\$768,000	\$0	\$126,300	\$524,302	\$23,432,687	1.37 %	\$525
455,000	255,903	149,264	55,123	23,405,528	1.41	517
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

City of Cleveland Heights, Ohio

Legal Debt Margin

Last Ten Years

	2021	2020	2019	2018
Total Assessed Property Value	<u>\$845,464,590</u>	<u>\$847,974,420</u>	<u>\$856,026,510</u>	<u>\$808,469,340</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	14,915,000	15,265,000	14,602,000	15,929,000
Special Assessment Bonds	1,663,000	1,760,000	1,890,000	2,015,000
OPWC Loans	1,712,102	1,872,977	1,918,011	1,332,284
OWDA Loans	152,540	159,579	173,262	186,435
State Infrastructure Loan Payable	59,144	116,554	172,280	226,371
Notes	1,505,556	2,701,611	959,611	722,000
Total Gross Indebtedness	<u>20,007,342</u>	<u>21,875,721</u>	<u>19,715,164</u>	<u>20,411,090</u>
Less:				
Special Assessment Bonds	(1,663,000)	(1,760,000)	(1,890,000)	(2,015,000)
OPWC Loans	(1,712,102)	(1,872,977)	(1,918,011)	(1,332,284)
OWDA Loans	(152,540)	(159,579)	(173,262)	(186,435)
Notes	(1,505,556)	(2,701,611)	(959,611)	(722,000)
General Bond Retirement Fund Balance	<u>0</u>	<u>(834,873)</u>	<u>(349,410)</u>	<u>(1,182,631)</u>
Total Net Debt Applicable to Debt Limit	<u>14,974,144</u>	<u>14,546,681</u>	<u>14,424,870</u>	<u>14,972,740</u>
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	<u>88,773,782</u>	<u>89,037,314</u>	<u>89,882,784</u>	<u>84,889,281</u>
Legal Debt Margin Within 10 1/2% Limitations	<u>\$73,799,638</u>	<u>\$74,490,633</u>	<u>\$75,457,914</u>	<u>\$69,916,541</u>
Legal Debt Margin as a Percentage of the Debt Limit	83.13%	83.66%	83.95%	82.36%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	<u>\$46,500,552</u>	<u>\$46,638,593</u>	<u>\$47,081,458</u>	<u>\$44,465,814</u>
Total Gross Indebtedness	20,007,342	21,875,721	19,715,164	20,411,090
Less:				
Special Assessment Bonds	(1,663,000)	(1,760,000)	(1,890,000)	(2,015,000)
OPWC Loans	(1,712,102)	(1,872,977)	(1,918,011)	(1,332,284)
Notes	(1,505,556)	(2,701,611)	(959,611)	(722,000)
General Bond Retirement Fund Balance	<u>(435,450)</u>	<u>(834,873)</u>	<u>(349,410)</u>	<u>(1,182,631)</u>
Net Debt Within 5 1/2% Limitations	<u>14,691,234</u>	<u>14,706,260</u>	<u>14,598,132</u>	<u>15,159,175</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$31,809,318</u>	<u>\$31,932,333</u>	<u>\$32,483,326</u>	<u>\$29,306,639</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	68.41%	68.47%	68.99%	65.91%

Source: City Financial Records

2017	2016	2015	2014	2013	2012
<u>\$780,677,640</u>	<u>\$818,671,420</u>	<u>\$849,994,610</u>	<u>\$861,088,460</u>	<u>\$865,300,800</u>	<u>\$911,825,870</u>
17,211,000	12,307,000	12,902,000	12,085,000	10,680,000	12,290,000
2,140,000	2,260,000	2,375,000	2,490,000	2,505,000	2,595,000
1,422,713	1,345,630	1,461,069	1,576,509	1,679,271	1,286,753
205,278	0	0	0	0	0
278,875	329,838	0	0	0	0
1,285,000	1,526,211	1,752,527	1,976,277	2,193,000	2,126,000
<u>22,542,866</u>	<u>17,768,679</u>	<u>18,490,596</u>	<u>18,127,786</u>	<u>17,057,271</u>	<u>18,297,753</u>
(2,140,000)	(2,260,000)	(2,375,000)	(2,490,000)	(2,505,000)	(2,595,000)
(1,422,713)	(1,345,630)	(1,461,069)	(1,576,509)	(1,679,271)	(1,286,753)
(205,278)	0	0	0	0	0
(1,285,000)	(1,526,211)	(1,752,527)	(1,976,277)	(2,193,000)	(2,126,000)
<u>(1,564,354)</u>	<u>(1,773,910)</u>	<u>(277,889)</u>	<u>(482,039)</u>	<u>(1,306,909)</u>	<u>(1,817,733)</u>
<u>15,925,521</u>	<u>10,862,928</u>	<u>12,624,111</u>	<u>11,602,961</u>	<u>9,373,091</u>	<u>10,472,267</u>
81,971,152	85,960,499	89,249,434	90,414,288	90,856,584	95,741,716
<u>\$66,045,631</u>	<u>\$75,097,571</u>	<u>\$76,625,323</u>	<u>\$78,811,327</u>	<u>\$81,483,493</u>	<u>\$85,269,449</u>
80.57%	87.36%	85.86%	87.17%	89.68%	89.06%
<u>\$42,937,270</u>	<u>\$45,026,928</u>	<u>\$46,749,704</u>	<u>\$47,359,865</u>	<u>\$47,591,544</u>	<u>\$50,150,423</u>
22,542,866	17,768,679	18,490,596	18,127,786	17,057,271	18,297,753
(2,140,000)	(2,260,000)	(2,375,000)	(2,490,000)	(2,505,000)	(2,595,000)
(1,422,713)	(1,345,630)	(1,461,069)	(1,576,509)	(1,679,271)	(1,286,753)
(1,285,000)	(1,526,211)	(1,752,527)	(1,976,277)	(2,193,000)	(2,126,000)
<u>(1,564,354)</u>	<u>(1,773,910)</u>	<u>(277,889)</u>	<u>(482,039)</u>	<u>(1,306,909)</u>	<u>(1,817,733)</u>
<u>16,130,799</u>	<u>10,862,928</u>	<u>12,624,111</u>	<u>11,602,961</u>	<u>9,373,091</u>	<u>10,472,267</u>
<u>\$26,806,471</u>	<u>\$34,164,000</u>	<u>\$34,125,593</u>	<u>\$35,756,904</u>	<u>\$38,218,453</u>	<u>\$39,678,156</u>
62.43%	75.87%	73.00%	75.50%	80.31%	79.12%

City of Cleveland Heights, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2021

Jurisdiction	Total Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Cleveland Heights
Direct Debt			
City of Cleveland Heights			
General Obligation Bonds	\$14,915,000	100.00%	\$14,915,000
Special Assessment Bonds	1,663,000	100.00	1,663,000
OPWC Loans	1,712,102	100.00	1,712,102
OWDA Loans	152,540	100.00	152,540
State Infrastructure Bank Loan	59,144	100.00	59,144
Long-Term Notes	1,505,556	100.00	1,505,556
Capital Leases	2,006,743	100.00	2,006,743
Total Direct Debt	22,014,085		22,014,085
Overlapping Debt:			
Payable from Property Taxes			
Cuyahoga County Bonds	265,599,988	2.45	6,507,200
Regional Transit Authority Bonds	114,218,677	2.45	2,798,358
Cleveland Heights-			
University Heights City School District	165,228,184	76.52	126,432,606
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	452,186,168	2.45	11,078,561
Cuyahoga County Certificates of Participation	197,622,397	2.45	4,841,749
Cuyahoga County Loans	1,434,868	2.45	35,154
Cuyahoga County Leases	260,966,852	2.45	6,393,688
Cleveland Heights -			
University Heights City School District Leases	83,948	76.52	64,237
Total Overlapping Debt	1,457,341,082		158,151,553
Total	\$1,479,355,167		\$180,165,638

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

2021 and 2012

2021	
Employer	Employees
Cleveland Heights - University Heights City School District	900
MetroHealth System	675
Cast & Crew Production	642
City of Cleveland Heights	555
Minute Men Select, Inc	440
Hebrew Academy of Cleveland	410
Home Depot USA, Inc.	410
Charter Communications	301
Horizon Health Services	288
Progressive Casualty Insurance	242
Total	4,863
Total City Employment	n/a

2012		
Employer	Employees	Percentage of Total City Employment
Group Management Services Incorporated	1,703	7.84 %
City of Cleveland Heights	789	3.63
Kaiser Foundation	336	1.55
C A S Health Investors, Inc.	304	1.40
Home Depot	236	1.09
Toyota on the Heights	213	0.98
Cleveland Heights University Heights Library	144	0.66
Motorcars	139	0.64
Total	3,864	17.79 %
Total City Employment	21,716	

Source: United States Department of Labor Force - 2012
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
2021	44,652	\$1,710,662,772	\$38,311	\$59,086	36.5	94.8
2020	45,312	1,665,759,744	36,762	57,768	35.2	94.9
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

(a) Source: U. S. Census, Census of population

2021: 2020 Federal Census

2020: 2020 Federal Census Estimate

2012 - 2019: 2010 Federal Census

(b) Source: Cuyahoga County Fiscal Officer

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

School Enrollment (c)	Cuyahoga County Unemployment Rate	Total Assessed Property Value (b)
4,850	4.9 %	\$845,464,590
4,943	10.4	847,974,420
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

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

<u>Function/program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Government:					
Council	3.5	3.0	2.5	3.0	3.0
City Management	5.0	5.0	2.0	2.0	2.0
Finance	6.0	6.0	5.0	6.5	6.5
Administrative	32.5	35.5	0.0	0.0	0.0
Municipal Court	17.5	19.0	25.0	27.0	28.0
Public Safety:					
Police					
Officers	90.0	95.0	97.0	100.0	100.0
Civilians/Crossing Guards	4.0	3.0	9.0	12.0	16.0
Fire					
Firefighters and officers	78.0	76.0	75.0	75.0	73.0
Civilians/Dispatch	1.0	1.0	0.0	0.0	10.0
Traffic Signs & Signals	1.0	1.0	0.0	0.0	0.0
Public Health	3.0	2.0	0.0	0.0	0.0
Culture and Recreation:	36.0	12.5	82.5	82.5	82.5
Planning/Community					
Planning & Development	6.0	9.5	9.5	9.0	8.0
Building/Inspectional	7.0	9.0	11.0	11.0	11.0
Other	24.0	15.5	18.5	18.5	18.5
Sanitation	26.0	25.0	25.0	26.0	26.0
Transportation	31.0	30.0	20.0	20.0	20.0
Off-Street Parking	0.0	0.0	2.0	2.0	2.0
Other Public Works Departments	0.0	0.0	32.0	32.0	32.0
Public Utilities:					
Water	0.0	0.0	0.0	0.0	1.0
Wastewater	16.0	16.0	17.0	16.0	12.0
Totals:	<u>387.5</u>	<u>364.0</u>	<u>433.0</u>	<u>442.5</u>	<u>451.5</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.

2016	2015	2014	2013	2012
3.0	6.0	7.2	7.1	6.1
2.0	0.0	0.0	0.0	0.0
6.0	6.0	6.5	6.6	6.6
0.0	0.0	0.0	0.0	0.0
26.0	29.0	26.3	25.4	24.9
98.0	115.8	114.6	113.8	113.1
17.5	5.0	4.0	5.0	8.0
78.0	73.0	78.0	69.0	75.0
11.0	8.0	10.3	8.6	9.9
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
75.0	55.0	55.9	58.6	57.0
8.0	12.0	12.0	11.9	11.1
10.0	15.0	16.1	15.0	17.4
21.0	14.5	18.0	20.2	18.4
29.0	28.0	27.3	30.0	27.9
17.0	20.0	22.0	22.0	20.0
2.0	3.0	3.0	3.0	3.0
35.5	22.0	22.0	23.0	23.0
15.0	14.0	14.0	15.0	17.0
13.0	12.0	12.0	13.0	13.0
467.0	438.3	449.2	447.2	451.3

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

Function/program	2021	2020	2019	2018
General Government				
Council and Clerk				
Number of ordinances passed	58	42	35	40
Number of resolutions passed	104	98	76	97
Number of Planning Commission docket items	17	11	31	31
Number of Board of Zoning Appeals docket items	28	20	29	29
Finance Department				
Number of checks/ accounts payable vouchers issued	4,976	5,611	8,970	5,866
Amount of checks written	\$24,939,419	\$27,927,046	\$22,826,017	\$21,841,704
Interest earnings for fiscal year (cash basis)	\$49,786	\$237,513	\$128,603	\$379,426
Number of journal entries issued	4,125	3,974	2,514	1,814
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1
Municipal Court				
Number of civil cases	1,694	1,766	1,980	1,849
Number of criminal cases	1,578	1,636	2,206	2,461
Public Safety				
Fire				
EMS calls	6,239	5,700	5,692	5,654
Fire calls	1,438	1,371	1,537	1,478
Fires with loss	36	62	27	70
Fire safety inspections/re-inspections	1,237	0	857	2,269
Number of times mutual aid given to Fire and EMS	121	128	122	217
Number of times mutual aid received from Fire and EMS	81	62	65	160
Civil Service				
Number of police entry tests administered	1	1	1	2
Number of fire entry tests administered	1	0	0	0
Number of fire promotional tests administered	0	0	0	1
Number of hires of police officers from certified lists	10	3	10	8
Number of hires of fire/medics from certified lists	7	0	2	7
Number of promotions from fire certified lists	1	0	0	4
Number of promotions from police certified lists	5	3	0	6
Culture and Recreation				
Senior activity center receipts	\$13,063	\$19,102	\$41,352	\$10,981
Swimming pools receipts	\$88,444	\$3,154	\$119,884	\$112,203
Ice program receipts	\$18,025	\$14,084	\$66,732	\$27,038
General recreation program receipts	\$6,532	\$8,424	\$45,358	\$35,885
Sports programs receipts	\$92,631	\$12,272	\$194,913	\$180,583
Community center program receipts	\$175,920	\$305,054	\$662,642	\$694,500
Cain park program receipts	\$429,360	\$96,135	\$837,388	\$797,374

2017	2016	2015	2014	2013	2012
123	22	29	36	68	47
135	85	115	102	143	142
25	27	38	34	52	27
25	22	31	22	36	25
6,905	7,948	5,881	5,984	6,498	6,752
\$22,125,138	\$38,756,617	\$34,186,263	\$30,936,718	\$29,020,478	\$30,468,399
\$242,847	\$140,731	\$78,721	\$71,505	\$77,695	\$93,503
964	606	499	526	501	438
A1	A1	A1	Aa2	Aa2	Aa2
1,718	1,687	1,075	1,559	1,511	1,365
1,683	2,849	2,642	3,020	3,359	2,685
5,305	5,129	4,934	4,559	4,733	4,817
1,294	1,288	1,288	1,387	1,399	1,296
62	16	59	50	62	64
2,066	1,616	2,137	980	957	1000+
129	40	98	99	110	101
150	34	78	60	82	128
1	1	0	0	1	0
1	0	67	0	1	0
2	0	0	3	2	2
8	6	5	4	2	2
4	4	0	13	2	8
2	0	0	5	4	3
2	0	8	3	0	2
\$43,209	\$50,298	\$37,829	\$39,914	\$0	\$60,962
\$110,138	\$104,225	\$99,904	\$105,963	\$97,222	\$108,284
\$50,066	\$44,621	\$49,129	\$36,747	\$36,356	\$46,901
\$42,758	\$62,773	\$60,356	\$99,785	\$94,312	\$90,404
\$204,299	\$219,884	\$201,040	\$171,016	\$183,743	\$197,133
\$728,019	\$674,170	\$655,843	\$640,367	\$587,822	\$584,432
\$783,820	\$560,335	\$644,005	\$603,585	\$564,682	\$689,853

(continued)

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

Function/program	2021	2020	2019	2018
Community Development				
Building Department				
Construction permits issued - residential	2,958	2,689	3,296	5,366
Construction permits issued - commercial	187	262	161	413
Estimated value of construction - residential	\$30,081,235	\$25,940,072	\$18,528,289	\$31,470,611
Estimated value of construction - commercial	\$39,286,334	\$46,023,300	\$10,769,357	\$14,767,246
Number of permits issued	3,145	2,951	3,499	5,779
Amount of revenue generated from permits	\$816,570	\$1,606,592	\$425,604	\$847,183
Amount of revenue generated from fees/contractors licenses	\$175,300	\$195,642	\$167,899	\$299,750
Number of contractor registrations issued	1,119	1,080	1,194	1,100
Number of inspections performed	2,785	3,159	3,584	3,142
Community Development				
Annual entitled grant award	\$1,605,789	\$1,625,378	\$1,604,297	\$1,577,102
Program income received	\$203,830	\$254,161	\$212,032	\$216,972
Neighborhood stabilization program	\$0	\$0	\$0	\$0
Transportation				
Crackseal Coating Program (lbs.)	0	4,500	6,700	6,750
Street repair (curb, aprons, berms, asphalt) (hours)	5,850	4,898	7,680	8,000
Line striping (hours)	n/a	n/a	n/a	n/a
Street Sweeping (hours)	900	600	3,000	3,520
Cold Patch (hours)	3,250	3,000	4,400	4,420
Snow and ice removal - regular hours	6,125	6,032	6,180	6,120
Snow and ice removal - overtime hours	1,032	1,008	1,020	1,063
Landscaping Stump-Chipper Service (hours)	300	408	300	300
Leaf collection - fall (hours)	11,300	10,120	12,000	13,780
Equipment repair/body shop (hours)	18,496	n/a	n/a	n/a
Number of trees planted per year	400	408	300	339
Tons of snow melting salt purchased	5,800	5,598	5,700	6,621
Cost of snow/calcium chloride purchased	\$0	\$0	\$406,000	\$422,288
Water Department (1)				
Water rates per 1,000 cu ft of water used	0.0	0.0	0.0	0.0
Average number of water accounts billed monthly (cu ft)	0	0	0	0
Total water collections annually (including P&I)	\$0	\$0	\$0	\$0
Payments to Cleveland for bulk water purchases	\$0	\$0	\$0	\$0
Wastewater Department				
Wastewater rates per 1,000 cu ft of water used (local)	43.5	43.5	43.5	41.6
Sewer and sanitary calls for service	528	164	420	672

Source: City of Cleveland Heights departments

Notes:

(1) The City transferred their water operations to the City of Cleveland, effective January 1, 2017.

2017	2016	2015	2014	2013	2012
3,052	464	110	1,010	807	906
220	229	92	125	105	95
\$23,228,320	\$16,592,300	\$11,042,945	\$12,536,148	\$9,610,449	\$10,674,213
\$12,682,607	\$20,249,000	\$8,749,163	\$14,159,210	\$8,644,284	\$5,656,276
3,274	3,058	3,364	3,234	3,185	3,291
\$309,645	\$846,063	\$604,164	\$389,340	\$365,424	\$314,110
\$196,430	\$245,205	\$247,495	\$262,655	\$113,318	\$120,724
1,173	812	965	1,111	1,080	1,134
3,414	3,153	1,533	5,721	7,843	7,090
\$1,437,209	\$2,031,567	\$1,461,454	\$1,476,666	\$1,496,443	\$1,446,726
\$165,606	\$136,984	\$253,078	\$192,129	\$283,408	\$208,548
\$0	\$0	\$0	\$0	\$0	\$0
10,000	6,720	9,000	6,750	11,153	6,761
6,560	5,520	8,640	5,520	2,880	5,520
n/a	n/a	n/a	1,432	2,152	1,736
3,113	3,080	2,960	3,300	2,800	2,960
5,066	4,960	4,800	5,440	4,960	5,440
4,200	4,816	6,832	6,384	8,400	3,360
645	724	1,169	4,434	3,488	3,002
500	5,716	5,716	5,716	5,716	5,500
16,160	14,680	12,168	17,744	13,332	11,433
1,800	16,640	16,640	14,560	15,680	16,818
369	313	203	263	246	273
6,232	5,400	4,001	13,077	7,225	4,977
\$182,515	\$214,867	\$0	\$424,383	\$237,629	\$226,927
0.0	88.0	70.0	70.0	70.0	56.6
0	15,350	15,536	15,476	15,487	15,460
\$3,131,604	\$18,637,752	\$17,757,000	\$17,063,701	\$16,154,339	\$11,083,365
\$1,893,113	\$4,132,247	\$12,217,352	\$10,752,942	\$10,314,487	\$8,993,685
41.0	11.1	11.1	11.1	11.1	11.1
519	473	535	350	350	318

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

Function/program	2021	2020	2019	2018
General Government				
Square Footage Occupied	68,000	68,000	68,000	68,000
Administrative Vehicles	3	11	12	12
Inspectional Vehicles	9	8	10	10
Municipal Court Vehicles	1	2	2	2
Land and Building Vehicles	0	19	20	20
Police				
Stations	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877
Vehicles	111	104	101	101
Fire				
Stations	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068
Vehicles	15	16	16	16
Recreation				
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	15	19	13	13
Other public works				
Streets (miles)	137	137	137	137
Curbs (miles)	249	249	249	249
Square footage of Garage/Transfer Station	108,467	42,244	42,244	42,244
Service Vehicles	82	120	125	125
Wastewater				
Sanitary sewers (miles)	150	150	150	150
Storm sewers (miles)	150	150	150	150

Sources:

City of Cleveland Heights, Planning Department
City of Cleveland Heights, Building Department
City of Cleveland Heights, Parks and Recreation Department
City of Cleveland Heights, Payroll Department
City of Cleveland Heights, Water Department
City of Cleveland Heights, Street Maintenance Department

2017	2016	2015	2014	2013	2012
68,000	68,000	68,000	68,000	68,000	68,000
12	1	10	9	9	14
10	14	15	18	18	14
2	3	3	3	3	2
20	5	5	21	21	14
1	1	1	1	1	1
18,877	18,877	18,877	18,877	18,877	18,877
116	109	92	99	99	100
2	2	2	2	2	2
24,068	24,068	24,068	24,068	24,068	24,068
15	18	19	18	18	19
7	7	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
13	11	5	7	7	12
137	137	137	137	137	137
249	249	249	249	249	249
42,244	42,244	42,244	42,244	42,244	42,244
125	125	129	105	105	105
150	150	150	150	150	150
150	150	150	150	150	150

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

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

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

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Number	Amount Passed Through to Subrecipient	Total Federal Expenditures
<u>U.S. Department of the Treasury</u>				
<i>Direct Program</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 0	\$ 177,538
<i>Passed through Ohio Department of Budget and Management</i>				
Coronavirus Relief Fund	21.019	HB481-CRF-Local	300,000	485,253
<i>Passed through Ohio Department of Aging</i>				
Coronavirus Relief Fund	21.019	OBM0100138-CRF-AGE	0	15,607
Total U.S. Department of the Treasury			<u>300,000</u>	<u>678,398</u>
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Programs</i>				
CDBG-Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	N/A	354,940	1,666,509
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	333,304	368,964
Total CDBG-Entitlement Grants Cluster			<u>688,244</u>	<u>2,035,473</u>
<i>Total Direct Programs</i>				
			<u>688,244</u>	<u>2,035,473</u>
<i>Passed Through Cuyahoga County Department of Development</i>				
Lead-Based Paint Hazard Control in Privately Owned Housing	14.900	OHLHB0633-17	0	97,167
Total U.S. Department of Housing and Urban Development			<u>688,244</u>	<u>2,132,640</u>
<u>U.S. Department of Small Business Administration</u>				
<i>Direct Program</i>				
Shuttered Venue Operators Grant Program	59.075	SBAHQ21SV008301	0	313,801
Total U.S. Department of Small Business Administration			<u>0</u>	<u>313,801</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Passed Through Western Reserve Area Agency on Aging</i>				
Aging Cluster				
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services and Senior Centers	93.044	N/A	0	2,204
Total Aging Cluster			<u>0</u>	<u>2,204</u>
<i>Passed Through Cuyahoga County Board of Health</i>				
Immunization Cooperative Agreement	93.268	N/A	0	15,000
Total U.S. Department of Health and Human Services			<u>0</u>	<u>17,204</u>
<u>U.S. Department of Justice</u>				
<i>Direct Program</i>				
Equitable Sharing Program	16.922	OH0181500	0	150,769
Total U.S. Department of Justice			<u>0</u>	<u>150,769</u>
<u>U.S. Department of Homeland Security</u>				
<i>Direct Program</i>				
Assistance to Firefighters Grant	97.044	EMW-2019-FO-1458	0	44,372
Total U.S. Department of Homeland Security			<u>0</u>	<u>44,372</u>
U.S. Department of the Interior				
<i>Passed Through Ohio History Connection</i>				
Historic Preservation Fund Grants-in-Aid	15.904	P20AF00040	0	25,060
Total U.S. Department of the Interior			<u>0</u>	<u>25,060</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 988,244</u>	<u>\$ 3,362,244</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, 2021**

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, 2021. 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 position, 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, 2021
 (CONTINUED)**

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

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

These loans are collateralized by equipment and mortgages.

Activity in the CDBG revolving loan fund during 2021 is as follows:

Beginning Loans Receivable balance as of January 1, 2021	\$ 1,074,350
Write offs	0
Loans made	149,562
Loan Principal Repaid	<u>(288,166)</u>
Ending Loans Receivable balance as of December 31, 2021	935,746
Cash Balance on hand in the Revolving Loan Fund as of December 31, 2021	<u>787,232</u>
Total value of Revolving Loan Fund portion of the CDBG 14.218 Program	1,722,978
Other grants administered through the 14.218 Program	<u>2,035,473</u>
Total CDBG 14.218 Program	<u>\$ 3,758,451</u>

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

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

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2021, 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 15, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Also, the City transferred their refuse operations from governmental activities to the refuse enterprise fund.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we considered significant deficiencies as items **2021-001 and 2021-002**.

Report on Compliance and Other Matters

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

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 15, 2022

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

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**INDEPENDENT AUDITOR'S 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**

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

Opinion on 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 identified as subject to audit 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted an audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Cleveland Heights, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Cleveland Heights's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements to the City of Cleveland Heights's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Cleveland Heights's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Cleveland Heights's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Cleveland Heights's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Cleveland Heights's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Cleveland Heights's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated August 15, 2022, which contained unmodified opinions on those financial statements, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Also, the City transferred their refuse operations from governmental activities to the refuse enterprise fund. 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.



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

August 15, 2022

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

2021(i)	Type of Financial Statement Opinion	Unmodified
2021(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2021(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
2021(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2021(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2021(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2021(v)	Type of Major Programs' Compliance Opinions	Unmodified
2021(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2021(vii)	Major Programs (list): CDBG - Entitlement Grants Cluster - ALN #14.218	
2021(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2021(ix)	Low Risk Auditee?	No

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Finding No. 2021-001 – Significant Deficiency – Financial Reporting

Statement of 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:

- Prepaid Items were understated by \$493,686 in the General Fund and Governmental Activities.
- Deferred Outflows of Resources for Pension and Deferred Inflows of Resources for Pension were overstated by \$73,000 in the Sewer Fund and Business-Type Activities.
- Deferred Outflows of Resources for OPEB and Deferred Inflows of Resources for OPEB were overstated by \$41,956 in the Sewer Fund and Business-Type Activities.
- Long-term liabilities were overstated by \$114,000 in Governmental Activities and understated by \$114,000 in Business-type Activities.

Also, Total Deferred Outflows of Resources for Pension and OPEB and Total Deferred Inflows of Resources for Pension and OPEB inadvertently included amounts related to the change in internal proportionate share of pension related items.

The above errors were identified by the City and adjustments have been made to correct the financial statements for fiscal year 2021.

Cause/Effect

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

Recommendation

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

City's Response

The City agrees with this finding. Three of the four adjustments are related to the movement of refuse operations to an enterprise fund during 2021. They should not be repeated in the future. The City will also endeavor to ensure financial statements filed in the Hinkle system are complete and accurate.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)**

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

Finding No. 2021-002 – Significant Deficiency – Fraud/Related Party Transactions

Statement of Condition/Criteria

Per our inquiry of fraud/related party transactions with City staff and management, the following transactions took place during 2021:

- The Facilities Supervisor made several City purchases from Joyful Construction, a company which is owned by the Supervisor's sister-in-law. Some of the invoices for the jail and other work done on Police Department facilities was questioned by the Police Chief for possible inflated invoice amounts. Currently, there is a Police investigation and the issue has been sent to the Ohio Ethics Commission.
- A City employee, who is also the paid Executive Director of a non-profit organization, accepted a payment on behalf of the non-profit from the City. The payment was initiated by a City employee from another City department, who is an unpaid Board member of the same non-profit organization.

Cause/Effect

There is a lack of controls over the purchasing process, which led to improper purchases being made. As a result of the Police Chief's inquiry of the invoice amounts, the invoice amounts were subsequently reduced.

Recommendation

We recommend that the City review its procedures over the purchasing process regarding related party transactions and make any necessary modifications in order to increase controls.

City's Response

The City is in the process of creating enhanced purchasing controls. These controls include incorporating central purchasing to ensure all purchases meet ethics and statutory requirements and creating a requirement for employees to disclose secondary employment and related parties. Employees are currently required annually to take an ethics course and quiz and provide a certificate of completion. The course is provided by the Ohio Ethics Commission and addresses related party transactions.

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, 2021**

The prior audit report, as of December 31, 2020, included instances of a material weakness and a non-compliance finding.

Number	Finding Summary	Status	Additional Information
2020-001	Negative Cash Fund Balances	Partially corrected	Reissued as a management letter comment.
2020-002	Restatement	Corrected	None

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

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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 10/18/2022

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov