

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

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

OHIO AUDITOR OF STATE KEITH FABER



City Council
City of Cleveland Heights
40 Severance Circle
Cleveland, 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, 2017 through December 31, 2017. 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.

Ohio Auditor of State

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January 15, 2019

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Comprehensive Annual Financial Report	Under Separate Cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2-3
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	6-8
Schedule of Findings and Questioned Costs	9-20
Status of Prior Findings and Recommendations	21

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**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Programs</i>			
CDBG-Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 1,505,413
Total CDBG-Entitlement Grants Cluster			<u>1,505,413</u>
<i>Total Direct Programs</i>			<u>1,505,413</u>
<i>Pass-Through Cuyahoga County Housing Consortium:</i>			
HOME Investment Partnerships Program	14.239	M-05-DC-390216	<u>259,628</u>
<i>Pass-Through Cuyahoga County Department of Development</i>			
Lead Based Hazard Control in Privately Owned Housing	14.900	LHC-OHLHB0373-07	<u>233,779</u>
<i>Total Pass-Through Programs</i>			<u>493,407</u>
Total U.S. Department of Housing and Urban Development			<u>1,998,820</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Pass-Through from State Department of Aging and the Western Reserve Area Agency on Aging</i>			
Special Programs for the Aging-Title III, Part B- Grants for Supportive Services	93.044	N/A	<u>12,018</u>
Total U.S. Department of Health and Human Services			<u>12,018</u>
<u>U.S. Department of Homeland Security</u>			
<i>Direct Program</i>			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	<u>252,285</u>
Total U.S. Department of Health and Human Services			<u>252,285</u>
<u>U.S. Department of Transportation</u>			
<i>Passed Through the Ohio Department of Transportation (ODOT)</i>			
<i>Highway Planning and Construction Cluster:</i>			
Federal Aid Highway Program	20.205	PID 95632	254,967
Federal Aid Highway Program	20.205	PID 97322	133,835
Federal Aid Highway Program	20.205	PID 95106	2,450,274
Safe Routes to Schools	20.205	PID 103729	5,940
Safe Routes to Schools	20.205	PID 103729	<u>5,017</u>
Total Highway Planning and Construction Cluster			<u>2,850,033</u>
Total U.S. Department of Transportation			<u>2,850,033</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,113,156</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, 2017**

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, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Cleveland Heights, Ohio, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Cleveland Heights, Ohio.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

NOTE 4: MATCHING REQUIREMENTS

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

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (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 2017 is as follows:

Beginning Loans Receivable balance as of January 1, 2017	\$ 1,274,497
Write offs	0
Loans made	200,000
Loan Principal Repaid	<u>(108,543)</u>
Ending Loans Receivable balance as of December 31, 2017	1,365,954
Cash Balance on hand in the Revolving Loan Fund as of December 31, 2017	<u>900,462</u>
Total value of Revolving Loan Fund portion of the CDBG 14.218 Program	2,266,416
Other grants administered through the 14.218 Program	<u>1,505,413</u>
Total CDBG 14.218 Program	<u><u>\$ 3,771,829</u></u>

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

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

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

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 31, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we considered a material weakness as items **2017-001, 2017-002, 2017-005**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items **2017-003, 2017-004, 2017-005**.

City's Response to Findings

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

Purpose of This Report

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



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

December 31, 2018

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

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

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

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Cleveland Heights, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2017. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Cleveland Heights complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 31, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

December 31, 2018

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**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

2017(i)	Type of Financial Statement Opinion	Unmodified
2017(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
2017(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2017(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
2017(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2017(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2017(v)	Type of Major Programs' Compliance Opinions	Unmodified
2017(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2017(vii)	Major Programs (list): Highway Planning and Construction Cluster - CFDA #20.205	
2017(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2017(ix)	Low Risk Auditee?	Yes

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

Finding No. 2017-001 – Material Weakness – Cash Reconciliation

Condition/Criteria

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

- The City did not perform bank reconciliations timely and the reconciliations, when completed, were not approved by the Finance Director or reviewed by the City Manager and City Council, as past practice of the City.
- We noted various errors in recording of revenues and disbursements, which resulted in multiple cash adjustments, such as:
 - adjustments identified through the reconciliation process were not posted to the books timely;
 - checks cleared for amounts different than amounts recorded on the books; wire transfers per bank activity were not recorded in the individual funds;
 - adjustments for interest earned and interest paid were not recorded in City’s books;
 - various payroll transactions, including bi-weekly payroll and various payroll withholdings, were not recorded on the books timely, and amounts recorded on the books did not agree with amounts cleared by the bank.
- During our testing of the outstanding checks list, the following errors were noted:
 - checks issued subsequent to 2017 year end were recorded in the City’s books in December 2017;
 - amounts of the actual checks issued exceeded the amounts recorded;
 - out-of-sequence check numbers or no check numbers on the outstanding checks list.

As a result of the aforementioned errors, the total difference identified of \$646,363 was subsequently recorded through the GAAP conversion process and is reflected in the financial statements.

Cause/Effect

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

Recommendation

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

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

Finding No. 2017-001 – Material Weakness – Cash Reconciliation (Continued)

City's Response

The City is aware of the deficiencies in the cash reconciliation process. The Finance Department experienced multiple transitions in 2017 comprising turnover of half of its personnel including the Finance Director, Payroll Administrator, and Accountant positions. The Department also implemented a new accounting software system and experienced significant complications in the process. The deficiencies can be attributed to staffing capacity, errors in the accounting software conversion process and training issues. Monitoring should have been increased during these transitions. The City has since filled all vacant positions in the Finance Department and has improved oversight and monitoring of the reconciliation process. The City contracted with Local Government Services of the Auditor of State's Office to reconcile the 2017 book to bank activity and provide the City with recommendations to further improve reconciliation procedures. The City has also worked with the accounting software vendor to address deficiencies in functionality and correct errors in the setup of the system. The City also invested in additional intensive training on the new system for Finance and other relevant staff.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

Finding No. 2017-002 – Material Weakness – Payroll

Condition/Criteria

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

- Hours on one employee’s manual timesheet did not agree to the hours recorded in the respective payroll register. Also, timesheets generated through the Kronos system for fire department employees only include non-regular hours, therefore not reconciling to total hours in the payroll register (generally 100 hours biweekly per contract).
- There were several adjustments to the accrued and/or used portion of compensated absences in the accrual history report that could not be supported. In addition, one employee’s beginning balance of compensated absences did not agree to the prior year’s ending balance.
- The City updated its system but did not perform reconciliation from the old payroll system to the new payroll system to ensure accuracy of financial information. However, we were able to reconcile total payroll for reasonableness.
- The City records payroll activity into two bank accounts and makes multiple entries and deposits.
- The City did not post activity to the payroll agency account timely. In addition, payroll withholdings and deductions, including pension and deferred compensation, were posted to the financial system with differences between the bank and book, and were not paid timely. Also, the Police Pension portion was inadvertently recorded in the Fire Pension account by the Ohio Police Pension Fund.
- The salary range for several non-union employees falls within the range approved through ordinance, but the individual personnel files for these employees did not identify salary notifications in the personnel files, as required per City procedures.
- Employer portion of Medicare premiums was not paid timely to the IRS.
- City employee’s deferred compensation withholdings were not credited to employee accounts timely. This was subsequently corrected by the City.
- Payment of Federal taxes, Medicare, and 941 reporting:
 1. Late and failure to file penalties – some were subsequently reversed by the IRS
 2. Inaccurate reporting of credits and adjustments on 941 forms.

Cause/Effect

Not posting and reconciling payroll withholdings and deductions timely.

Recommendation

We recommend the following to strengthen controls over payroll:

Hours reported on employee timesheets should agree with hours recorded on the respective payroll register to verify proper hours being paid. Compensated absences activity should be supported to ensure proper balances at year end. In addition, training should be obtained in using the software to properly ensure payroll is posted completely and accurately. We also recommend the City consider simplifying the payroll banking process and include all payroll activity into one bank account to reduce the complexity of the process. Also, procedures should be followed for disbursing amounts due to vendors timely and overall monitoring implemented to verify complete and accurate payments and postings. Individual employee files should include pay rate supporting documentation to verify the proper amount being paid.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

Finding No. 2017-002 – Material Weakness – Payroll (Continued)

City's Response

Personnel transitions, complications related to the new accounting software conversion, and a delay in the upkeep of employee files contributed to this finding. The City will ensure mass pay rate increases received by all employees are documented in employee files in a timely manner. The City has engaged the accounting system vendor to simplify the current cumbersome payroll posting process by eliminating legacy due to/due from accounts and instead using appropriate account defaults in the chart of accounts to credit the correct cash accounts. Additional intensive training on the new accounting software was instituted to ensure proper leave balances are recorded at year-end. The City has also instituted a payroll validation process to ensure proper documentation is provided by the Payroll Administrator to the Assistant Finance Director for payroll related vendor disbursements and notification is provided to the Finance Director to verify timely payments.

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (CONTINUED)**

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

Finding No. 2017-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances

Condition/Criteria

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

Several funds had expenditures plus encumbrances in excess of appropriations plus prior year encumbrances at the legal level of control at December 31, 2017. Negative variances resulted from posting of numerous adjustments identified by the City at year end.

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<u>General Fund</u>			
General Government:			
City Manager:			
Personal Services	\$ 477,356	\$ 488,435	\$ (11,079)
Management Information System:			
Personal Services	364,089	370,823	\$ (6,734)
Capital Outlay	3,855	11,773	(7,918)
Finance Department:			
Personal Services	365,395	383,240	(17,845)
Other than Personal Services	112,004	279,838	(167,834)
Service Administration:			
Personal Services	371,769	382,205	(10,436)
Capital Projects:			
Other than Personal Services	21,250	24,150	(2,900)
Public Properties and Park Maintenance:			
Personal Services	1,175,684	1,241,399	(65,715)
Community Service Administration:			
Personal Services	261,744	289,225	(27,481)
County Auditor:			
Other Than Personal Services:			
Auditor and Treasurer Fees	202,080	202,130	(50)
Municipal Court:			
Personal Services	1,051,040	1,089,540	(38,500)

**CITY OF CLEVELAND HEIGHTS
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 (CONTINUED)**

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

**Finding No. 2017-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding
 Appropriations Plus Prior Year Encumbrances (Continued)**

Condition/Criteria (Continued)

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<u>General Fund (Continued)</u>			
Public Safety:			
Police Department:			
Other Than Personal Services	469,098	496,921	(27,823)
Police Motor Vehicle Maintenance:			
Other Than Personal Services	0	3,710	(3,710)
Traffic Signs and Signals:			
Other Than Personal Services	130,600	134,277	(3,677)
Animal Protection Unit:			
Personal Services	74,441	75,732	(1,291)
Forestry:			
Personal Services	0	4,141	(4,141)
Fire Department Dispatch:			
Personal Services	0	1,855	(1,855)
Public Health Services:			
Office on Aging:			
Personal Services	132,152	140,293	(8,141)
Transportation:			
Off Street Parking:			
Personal Services	0	1,406	(1,406)
Street Maintenance:			
Personal Services	1,202,279	1,269,172	(66,893)
Community Development:			
Community Relations:			
Personal Services	47,978	48,978	(1,000)
Public Relations:			
Personal Services	150,338	157,833	(7,495)
Planning Department:			
Personal Services	400,194	415,475	(15,281)
Housing Inspections:			
Personal Services	489,114	512,068	(22,954)
Sanitation:			
Refuse Collection and Transfer Station:			
Personal Services	1,629,236	1,753,684	(124,448)

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

Finding No. 2017-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances (Continued)

Condition/Criteria (Continued)

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<u>General Fund</u> (Continued)			
Culture and Recreation:			
Recreation Administration:			
Personal Services	244,514	257,048	(12,534)
Swimming Pools:			
Personal Services	277,758	284,221	(6,463)
Ice Programs:			
Personal Services	222,217	223,209	(992)
Community Center:			
Personal Services	511,164	520,898	(9,734)
Transfers Out	3,324,103	3,724,103	(400,000)
<u>General Bond Retirement Fund</u>			
General Government:			
Other Than Personal Services	0	1,221	(1,221)
<u>Water Fund</u>			
Debt Service:			
Principal Retirement	81,566	279,983	(198,417)
Interest and Fiscal Charges	4,057	7,295	(3,238)
<u>Sewer Fund</u>			
Debt Service:			
Interest and Fiscal Charges	0	3,733	(3,733)
<u>Street Construction, Maintenance, and Repair Fund</u>			
Transportation:			
Street, Construction, Maintenance, and Repair:			
Personal Services	164,447	164,748	(301)
Capital Outlay	3,422,828	3,466,163	(43,335)
Debt Service:			
Interest and Fiscal Charges	0	9,513	(9,513)
<u>Drug Law Enforcement Fund</u>			
Transfers Out	0	15,000	(15,000)
<u>Community Development Block Grant Fund</u>			
Community Development			
CDBG Administration			
Other Than Personal Services	40,457	40,688	(231)

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

**Finding No. 2017-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding
Appropriations Plus Prior Year Encumbrances (Continued)**

Condition/Criteria (Continued)

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<u>Cain Park Operating Fund</u>			
Culture and Recreation:			
Cain Park Recreation:			
Personal Services	158,584	197,359	(38,775)
Other Than Personal Services	563,560	576,639	(13,079)
Cain Park Arts Theater:			
Personal Services	11,416	13,009	(1,593)
Other Than Personal Services	38,840	39,745	(905)
<u>Lead Safe Cuyahoga Fund</u>			
Community Development:			
Lead Safe Cuyahoga			
Personal Services	30,750	35,457	(4,707)
<u>Police Pension Fund</u>			
Police Safety:			
Police Pension:			
Personal Services	1,157,451	1,220,000	(62,549)
<u>Fire Pension Fund</u>			
Public Safety:			
Fire Pension:			
Personal Services	1,497,816	1,730,779	(232,963)
<u>Parking Fund</u>			
General Government:			
Off-Street Parking:			
Capital Outlay	17,400	33,125	(15,725)
<u>Earned Benefits Fund</u>			
Community Development			
Personal Services	2,215	9,099	(6,884)
<u>Recreation Facility Improvement Fund</u>			
Culture and Recreation:			
Recreation Facility Improvement:			
Other Than Personal Services	446,041	514,428	(68,387)
<u>Capital Improvements Fund</u>			
Capital Outlay	1,343,432	1,461,220	(117,788)

Cause/Effect

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

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

Finding No. 2017-003 – Material Noncompliance – Expenditures Plus Encumbrances Exceeding Appropriations Plus Prior Year Encumbrances (Continued)

Condition/Criteria (Continued)

Recommendation

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

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

City's Response

Negative variances were influenced by the untimely bank reconciliation process which resulted in numerous adjustments at year end. As noted in Finding 2017-001, the City has taken steps to improve the cash reconciliation process with the assistance of Local Government Services of the Auditor of State's Office and the City will continue to closely monitor funds at the legal level to prevent future violations.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

Finding No. 2017-004 – Material Noncompliance – Negative Cash Fund Balances

Condition/Criteria

Ohio Revised Code Section 5705.10(H) provides money paid into any fund shall be used only for the purposes for which such fund is established. A fund with a negative cash balance signifies that monies from other funds were used to meet their obligations. During our review of the City’s general ledger, we noted that two funds had negative cash balances at December 31, 2017. Negative balances were created in the result of posting numerous adjustments identified by the City at the year-end:

Deficit Cash Fund Balance

Special Revenue Funds

Police Pension Fund	\$ 51,553
Fire Pension Fund	75,025

Cause/Effect

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

Recommendation

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

City’s Response

The City will closely monitor cash balances and improve oversight of year-end procedures to prevent future violations.

**CITY OF CLEVELAND HEIGHTS
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

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

Finding No. 2017-005 – Material Weakness/Non-Compliance – Financial Reporting

Condition/Criteria

Ohio Revised Code Section 117.38 requires the generally accepted accounting principles (GAAP) financial reports to be certified by the proper officer or board and filed with the Auditor of State within one hundred fifty days after the close of the fiscal year. Ohio Revised Code also provides for entities other than a state agency that does not file its financial report at the time required by this section to pay to the Auditor of State twenty-five dollars for each day the report remains unfiled after the filing date provided that the penalty payments shall not exceed the sum of seven hundred fifty dollars.

The City changed its accounting software during 2017. Problems with the software transition resulted in the City not completing their financial statements by the required date of May 30, 2018, and not obtaining an extension to file its annual financial statements with the Auditor of State.

Also, the City is the owner of the Solid Waste Transfer Facility. Ohio Administrative Code Section 3745-27-16 requires the City to submit The Local Government Financial Test to the Ohio Environmental Protection Agency by June 30th. The City has not completed and submitted the required documentation timely.

Cause/Effect

Annual financial statements have not been filed timely

Recommendation

We recommend that the City prepare its financial statements and EPA required financial information within the required time frame in order to help provide the users with more timely, meaningful and complete financial information. Once the required financial statements have been prepared, they should be filed with the Auditor of State and a notice should be published in a local newspaper. In addition, the required agreed-upon procedures report should be submitted timely to the Environmental Protection Agency.

City's Response

The City has invested in intensive training and reprogramming of the new accounting system as well as improved reconciliation procedures to ensure proper functionality and use in order to provide accurate, complete and timely preparation of financial statements in the future.

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, 2017**

The prior audit report, as of December 31, 2016, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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2017
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CLEVELAND HEIGHTS, OHIO
for the fiscal year ended
December 31, 2017



**beautiful parks
beautiful community**





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

On the cover:

Residents enjoy their annual block party;

Cleveland Heights is a bicycle friendly community;

Another magical evening of entertainment at Cain Park;

Firefighter help children cool off on a hot summer day.

**Cleveland Heights beautiful parks
beautiful community**



**Activity
fills
Lee Road
in the
summer**

2017
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
CLEVELAND HEIGHTS, OHIO
**for the fiscal year ended
December 31, 2017**



**Fall
at
City
Hall**

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

City of Cleveland Heights, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
Table of Contents

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

Statement of Fiduciary Assets and Liabilities – Agency Funds	30
Notes to the Basic Financial Statements	31
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Four Years	77
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Four Years	78
Schedule of City Contributions – Ohio Public Employees Retirement System – Traditional Plan – Last Five Years	79
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years	80
Notes to the Required Supplementary Information	82
Combining Statements and Individual Fund Statements and Schedules:	
Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions	84
Combining Balance Sheet - Nonmajor Governmental Funds	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	88
Combining Balance Sheet - Nonmajor Special Revenue Funds	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	93
Combining Balance Sheet - Nonmajor Capital Projects Funds	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	100
Combining Statement - Fiduciary Funds:	
Fund Descriptions	102
Combining Statement of Changes in Assets and Liabilities Agency Funds	103
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity - Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund	105
Street Construction, Maintenance and Repair Fund	112
General Bond Retirement Fund	113
Water Fund	114
Sewer Fund	116

Nonmajor Funds:

Foundation Grants Fund.....	117
Communications System Fund.....	118
Law Enforcement Trust Fund.....	119
Drug Law Enforcement Fund.....	120
Community Development Block Grant Fund.....	121
Home Program Fund.....	123
Federal Emergency Management Agency (FEMA) Grant Fund.....	124
Cain Park Operating Fund.....	125
Public Right of Way Fund.....	126
Indigent Driver's Alcohol Treatment Fund.....	127
Municipal Court Clerk Computerization Fund.....	128
DUI Enforcement and Education Fund.....	129
Municipal Court Special Projects Fund.....	130
Lead Safe Cuyahoga Fund.....	131
Neighborhood Stabilization Program Fund.....	132
Street Lighting Fund.....	133
Tree Fund.....	134
Police Pension Fund.....	135
Fire Pension Fund.....	136
First Suburbs Development Council Fund.....	137
Parking Fund.....	138
Ambulance Services Fund.....	139
Office on Aging Donations Fund.....	140
Youth Recreation Donation Fund.....	141
Police Memorial Trust Fund.....	142
Youth Advisory Commission Fund.....	143
Juvenile Diversion Program Fund.....	144
Earned Benefits Fund.....	145
Police Facility Improvement Fund.....	146
Recreation Facility Improvement Fund.....	147
Capital Improvements Fund.....	148
Energy Improvements Fund.....	149
Economic Development Fund.....	150
City Hall Maintenance Fund.....	151
Ring Road Construction Fund.....	152

III. Statistical Section

Contents.....	S1
Net Position by Component - Last Ten Years.....	S2
Changes in Net Position - Last Ten Years.....	S4
Fund Balances, Governmental Funds - Last Ten Years.....	S8
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S10
Property Tax Rates – Direct and Overlapping Governments - Last Ten Collection Years.....	S12
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years.....	S14
Property Tax Levies and Collections – Last Ten Years.....	S16

Principal Taxpayers – 2017 and 2008.....	S17
Income Tax Revenue Base and Collections - Last Ten Years	S18
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita - Last Ten Years.....	S19
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years	S20
Legal Debt Margin - Last Ten Years	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S24
Pledged Revenue Coverage Revenue Debt – Water Fund.....	S25
Pledged Revenue Coverage Revenue Debt – Sewer Fund.....	S26
Principal Employers - 2017 and 2008.....	S27
Demographic and Economic Statistics - Last Ten Years	S28
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Years.....	S30
Operating Indicators by Function/Program - Last Ten Years	S32
Capital Asset Statistics by Function/Program - Last Ten Years	S36



December 31, 2017

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

The purpose of this letter is to acquaint you with the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2017. The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, fairness of presentation, and all disclosures contained within this report and believe the data included is accurate in all material respects. Further, it is our intention to present it in a manner that fairly sets forth the financial position of the City and results of operations as measured by its various activities.

Management's discussion and analysis may be referenced to gain a better understanding of the City's financial activities. The management discussion and analysis serves to introduce the City's basic financial statements and gives the reader, management's analysis and explanation of the City's financial position for 2017. This discussion follows the Independent Auditor's Report.

CITY ORGANIZATION

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

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

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

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

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

ECONOMIC CONDITIONS

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

While the City of Cleveland Heights has felt the effects of the same economic downturn that stalled the economy of the State of Ohio and the nation as a whole in the earlier years of this decade, the City is optimistic that more recent positive trends will continue in the areas of residential and commercial development. The City's housing market has stabilized and has seen property value increases in recent years. The City also has a variety of commercial districts primarily anchored by locally-owned small businesses, insulating the City from the impacts of the downsizing occurring in the national big box retail market. The City budgeted 2018 using the same conservative approach of the past few years. Revenues are being scrutinized for opportunities to create new revenue sources or to maximize the revenue from existing sources. Expenditures are being closely monitored at the department level as well as the City Manager level. City Council reviews the budget and financial status of the City on a regular basis.

MAJOR INITIATIVES

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

Cain Park, the municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater. Orchestral, dance and theatrical performances produced during 2017 included: Pat Metheny, Black Violin, David Sanborn Electric Band, Andrew Bird, Stephens Stills and Judy Collins, Apollo's Fire Baroque Orchestra, Lyle Lovett and His Large Band, Punch Brothers, The Family Stone, and Michael W. Smith. The Cain Park Arts Festival was again well attended in 2017 and is recognized as one of the best such events in the United States.

There were various residential road resurfacing and sidewalk enhancements in 2017, including the ongoing Cedar Road Resurfacing, from the East City limit to Euclid Heights Boulevard, and Cedar-Farimount Streetscape which is estimated to cost \$4,600,000. The project also includes the construction of a multi-use path from Ambleside Drive in Cleveland to the top of Cedar-Glen Parkway at the intersection of Cedar Road and Euclid Heights Boulevard.

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

- New Police Vehicles at a cost of \$105,000.
- New ambulance for the Fire Department at a cost of \$250,000.
- New Financial and Payroll software at a cost of \$250,000.
- New fitness equipment at the Community Center at a cost of \$50,000.

- Starting an Energy Efficiency Project with the issuance of \$6,050,000 in bonds for the purpose of paying the costs of installing energy conservation measures in all City buildings and facilities

PLANNED DEVELOPMENT PROJECTS FOR 2018

1. The Estimated \$3.1 Million Mayfield Road Signalization project is scheduled to begin in the summer of 2018. Thirteen intersections will have new traffic signals installed along with improved pedestrian accommodations, vehicle video detection and actuation, and emergency vehicle pre-emption. All of the signals will be interconnected through fiber optic cable to enable signal optimization and programming from a central control station at Cleveland Heights city hall.
2. The City's annual Street Resurfacing and Surface Treating programs will resurface twelve residential side streets and "chip seal" six. Additional work is planned in the Coventry area business district replacing six ADA compliant curb ramps throughout the district, and two driveway aprons at City owned parking lots.
3. The City also plans to partner with Cuyahoga County to resurface Warrensville Center Road (from Mayfield to Noble) and Cedar Glen Parkway (from the West Corporate Limit to Euclid Heights Blvd.). This work will be included as an Alternate to the 2018 Street Resurfacing Program.

CITY UTILITIES

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

The City collects sewage through its own sewage system; the Northeast Ohio Regional Sewer District handles the treatment of sewage. Effective January 2017, the City became a direct service community to the City of Cleveland for water service delivery. This change in status affected the way the City bills for local sewer service. Since becoming a direct service community, the City converted from billing local sewer monthly to quarterly. The City buys meter readings from the City of Cleveland on a quarterly basis and bills its customers accordingly. The quarterly bills contain a message section which allows the utilities division to communicate with its customers about the billing, as well as other City activities. For convenience, customers can pay online with a credit card or ACH debit from their checking account. Customers can also pay in person at City Hall. With the change to direct service, Cleveland Heights no longer is the billing agent for the Northeast Ohio Regional Sewer District.

The Cleveland Electric Illuminating Company and the Dominion East Ohio Gas Company, both independent, publicly-owned utilities provide City residents with electricity and natural gas. The City had placed issues of government aggregation of electricity supplies and natural gas supplies on the ballots in 2000 and 2001, respectively. Both issues were approved by the voters. The City proceeded with the aggregation plans and has now offered its residents City-wide aggregation plans with special rates for the supply of electricity and natural gas. The City partners with FirstEnergy/The Illuminating Company to supply electricity through its aggregation program. The City contracts with WPS Energy Services as its aggregation supplier of natural gas. The City anticipates legislation to join NOPEC, which serves over 220 communities in Ohio, in 2018.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Community Development Block Grant (CDBG) Program is administered by the Planning and Development Department. In 2017, the City received \$1,303,268 in CDBG dollars which were allocated to an array of projects including housing preservation, commercial district improvements, youth programs, senior services and fair housing.

The City received CDBG funding in 2017 to facilitate a new Geographic Information Systems (GIS) program. GIS paid immediate dividends as it was used as a vital tool in the City's Community Reinvestment Area (CRA) strategy.

CITY SERVICES

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

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

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

In keeping with its primarily residential character, the City operates an Urban Forestry Department which is funded mainly through an annual special assessment on all properties. The department handles all aspects of tree care to the City's trees including, pruning, removing, stump grinding, and planting. Work is prioritized and recorded through an online tree inventory database. The City received its 40th Tree City USA Award, sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters and the National League of Cities.

The annual street resurfacing program involves the planting of asphalt streets to a depth of two inches, making structural repairs as needed and repaving with new hot mix asphalt. The City also performs a surface treatment of streets which is most commonly referred to as "chip sealing." The process involves the application of hot coal tar to the road surface as a binder along with compacting finely crushed stone into the binder with large pavement rollers. When the tar fully cures, the surface is sprayed with a

bituminous polymer fog seal to keep the stone in place and provide a uniform appearance. The primary funding source for the City's street resurfacing and surface treating programs comes from motor vehicle licensing fees and gasoline excise taxes collected by the State and remitted to the City on a monthly basis.

FINANCIAL CONDITION

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Statement of Budgetary Comparisons

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

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

INTERNAL ACCOUNTING AND REPORTING CONTROL

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

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss resulting from unauthorized use or disposition; and (2) the reliability of financial records for

preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed within the framework of the concept of reasonable assurance. This concept recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. Regular reviews of internal control occur within this policy framework. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2017, have been audited by James G. Zupka, CPA, Inc. The auditor's unqualified opinion has been included in this report.

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland Heights, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last thirty-three (33) consecutive years (fiscal years ended December 31, 1984 through December 31, 2016). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

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

POSTSCRIPT

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

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

To maintain our housing stock at optimum value.

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

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

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

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

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

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

Respectfully submitted,



Tamisha R. Briley
City Manager



Sharron McMichael
Assistant Director of Finance



CITY OF CLEVELAND HEIGHTS, OHIO

PRINCIPAL OFFICIALS December 31, 2017

ELECTED OFFICIALS

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

APPOINTED OFFICIALS

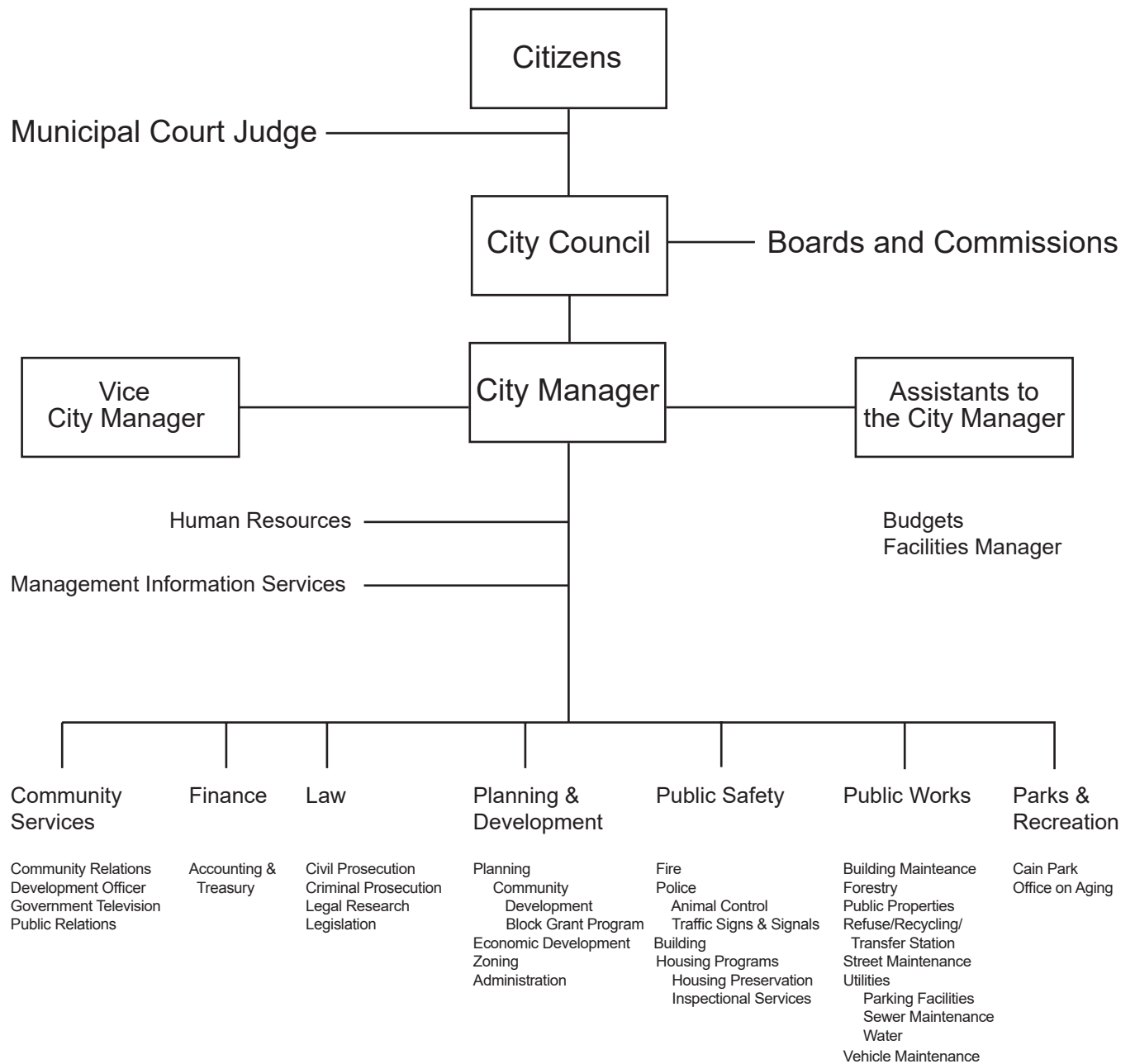
City Manager.....	Tanisha R. Briley
Vice City Manager/Director of Community Services.....	Susanna Niermann O'Neil
Director of Finance.....	Tom Raguz(1)
Assistant Director of Finance.....	Mitch Michalec(2)
Director of Law.....	L. James Juliano, Jr.
First Assistant Director of Law.....	Elizabeth Rothenberg
Assistant Director of Law.....	Kevin Roberts
Assistant Director of Law.....	Tiffany Hill
Director of Planning.....	Richard E. Wong
Director of Public Safety.....	Tanisha R. Briley
Director of Public Works.....	Alex Mannarino
Chief of Fire.....	Dave Freeman
Chief of Police.....	Annette Mecklenburg

- (1) Mitch Michalec was named interim Director of Finance in February 2017.
Laurie Sabin was named Director of Finance in June 2017
- (2) Sharron McMichael was named Assistant Director of Finance in August 2018



CITY OF CLEVELAND HEIGHTS, OHIO

City Organization as of December 31, 2017





CITY OF CLEVELAND HEIGHTS, OHIO

Department of Finance Organizational Chart as of December 31, 2017



*Sharron McMichael replaced Mitchell Michalec
as Assistant Director in August 2018



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Cleveland Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morvill

Executive Director/CEO

**Cleveland Heights beautiful parks
beautiful community**

FINANCIAL SECTION



**Summer
On A
Quiet
Street**

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cleveland Heights as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Street Construction, Maintenance and Repair Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

December 31, 2018

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City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The discussion and analysis of the City of Cleveland Heights's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. 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 2017 are as follows:

- Overall, governmental activities revenues of \$65,137,666 exceeded expenditures and transfers of \$64,734,284, thereby increasing the net position by \$403,382 for the year 2017.
- Total governmental liabilities remained relatively consistent with 2016, which is attributed to an increase in debt, offset by a decrease in outstanding obligations owed at year end and net pension liability.
- The City complies with GASB 68 and GASB 71, which establish standards for measuring and recognizing pension liabilities, deferred outflows/inflows of resources and expense/expenditure. The implementation of these GASB statements resulted in a significant change to the financial statements presentation of the City.
- In 2017, the City issued \$5,970,000 in building improvement general obligation bonds. The bonds have a varied interest rate of 3 to 3.125 percent. The bonds were issued for a 20 year period, with a final maturity in 2037.
- The City is committed to providing the Citizens of Cleveland Heights with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

Overview of the Financial Statements

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

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

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

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

The government-wide financial statements can be found starting on page 17 of this report.

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

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

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

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

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations which are both considered major funds.

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

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

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

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The City of Cleveland Heights as a Whole

Recall that the Statement of Net Position looks at the City as a whole. The following table 1 provides a summary of the City's net position for 2017 compared to 2016.

NET POSITION						
TABLE 1						
	Governmental Activities		Business-Type Activities		Total	
	2017	Restated 2016	2017	2016	2017	2016
Assets						
Current and Other Assets	\$59,490,118	\$58,536,893	\$5,816,371	\$7,023,801	\$65,306,489	\$65,560,694
Capital Assets, Net	87,973,320	83,062,463	7,215,606	21,497,398	95,188,926	104,559,861
<i>Total Assets</i>	<u>147,463,438</u>	<u>141,599,356</u>	<u>13,031,977</u>	<u>28,521,199</u>	<u>160,495,415</u>	<u>170,120,555</u>
Deferred Outflows of Resources						
Deferred Charge on Refunding	494,560	651,489	0	0	494,560	651,489
Pension	17,781,674	20,167,090	760,254	621,974	18,541,928	20,789,064
<i>Total Deferred Outflows of Resources</i>	<u>18,276,234</u>	<u>20,818,579</u>	<u>760,254</u>	<u>621,974</u>	<u>19,036,488</u>	<u>21,440,553</u>
Liabilities						
Current and Other Liabilities	3,298,758	6,269,328	617,225	2,133,414	3,915,983	8,402,742
Long-Term Liabilities:						
Due within One Year	5,266,054	5,635,115	457,971	441,488	5,724,025	6,076,603
Due in More than One Year						
Net Pension Liability	58,412,918	60,098,431	1,978,641	1,655,899	60,391,559	61,754,330
Other Amounts	23,185,281	17,628,139	778,647	1,365,877	23,963,928	18,994,016
<i>Total Liabilities</i>	<u>90,163,011</u>	<u>89,631,013</u>	<u>3,832,484</u>	<u>5,596,678</u>	<u>93,995,495</u>	<u>95,227,691</u>
Deferred Inflows of Resources						
Property Taxes	8,011,245	9,296,108	0	0	8,011,245	9,296,108
Pension	4,779,348	1,108,128	100,446	63,130	4,879,794	1,171,258
<i>Total Deferred Inflows of Resources</i>	<u>12,790,593</u>	<u>10,404,236</u>	<u>100,446</u>	<u>63,130</u>	<u>12,891,039</u>	<u>10,467,366</u>
Net Investment in Capital Assets	66,649,264	65,331,766	6,832,017	20,305,226	73,481,281	85,636,992
Restricted for:						
Capital Projects	558,852	829,624	0	0	558,852	829,624
Debt Service	4,084,344	4,008,115	0	0	4,084,344	4,008,115
Other Purposes	10,680,227	9,688,839	0	0	10,680,227	9,688,839
Unrestricted (Deficit)	(19,186,619)	(17,475,658)	3,027,284	3,178,139	(16,159,335)	(14,297,519)
<i>Total Net Position</i>	<u>\$62,786,068</u>	<u>\$62,382,686</u>	<u>\$9,859,301</u>	<u>\$23,483,365</u>	<u>\$72,645,369</u>	<u>\$85,866,051</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

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

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

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

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

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

The total net position of the City decreased \$13,220,682 (15.40 percent) during the current year due primarily to the disposal of capital assets. In order to further understand what makes up the changes in net position for the current year, the following table 2 gives readers further details regarding the results of activities for the current year. The net pension liability increase represents the City's proportionate share of the pension plan's unfunded benefits. As indicated earlier, changes in pension benefits, contributions rates and return on investments affect the balance of the net pension liability.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

CHANGES IN NET POSITION

TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$12,928,730	\$13,286,844	\$3,477,934	\$15,641,142	\$16,406,664	\$28,927,986
Operating Grants and Contributions	9,116,678	6,276,236	0	0	9,116,678	6,276,236
Capital Grants and Contributions	87,378	72,096	915,719	0	1,003,097	72,096
Total Program Revenues	22,132,786	19,635,176	4,393,653	15,641,142	26,526,439	35,276,318
<i>General Revenues:</i>						
Property Taxes	9,680,033	9,910,246	0	0	9,680,033	9,910,246
Municipal Income Taxes	28,288,722	25,911,464	0	0	28,288,722	25,911,464
Admissions Taxes	53,976	83,402	0	0	53,976	83,402
Grants and Entitlements	3,311,536	2,973,822	0	0	3,311,536	2,973,822
Franchise Taxes	502,577	606,056	0	0	502,577	606,056
Gain on Sale of Capital Assets	0	11,751	0	0	0	11,751
Investment Income	222,634	133,571	0	0	222,634	133,571
Miscellaneous	945,402	1,202,894	391,198	156	1,336,600	1,203,050
Total General Revenues	43,004,880	40,833,206	391,198	156	43,396,078	40,833,362
Total Revenues	65,137,666	60,468,382	4,784,851	15,641,298	69,922,517	76,109,680
Program Expenses						
General Government	16,331,347	16,358,242	0	0	16,331,347	16,358,242
Public Safety	26,341,709	25,334,587	0	0	26,341,709	25,334,587
Public Health Services	360,285	359,185	0	0	360,285	359,185
Transportation	8,527,689	8,278,949	0	0	8,527,689	8,278,949
Community Development	5,613,479	6,350,784	0	0	5,613,479	6,350,784
Sanitation	2,678,313	2,217,216	0	0	2,678,313	2,217,216
Culture and Recreation	4,381,740	3,220,376	0	0	4,381,740	3,220,376
Interest and Fiscal Charges	451,277	583,113	0	0	451,277	583,113
Water	0	0	15,810,884	13,422,399	15,810,884	13,422,399
Sewer	0	0	2,646,476	1,649,888	2,646,476	1,649,888
Total Program Expenses	64,685,839	62,702,452	18,457,360	15,072,287	83,143,199	77,774,739
<i>Increase (Decrease) in Net Position</i>						
<i>Before Transfers</i>	451,827	(2,234,070)	(13,672,509)	569,011	(13,220,682)	(1,665,059)
Transfers	(48,445)	(20,666)	48,445	20,666	0	0
Change in Net Position	403,382	(2,254,736)	(13,624,064)	589,677	(13,220,682)	(1,665,059)
<i>Net Position Beginning of Year, Restated</i>	<u>62,382,686</u>	<u>64,637,422</u>	<u>23,483,365</u>	<u>22,893,688</u>	<u>85,866,051</u>	<u>87,531,110</u>
Net Position End of Year	\$62,786,068	\$62,382,686	\$9,859,301	\$23,483,365	\$72,645,369	\$85,866,051

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Governmental Activities

Governmental activities increased the City's net position by \$403,382 during 2017, as compared to a decrease of \$2,254,736 during 2016.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 2.25 percent for 2017. 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 2017 was \$28,288,722, an increase of \$2,377,258 or 9.17 percent from 2016. The increase was due a full year of collections following an increase in the City's income tax rate from 2015. Of the \$43,004,880 in total general revenues, income tax accounted for 65.78 percent, as compared to 63.46 percent of the total during 2016. Property taxes for 2017 were \$9,680,033, a \$230,213 decrease from 2016.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its source of revenues very closely for fluctuations. This amount increased from the prior year due to increased intergovernmental revenue. Operating grants and contributions decreased due to grants that were not applied for during 2017.

The largest program function for the City for 2017 is public safety, with program expenses of \$26,341,709 as compared to \$25,334,587 in 2016, remained relatively consistent with the prior year. The next largest program is general government, which accounts for the basic operations of the City including council, city manager, finance, income tax department, law, service administration, municipal court, among other services. General government expenses of \$16,331,347 decreased by \$26,895, as compared to expenses of \$16,358,242 for 2016.

The next largest program expense for 2017 is transportation, with program expenses of \$8,527,689, as compared to \$8,278,949 in 2016. Transportation expenses increased due to additional construction projects being worked on in 2017.

Community development expenses decreased by \$737,305, or 11.61 percent, during 2017, due to a decrease in program costs as a result of a decrease in charges for services.

As can be seen in table 2, all programs have a heavy reliance on general revenues, with 66.02 percent of total 2017 revenues coming from general revenues.

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

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Business-Type Activities and Enterprise Funds

The business-type activities of the City, which include the City's water and sewer operations, decreased the City's net position by \$13,624,064 during 2017, as compared to an increase of net position of \$589,677 during 2016. The decrease in net position in business-type activities is due to a loss resulting from the disposal of capital assets. Effective January 2017 the City became a direct service community to the City of Cleveland for water service deliver. With this change, the City transferred complete ownership of their waterlines to the City of Cleveland.

This loss also caused program expenses to exceeded program revenues in the amount of \$13,672,509 (before transfers) for the water and sewer operations in 2017.

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 \$27,069,000. Nonspendable fund balance of \$598,142 includes inventory. Fund balance in the amount of \$8,862,766 is restricted for debt service payments, street maintenance, police and fire department operations and community development operations. Fund balance in the amount of \$1,699,509 is committed to public building maintenance, Cain Park operations, ambulance services, police facility improvements and Ring Road construction. Assigned fund balance includes \$2,874,552 for capital improvements, economic development, City Hall maintenance, earned benefits, 2018 operations and purchases on order for other than personal services. Unassigned fund balances of \$13,034,031 represents all balances not previously classified.

All governmental funds had total revenues of \$65,504,671 and expenditures of \$67,999,861. Revenues increased from the previous year. The increase in revenues was attributable to an increase in municipal income tax and charges for services, which was partially offset by a decrease in property tax revenues. The increase in expenditures was primarily due to an increase in capital outlay, partially offset by a decrease in general government expenditures.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

General Fund

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$15,157,566, of which \$527,700 was nonspendable because of inventory, \$927,845 was assigned to earned benefits, 2018 operations and purchases on order and \$13,702,021 was unassigned for financial reporting purposes. Total fund balance of the City's general fund increased by \$3,571,952 as revenues continue to exceed expenditures. The City's management monitors the budget on a monthly basis to keep it in line with current expenditures.

General Bond Retirement Fund

The bond retirement debt service fund accounts for resources used for the retirement of long-term debt. At the end of the current year, total fund balance was \$1,564,354, which was a slight decrease from the prior year mainly due to increased principal retirement in 2017.

Street Construction, Maintenance and Repair

The street construction, maintenance and repair special revenue fund accounts for resources used for the maintenance of the City's streets. Total fund balance increased by \$1,092,173 as a result of an increase in revenues due to an increase in gas tax receipts for the year.

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 2017, the City amended its general fund budget on various occasions. The City does allow small interdepartmental budget changes that modify line items within the accounting system which are within their appropriation category (salaries and other expenses). The general fund supports many of our major activities such as our police and fire departments as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original and final budgeted revenues (including other financing sources) were \$43,411,000, while actual revenues (including other financing sources) were at \$46,934,978. Original general fund budgeted expenditures (including other financing uses) were \$45,098,774, and the final amended budget (including other financing uses) was \$46,108,397. Actual general fund expenditures (including other financing uses) were \$46,522,156, or \$413,759 more than final budgeted expenditures (including other financing uses). The City will monitor spending more closely to ensure the expenditures are in line with the budget.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Capital Assets and Debt Administration

Capital Assets

Table 3 shows 2017 balances of capital assets as compared to 2016.

**CAPITAL ASSETS
(NET OF DEPRECIATION)**

TABLE 3

	Governmental Activities		Business-Type Activities	
	2017	2016	2017	2016
Land	\$5,288,136	\$5,288,136	\$0	\$0
Construction in Progress	5,678,093	7,194,303	0	0
Intangible Assets	32,707	32,707	0	0
Land Improvements	783,044	870,790	0	0
Buildings and Improvements	34,390,162	31,940,110	78,035	84,420
Machinery & Equipment	6,711,648	6,683,687	129,601	161,924
Infrastructure:				
Streets and Sidewalks	33,737,461	29,941,578	0	0
Off-street Parking Lots	1,352,069	1,111,152	0	0
Water Lines	0	0	0	14,046,150
Sanitary Sewers Lines	0	0	5,234,933	5,360,256
Storm Sewer Lines	0	0	1,773,037	1,844,648
Total	\$87,973,320	\$83,062,463	\$7,215,606	\$21,497,398

The most significant increases in governmental capital assets came in streets and sidewalks, which included \$6,280,846 of additions during 2017, largely due to the completion of the Cedar-Lee streetscape project. The City also made expenses specific to the improvement of machinery and equipment. Total capital assets for business-type activities decreased compared to 2016 due the transfer of the City's waterlines.

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.

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Long-Term Obligations

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

OUTSTANDING LONG-TERM OBLIGATIONS

TABLE 4

	Governmental Activities		Business - Type Activities	
	2017	2016	2017	2016
General Obligation Bonds	\$17,333,458	\$12,342,682	\$0	\$0
Special Assessment Bonds	2,140,000	2,260,000	0	0
SIB Loans Payable	278,875	329,838	0	0
OPWC Loans	1,172,469	1,345,630	462,477	607,822
OWDA Loans	0	0	376,634	397,971
Long-Term Notes	722,000	1,526,211	0	186,369
Total	\$21,646,802	\$17,804,361	\$839,111	\$1,192,162

The general obligation bonds are composed of (1) 2013 Various Purpose Refunding Bonds; (2) 2014 Various Purpose Bonds; (3) 2015 Various Purpose Bonds; (4) 2016 Various Purpose Bonds; (5) 2008 Recreational Facilities Refunding Bonds; (6) 2008 Cedar Lee Parking Deck Bonds; (7) 2015 Cedar Lee Parking Deck Refunding Bonds; (8) 2017 Various Purpose Bonds; and (9) 2017 Building Improvement Bonds.

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

The State Infrastructure Bank (SIB) loans are financing through the Ohio Department of Transportation for the purposes of capital improvement.

The Ohio Public Works Commission loans are being paid semi-annually from the several projects: 2001 Taylor Road rehabilitation, 2005 Coventry Road rehabilitation, 2006 Lee Road rehabilitation, 2006 Meadowbrook Boulevard rehabilitation, 2010 Monticello Boulevard rehabilitation, 2012 Monticello Boulevard rehabilitation, 2000 Cedar Road water and sewer and 2006 Meadowbrook Boulevard water and sewer. These programs are funded by property taxes and user fees for various infrastructure projects being financed through the Ohio Public Works program.

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

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$66,045,631 at December 31, 2017.

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

City of Cleveland Heights, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Current Financial Related Activities

The Administration and City Council developed a five year capital improvement plan for the acquisition of equipment and the building or upgrading of City facilities. On May 2, 2016, the City entered into a direct service agreement with the City of Cleveland for water, and to terminate the master meter agreement effective January of 2017. The City transferred its waterlines to the City of Cleveland during 2017.

Contacting the City's Finance Department

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

City of Cleveland Heights, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$21,873,331	\$2,798,319	\$24,671,650
Materials and Supplies Inventory	598,142	47,164	645,306
Accrued Interest Receivable	12,615	0	12,615
Accounts Receivable	2,574,330	2,961,562	5,535,892
Internal Balances	(9,326)	9,326	0
Due from Agency Funds	5,384	0	5,384
Intergovernmental Receivable	2,871,661	0	2,871,661
Municipal Income Taxes Receivable	13,836,258	0	13,836,258
Property Taxes Receivable	10,558,406	0	10,558,406
Special Assessments Receivable	5,429,776	0	5,429,776
Notes Receivable	1,134,854	0	1,134,854
Assets Held For Resale	604,687	0	604,687
Nondepreciable Capital Assets	10,998,936	0	10,998,936
Depreciable Capital Assets, Net	76,974,384	7,215,606	84,189,990
<i>Total Assets</i>	<u>147,463,438</u>	<u>13,031,977</u>	<u>160,495,415</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding Pension	494,560	0	494,560
	17,781,674	760,254	18,541,928
<i>Total Deferred Outflows of Resources</i>	<u>18,276,234</u>	<u>760,254</u>	<u>19,036,488</u>
Liabilities			
Accounts Payable	852,153	152,443	1,004,596
Contracts Payable	812,732	342,358	1,155,090
Retainage Payable	159,662	32,895	192,557
Matured Compensated Absences	96,146	0	96,146
Accrued Interest Payable	68,555	7,368	75,923
Intergovernmental Payable	731,308	82,161	813,469
Notes Payable	578,202	0	578,202
Long-Term Liabilities:			
Due Within One Year	5,266,054	457,971	5,724,025
Net Pension Liability (See Note 13)	58,412,918	1,978,641	60,391,559
Other Amounts Due In More Than One Year	23,185,281	778,647	23,963,928
<i>Total Liabilities</i>	<u>90,163,011</u>	<u>3,832,484</u>	<u>93,995,495</u>
Deferred Inflows of Resources			
Property Taxes	8,011,245	0	8,011,245
Pension	4,779,348	100,446	4,879,794
<i>Total Deferred Inflows of Resources</i>	<u>12,790,593</u>	<u>100,446</u>	<u>12,891,039</u>
Net Position			
Net Investment in Capital Assets	66,649,264	6,832,017	73,481,281
Restricted for:			
Capital Projects	558,852	0	558,852
Debt Service	4,084,344	0	4,084,344
Road Improvements	794,351	0	794,351
Community Development	906,497	0	906,497
Municipal Court Special Projects	1,940,201	0	1,940,201
Street Lighting	2,753,798	0	2,753,798
Other Purposes	4,285,380	0	4,285,380
Unrestricted (Deficit)	(19,186,619)	3,027,284	(16,159,335)
<i>Total Net Position</i>	<u>\$62,786,068</u>	<u>\$9,859,301</u>	<u>\$72,645,369</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Expenses	Program Revenues		
		Charges for Services and Operating Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$16,331,347	\$4,005,958	\$2,890	\$15,660
Public Safety	26,341,709	5,291,173	811,972	0
Public Health Services	360,285	65,406	8,156	0
Transportation	8,527,689	433,538	6,646,721	0
Community Development	5,613,479	1,547,919	1,625,695	0
Sanitation	2,678,313	450,884	0	0
Culture and Recreation	4,381,740	1,133,852	21,244	71,718
Interest and Fiscal Charges	451,277	0	0	0
<i>Total Governmental Activities</i>	<u>64,685,839</u>	<u>12,928,730</u>	<u>9,116,678</u>	<u>87,378</u>
Business-Type Activities				
Water	15,810,884	594,071	0	0
Sewer	2,646,476	2,883,863	915,719	0
<i>Total Business-Type Activities</i>	<u>18,457,360</u>	<u>3,477,934</u>	<u>915,719</u>	<u>0</u>
<i>Total</i>	<u>\$83,143,199</u>	<u>\$16,406,664</u>	<u>\$10,032,397</u>	<u>\$87,378</u>

General Revenues

Property Taxes Levied for:

General Purposes

Police Pension

Fire Pension

Debt Service

Capital Outlay

Municipal Income Taxes Levied for:

General Purposes

Admissions Taxes

Grants and Entitlements not Restricted
to Specific Programs

Franchise Taxes

Investment Earnings

Miscellaneous

Total General Revenues Before Transfers

Transfers

Total General Revenues and Transfers

Change in Net Position

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

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$12,306,839)	\$0	(\$12,306,839)
(20,238,564)	0	(20,238,564)
(286,723)	0	(286,723)
(1,447,430)	0	(1,447,430)
(2,439,865)	0	(2,439,865)
(2,227,429)	0	(2,227,429)
(3,154,926)	0	(3,154,926)
(451,277)	0	(451,277)
<u>(42,553,053)</u>	<u>0</u>	<u>(42,553,053)</u>
0	(15,216,813)	(15,216,813)
<u>0</u>	<u>1,153,106</u>	<u>1,153,106</u>
0	(14,063,707)	(14,063,707)
<u>(42,553,053)</u>	<u>(14,063,707)</u>	<u>(56,616,760)</u>
6,721,408	0	6,721,408
206,442	0	206,442
206,442	0	206,442
2,064,131	0	2,064,131
481,610	0	481,610
28,288,722	0	28,288,722
53,976	0	53,976
3,311,536	0	3,311,536
502,577	0	502,577
222,634	0	222,634
945,402	391,198	1,336,600
<u>43,004,880</u>	<u>391,198</u>	<u>43,396,078</u>
<u>(48,445)</u>	<u>48,445</u>	<u>0</u>
<u>42,956,435</u>	<u>439,643</u>	<u>43,396,078</u>
403,382	(13,624,064)	(13,220,682)
<u>62,382,686</u>	<u>23,483,365</u>	<u>85,866,051</u>
<u>\$62,786,068</u>	<u>\$9,859,301</u>	<u>\$72,645,369</u>

City of Cleveland Heights, Ohio

*Balance Sheet
Governmental Funds
December 31, 2017*

	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$9,648,523	\$141,851	\$2,148,196	\$9,934,761	\$21,873,331
Materials and Supplies Inventory	527,700	0	0	70,442	598,142
Accrued Interest Receivable	12,615	0	0	0	12,615
Accounts Receivable	736,894	0	0	1,837,436	2,574,330
Interfund Receivable	990,625	0	0	0	990,625
Due From Agency Fund	5,384	0	0	0	5,384
Intergovernmental Receivable	1,134,045	1,372,138	154,416	211,062	2,871,661
Municipal Income Taxes Receivable	13,836,258	0	0	0	13,836,258
Property Taxes Receivable	7,987,232	0	1,503,859	1,067,315	10,558,406
Special Assessments Receivable	0	0	1,535,000	3,894,776	5,429,776
Notes Receivable	0	0	0	1,134,854	1,134,854
Assets Held For Resale	0	0	0	604,687	604,687
<i>Total Assets</i>	<u>\$34,879,276</u>	<u>\$1,513,989</u>	<u>\$5,341,471</u>	<u>\$18,755,333</u>	<u>\$60,490,069</u>
Liabilities					
Accounts Payable	\$505,722	\$1,562	\$0	\$344,869	\$852,153
Contracts Payable	18,040	709,440	0	85,252	812,732
Retainage Payable	0	159,662	0	0	159,662
Interfund Payable	9,326	125,578	0	865,047	999,951
Intergovernmental Payable	357,209	3,570	0	370,529	731,308
Matured Compensated Absences Payable	96,146	0	0	0	96,146
Accrued Interest Payable	0	0	5,640	0	5,640
Notes Payable	0	0	578,202	0	578,202
<i>Total Liabilities</i>	<u>986,443</u>	<u>999,812</u>	<u>583,842</u>	<u>1,665,697</u>	<u>4,235,794</u>
Deferred Inflows of Resources					
Property Taxes	6,220,823	0	959,154	831,268	8,011,245
Unavailable Revenue	12,514,444	508,856	2,234,121	5,916,609	21,174,030
<i>Total Deferred Inflows of Resources</i>	<u>18,735,267</u>	<u>508,856</u>	<u>3,193,275</u>	<u>6,747,877</u>	<u>29,185,275</u>
Fund Balances					
Nonspendable	527,700	0	0	70,442	598,142
Restricted	0	5,321	1,564,354	7,293,091	8,862,766
Committed	0	0	0	1,699,509	1,699,509
Assigned	927,845	0	0	1,946,707	2,874,552
Unassigned (Deficit)	13,702,021	0	0	(667,990)	13,034,031
<i>Total Fund Balances</i>	<u>15,157,566</u>	<u>5,321</u>	<u>1,564,354</u>	<u>10,341,759</u>	<u>27,069,000</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$34,879,276</u>	<u>\$1,513,989</u>	<u>\$5,341,471</u>	<u>\$18,755,333</u>	<u>\$60,490,069</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, 2017*

Total Governmental Fund Balances	\$27,069,000
 <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.	87,973,320
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	2,322,863
Delinquent Property Taxes	2,547,161
Municipal Income Tax	9,261,334
Intergovernmental	1,612,896
Special Assessments	5,429,776
Total	21,174,030
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(62,915)
Deferred Outflows of Resources represent deferred charges on refunding which are not reported in the funds.	494,560
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(17,333,458)
Special Assessment Bonds	(2,140,000)
OPWC Loans	(1,172,469)
State Infrastructure Bank Loan	(278,875)
Notes	(722,000)
Compensated Absences Payable	(5,404,723)
Retrospective Workers' Compensation	(725,031)
Solid Waste	(167,718)
Capital Lease Obligation Payable	(507,061)
Total	(28,451,335)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	17,781,674
Net Pension Liability	(58,412,918)
Deferred Inflows - Pension	(4,779,348)
Total	(45,410,592)
<i>Net Position of Governmental Activities</i>	<u>\$62,786,068</u>

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, 2017

	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$6,610,858	\$0	\$2,030,100	\$879,741	\$9,520,699
Municipal Income Taxes	28,725,003	0	0	0	28,725,003
Admissions Taxes	53,976	0	0	0	53,976
Charges for Services	1,523,637	0	0	2,672,388	4,196,025
Licenses, Permits and Fees	3,867,646	0	0	126,704	3,994,350
Fines and Forfeitures	1,810,766	0	0	565,767	2,376,533
Intergovernmental	2,991,360	6,665,910	309,253	2,538,698	12,505,221
Special Assessments	0	0	123,394	1,992,603	2,115,997
Interest	222,537	97	0	0	222,634
Rentals	302,388	0	0	24,420	326,808
Contributions and Donations	0	0	0	19,446	19,446
Franchise Taxes	502,577	0	0	0	502,577
Miscellaneous	839,172	5,940	0	100,290	945,402
<i>Total Revenues</i>	<u>47,449,920</u>	<u>6,671,947</u>	<u>2,462,747</u>	<u>8,920,057</u>	<u>65,504,671</u>
Expenditures					
Current:					
General Government	13,834,370	0	1,221	1,191,134	15,026,725
Public Safety	16,174,845	0	0	5,256,019	21,430,864
Public Health Services	349,222	0	0	2,085	351,307
Transportation	3,392,709	2,358,499	0	0	5,751,208
Community Development	2,453,632	0	0	2,937,925	5,391,557
Sanitation	2,216,257	0	0	0	2,216,257
Culture and Recreation	2,309,405	0	0	1,409,743	3,719,148
Capital Outlay	0	3,045,356	0	6,280,494	9,325,850
Debt Service:					
Principal Retirement	0	145,739	4,077,998	97,151	4,320,888
Interest and Fiscal Charges	0	9,513	267,515	44,053	321,081
Bond Issuance Costs	0	0	43,976	101,000	144,976
<i>Total Expenditures</i>	<u>40,730,440</u>	<u>5,559,107</u>	<u>4,390,710</u>	<u>17,319,604</u>	<u>67,999,861</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,719,480</u>	<u>1,112,840</u>	<u>(1,927,963)</u>	<u>(8,399,547)</u>	<u>(2,495,190)</u>
Other Financing Sources (Uses)					
General Obligation Notes Issued	0	0	722,000	0	722,000
General Obligation Bonds Issued	0	0	985,000	6,310,000	7,295,000
Premium on Bonds Issued	0	0	0	214,216	214,216
Discount on Bonds Issued	0	0	0	(91,758)	(91,758)
Transfers In	0	0	39,185	3,224,028	3,263,213
Transfers Out	(3,147,528)	(20,667)	(27,778)	(115,685)	(3,311,658)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,147,528)</u>	<u>(20,667)</u>	<u>1,718,407</u>	<u>9,540,801</u>	<u>8,091,013</u>
<i>Net Change in Fund Balances</i>	3,571,952	1,092,173	(209,556)	1,141,254	5,595,823
<i>Fund Balances Beginning of Year</i>	<u>11,585,614</u>	<u>(1,086,852)</u>	<u>1,773,910</u>	<u>9,200,505</u>	<u>21,473,177</u>
<i>Fund Balances End of Year</i>	<u>\$15,157,566</u>	<u>\$5,321</u>	<u>\$1,564,354</u>	<u>\$10,341,759</u>	<u>\$27,069,000</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, 2017*

Net Change in Fund Balances - Total Governmental Funds	\$5,595,823
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
This is the amount by which capital outlay exceeded depreciation in the current period:	
Capital Outlay	10,415,508
Current Year Depreciation	<u>(5,502,440)</u>
Total	4,913,068
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.	(2,211)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:	
Delinquent Property Taxes	159,334
Municipal Income Taxes	(436,281)
Intergovernmental	(9,075)
Special Assessments	(438,936)
Charges for Services	357,953
Total	<u>(367,005)</u>
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
General Obligation Bonds	2,391,000
Special Assessment Bonds	120,000
Notes	1,515,000
OPWC Loans Payable	173,161
SIB Loan Payable	50,963
Capital Leases	70,764
Total	<u>4,320,888</u>
Other financing sources and uses in the governmental funds increased long-term liabilities in the statement of net position:	
General Obligation Bonds Issued	(7,295,000)
Premium on Bonds Issued	(214,216)
Discount on Bonds Issued	91,758
Notes Issued	(722,000)
Total	<u>(8,139,458)</u>
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	(20,160)
Amortization of Premium	46,893
Amortization of Loss on Refunding	(156,929)
Total	<u>(130,196)</u>
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	(960,108)
Retrospective Workers' Compensation	(450,913)
Solid Waste	(5,383)
Total	<u>(1,416,404)</u>
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	4,219,547
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	<u>(8,590,670)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$403,382</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$6,058,854	\$6,058,854	\$6,610,858	\$552,004
Municipal Income Taxes	25,505,347	25,505,347	27,770,904	2,265,557
Admissions Taxes	52,712	52,712	57,394	4,682
Charges for Services	1,399,950	1,399,950	1,523,637	123,687
Licenses, Permits and Fees	3,560,112	3,560,112	3,869,076	308,964
Fines and Forfeitures	1,655,981	1,655,981	1,802,884	146,903
Intergovernmental	2,550,758	2,550,758	2,988,277	437,519
Interest	223,063	223,063	231,251	8,188
Rentals	278,128	278,128	302,388	24,260
Franchise Taxes	471,497	471,497	513,379	41,882
Miscellaneous	686,522	686,522	796,854	110,332
<i>Total Revenues</i>	<u>42,442,924</u>	<u>42,442,924</u>	<u>46,466,902</u>	<u>4,023,978</u>
Expenditures				
Current:				
General Government	14,314,120	14,777,783	14,580,099	197,684
Public Safety	17,006,393	17,205,141	16,728,369	476,772
Public Health Services	358,221	360,221	354,411	5,810
Transportation	3,411,270	3,428,470	3,382,742	45,728
Community Development	2,400,657	2,587,212	2,486,615	100,597
Sanitation	2,151,136	2,161,481	2,260,169	(98,688)
Culture and Recreation	2,147,874	2,263,986	2,141,601	122,385
<i>Total Expenditures</i>	<u>41,789,671</u>	<u>42,784,294</u>	<u>41,934,006</u>	<u>850,288</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>653,253</u>	<u>(341,370)</u>	<u>4,532,896</u>	<u>4,874,266</u>
Other Financing Sources (Uses)				
Advances In	468,076	468,076	468,076	0
Advances Out	0	0	(864,047)	(864,047)
Transfers In	500,000	500,000	0	(500,000)
Transfers Out	(3,309,103)	(3,324,103)	(3,724,103)	(400,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,341,027)</u>	<u>(2,356,027)</u>	<u>(4,120,074)</u>	<u>(1,764,047)</u>
<i>Net Change in Fund Balance</i>	(1,687,774)	(2,697,397)	412,822	3,110,219
<i>Fund Balance Beginning of Year</i>	8,822,528	8,822,528	8,822,528	0
Prior Year Encumbrances Appropriated	195,444	195,444	195,444	0
<i>Fund Balance End of Year</i>	<u>\$7,330,198</u>	<u>\$6,320,575</u>	<u>\$9,430,794</u>	<u>\$3,110,219</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,543,681	\$3,999,100	\$3,607,538	(\$391,562)
Interest	42	108	97	(11)
Miscellaneous	2,542	6,584	5,940	(644)
<i>Total Revenues</i>	<u>1,546,265</u>	<u>4,005,792</u>	<u>3,613,575</u>	<u>(392,217)</u>
Expenditures				
Current:				
Transportation	1,514,904	3,802,732	3,841,660	(38,928)
Debt Service:				
Principal Retirement	0	309,733	166,406	143,327
Interest and Fiscal Charges	0	0	9,513	(9,513)
<i>Total Expenditures</i>	<u>1,514,904</u>	<u>4,112,465</u>	<u>4,017,579</u>	<u>94,886</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>31,361</u>	<u>(106,673)</u>	<u>(404,004)</u>	<u>(297,331)</u>
Other Financing Sources (Uses)				
Advances In	53,735	139,208	125,578	(13,630)
<i>Net Change in Fund Balance</i>	<u>85,096</u>	<u>32,535</u>	<u>(278,426)</u>	<u>(310,961)</u>
<i>Fund Balance Beginning of Year</i>	<u>280,514</u>	<u>280,514</u>	<u>280,514</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$365,610</u>	<u>\$313,049</u>	<u>\$2,088</u>	<u>(\$310,961)</u>

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio

Statement of Fund Net Position

Proprietary Funds

December 31, 2017

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$2,384,416	\$413,903	\$2,798,319
Materials and Supplies Inventory	43,080	4,084	47,164
Accounts Receivable	683,332	2,278,230	2,961,562
Interfund Receivable	9,326	0	9,326
<i>Total Current Assets</i>	<u>3,120,154</u>	<u>2,696,217</u>	<u>5,816,371</u>
<i>Noncurrent Assets</i>			
Depreciable Capital Assets, Net	<u>168,649</u>	<u>7,046,957</u>	<u>7,215,606</u>
<i>Total Assets</i>	<u>3,288,803</u>	<u>9,743,174</u>	<u>13,031,977</u>
Deferred Outflows of Resources			
Pension	<u>380,127</u>	<u>380,127</u>	<u>760,254</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	18,729	133,714	152,443
Contracts Payable	34,986	307,372	342,358
Retainage Payable	0	32,895	32,895
Accrued Interest Payable	3,941	3,427	7,368
Intergovernmental Payable	68,348	13,813	82,161
Compensated Absences Payable	101,083	216,013	317,096
OPWC Loans	65,415	31,484	96,899
OWDA Loans	12,442	31,534	43,976
<i>Total Current Liabilities</i>	<u>304,944</u>	<u>770,252</u>	<u>1,075,196</u>
<i>Long-Term Liabilities (Net of Current Portion)</i>			
Compensated Absences Payable	13,668	66,743	80,411
OPWC Loan Payable	184,829	180,749	365,578
OWDA Loan Payable	192,836	139,822	332,658
Net Pension Liability (See Note 13)	989,321	989,320	1,978,641
<i>Total Long-Term Liabilities</i>	<u>1,380,654</u>	<u>1,376,634</u>	<u>2,757,288</u>
<i>Total Liabilities</i>	<u>1,685,598</u>	<u>2,146,886</u>	<u>3,832,484</u>
Deferred Inflows of Resources			
Pension	<u>57,066</u>	<u>43,380</u>	<u>100,446</u>
Net Position			
Net Investment in Capital Assets	168,649	6,663,368	6,832,017
Unrestricted	<u>1,757,617</u>	<u>1,269,667</u>	<u>3,027,284</u>
<i>Total Net Position</i>	<u>\$1,926,266</u>	<u>\$7,933,035</u>	<u>\$9,859,301</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, 2017*

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues			
Charges for Services	\$509,028	\$2,883,863	\$3,392,891
Tap-In-Fees	85,043	0	85,043
Miscellaneous	226,833	164,365	391,198
<i>Total Operating Revenues</i>	<u>820,904</u>	<u>3,048,228</u>	<u>3,869,132</u>
Operating Expenses			
Personal Services	1,121,632	613,086	1,734,718
Other Than Personal Services	422,484	710,305	1,132,789
Non-Governmental	137,396	0	137,396
Depreciation	31,199	204,443	235,642
Other	43,549	1,111,482	1,155,031
<i>Total Operating Expenses</i>	<u>1,756,260</u>	<u>2,639,316</u>	<u>4,395,576</u>
<i>Operating Income (Loss)</i>	<u>(935,356)</u>	<u>408,912</u>	<u>(526,444)</u>
Non-Operating Revenues (Expenses)			
Interest and Fiscal Charges	(8,474)	(7,160)	(15,634)
Intergovernmental	0	915,719	915,719
Loss on Disposal of Capital Assets	(14,046,150)	0	(14,046,150)
<i>Total Non Operating Revenues (Expenses)</i>	<u>(14,054,624)</u>	<u>908,559</u>	<u>(13,146,065)</u>
<i>Income (Loss) Before Transfers</i>	<u>(14,989,980)</u>	<u>1,317,471</u>	<u>(13,672,509)</u>
Transfers In	32,704	15,741	48,445
<i>Change in Net Position</i>	<u>(14,957,276)</u>	<u>1,333,212</u>	<u>(13,624,064)</u>
<i>Net Position Beginning of Year</i>	<u>16,883,542</u>	<u>6,599,823</u>	<u>23,483,365</u>
<i>Net Position End of Year</i>	<u>\$1,926,266</u>	<u>\$7,933,035</u>	<u>\$9,859,301</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, 2017

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
<i>Increase (Decrease) In Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$3,385,546	\$1,001,628	\$4,387,174
Cash Received from Other Operating Sources	226,833	164,365	391,198
Cash Received from Tap-In Fees	85,043	0	85,043
Cash Payments to Suppliers for Goods and Services	(2,481,382)	(1,440,836)	(3,922,218)
Cash Payments for Employee Services and Benefits	(1,006,521)	(711,736)	(1,718,257)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>209,519</u>	<u>(986,579)</u>	<u>(777,060)</u>
Cash Flows from Noncapital Financing Activities			
Advance Out	(384,357)	0	(384,357)
Intergovernmental	0	915,719	915,719
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(384,357)</u>	<u>915,719</u>	<u>531,362</u>
Cash Flows from Capital and Related Financing Activities			
Principal Paid on Notes	(185,000)	0	(185,000)
Interest Paid on Notes	(3,238)	0	(3,238)
Principal Paid on OPWC Loans	(65,415)	(31,485)	(96,900)
Principal Paid on OWDA Loans	(6,046)	(15,291)	(21,337)
Interest Paid on OWDA Loans	(4,057)	(3,733)	(7,790)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(263,756)</u>	<u>(50,509)</u>	<u>(314,265)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,823,010</u>	<u>535,272</u>	<u>3,358,282</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,384,416</u>	<u>\$413,903</u>	<u>\$2,798,319</u>

(continued)

City of Cleveland Heights, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2017

	Business Type Activities - Enterprise Funds		
	Water	Sewer	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	(\$935,356)	\$408,912	(\$526,444)
Adjustments:			
Depreciation	31,199	204,443	235,642
(Increase)/Decrease in Assets:			
Accounts Receivable	2,880,627	(1,882,235)	998,392
Materials and Supplies Inventory	34,166	2,005	36,171
Interfund Receivable	(2,739)	0	(2,739)
(Increase)/Decrease in Deferred Outflows of Resources - Pension	126,173	126,173	252,346
Increase/(Decrease) in Liabilities:			
Accounts Payable	(16,408)	44,286	27,878
Contracts Payable	34,986	307,372	342,358
Accrued Wages	(29,156)	(18,275)	(47,431)
Compensated Absences	(24,476)	(193,220)	(217,696)
Retainage Payable	0	32,895	32,895
Intergovernmental Payable	(1,868,350)	(9,514)	(1,877,864)
Net Pension Liability	22,147	22,147	44,294
Increase/(Decrease) in Deferred Inflows of Resources - Pension	(43,294)	(31,568)	(74,862)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$209,519</u>	<u>(\$986,579)</u>	<u>(\$777,060)</u>

Non-Cash Capital Transactions

During 2017, the general bond retirement fund paid \$23,519 and \$4,259 in principal on an Ohio Public Works Commission loan for the water and sewer enterprise funds, respectively.

During 2017, the street construction, maintenance and repair special revenue fund paid \$9,185 and \$11,482 in principal on an Ohio Public Works Commission loan for the water and sewer enterprise funds, respectively.

See accompanying notes to the basic financial statements

City of Cleveland Heights, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

Assets	
Equity in Pooled Cash and Cash Equivalents	\$579,118
Cash and Cash Equivalents in Segregated Accounts	<u>392,197</u>
<i>Total Assets</i>	<u><u>\$971,315</u></u>
 Liabilities	
Deposits Held and Due to Others	\$965,931
Due to Governmental Funds	<u>5,384</u>
<i>Total Liabilities</i>	<u><u>\$971,315</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, 2017

Note 1 – Reporting Entity

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

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

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

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

The City is associated with one jointly governed organization, the First Suburbs Consortium of Northeast Ohio Council of Governments. This organization is presented in Note 18 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Fund Accounting

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

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

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

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

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

Measurement Focus

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

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

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

Basis of Accounting

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, unavailable revenue and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, municipal income tax, charges for services, special assessments, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities on page 21. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 13).

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. Budgetary information for the public building maintenance special revenue fund is not reported because the fund did not have any budgetary activity in 2017. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount City Council may appropriate. The appropriations resolution is City Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by City Council. The legal level of control has been established by Council at the department level for personal services, capital outlay, other than personal services, and non-governmental expenditures for all funds. The City Manager or Finance Director is authorized to transfer amounts between objects of expenditure within and between departments so long as the total appropriation for each department does not exceed that of the Council approved appropriation.

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

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

Pooled Cash and Cash Equivalents

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

During 2017, investments were limited to STAR Ohio, municipal bonds, federal home loan mortgage corporation bonds, federal farm credit bank bonds, federal national mortgage association bonds and federal home loan bank bonds.

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

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 2017 was \$222,537, which includes \$138,768 assigned from other City funds.

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

Materials and Supplies Inventory

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

Assets Held for Resale

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

Capital Assets

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

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

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Interfund Balances

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

Compensated Absences

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

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

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

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

Pensions

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

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, long-term loans and capital leases are recognized as a liability on the governmental fund financial statements when due.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund Balance

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

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. City Council assigned fund balance for earned benefits and to cover a gap between estimated revenues and appropriations in 2018’s budget. State Statute authorizes the Finance Director to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated.

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Net Position

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

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

Operating Revenues and Expenses

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

Interfund Activity

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

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

Bond Premiums and Discounts

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Deferred Charge on Refunding

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

Estimates

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

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

Change in Accounting Principal

For 2017, the City implemented the Governmental Accounting Standards Board’s (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City’s 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Restatement of Net Position

During 2017, it was determined that the City did not record State Infrastructure Bank Loans at December 31, 2016. This restatement had the following effect on net position as reported December 31, 2016:

	<u>Governmental Activities</u>
Net Position December 31, 2016	\$62,712,524
SIB Loans Payable	<u>(329,838)</u>
Restated Net Position December 31, 2016	<u>\$62,382,686</u>

Note 4 – Compliance and Accountability

Compliance

The law enforcement trust and municipal court special projects special revenue funds have original appropriations in excess of estimated resources and carryover encumbrances as reported on the Official Certificate of Estimated Resources in the amounts of \$1,578 and \$22,371, respectively, contrary to Ohio Revised Code Section 5705.39.

The earned benefits special revenue fund has original and final appropriations in excess of estimated resources and carryover encumbrances as reported on the Official Certificate of Estimated Resources in the amounts of \$742,150 and \$742,148, respectively, contrary to Ohio Revised Code Section 5705.39.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
General			
General Government:			
City Manager:			
Personal Services	\$477,356	\$488,435	(\$11,079)
Management Information System:			
Personal Services	364,089	370,823	(6,734)
Capital Outlay	3,855	11,773	(7,918)
Finance Department:			
Personal Services	365,395	383,240	(17,845)
Other than Personal Services	112,004	279,838	(167,834)
Service Administration:			
Personal Services	371,769	382,205	(10,436)
Capital Projects:			
Other than Personal Services	21,250	24,150	(2,900)
Public Properties and Park Maintenance:			
Personal Services	1,175,684	1,241,399	(65,715)
Community Service Administration:			
Personal Services	261,744	289,225	(27,481)
County Auditor:			
Other than Personal Services:			
Auditor and Treasurer Fees	202,080	202,130	(50)
Municipal Court:			
Personal Services	1,051,040	1,089,540	(38,500)
Public Safety:			
Police Department:			
Other than Personal Services	469,098	496,921	(27,823)
Police Motor Vehicle Maintenance:			
Other than Personal Services	0	3,710	(3,710)
Traffic Signs and Signals:			
Other than Personal Services	130,600	134,277	(3,677)
Animal Protection Unit:			
Personal Services	74,441	75,732	(1,291)
Forestry:			
Personal Services	0	4,141	(4,141)
Fire Department Dispatch:			
Personal Services	0	1,855	(1,855)
Public Health Services:			
Office on Aging:			
Personal Services	132,152	140,293	(8,141)

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
Transportation:			
Off Street Parking:			
Personal Services	\$0	\$1,406	(\$1,406)
Street Maintenance:			
Personal Services	1,202,279	1,269,172	(66,893)
Community Development:			
Community Relations:			
Personal Services	47,978	48,978	(1,000)
Public Relations:			
Personal Services	150,338	157,833	(7,495)
Planning Department:			
Personal Services	400,194	415,475	(15,281)
Housing Inspections:			
Personal Services	489,114	512,068	(22,954)
Sanitation:			
Refuse Collection and Transfer Station:			
Personal Services	1,629,236	1,753,684	(124,448)
Culture and Recreation:			
Recreation Administration:			
Personal Services	244,514	257,048	(12,534)
Swimming Pools:			
Personal Services	277,758	284,221	(6,463)
Ice Programs:			
Personal Services	222,217	223,209	(992)
Community Center:			
Personal Services	511,164	520,898	(9,734)
Transfers Out	3,324,103	3,724,103	(400,000)
<i>Street Construction, Maintenance and Repair</i>			
Transportation:			
Street Construction, Maintenance and Repair:			
Personal Services	164,447	164,748	(301)
Capital Outlay	3,422,828	3,466,163	(43,335)
Debt Service:			
Interest and Fiscal Charges	0	9,513	(9,513)
<i>General Bond Retirement</i>			
General Government:			
Other than Personal Services	0	1,221	(1,221)
<i>Water</i>			
Debt Service:			
Principal Retirement	81,566	279,983	(198,417)
Interest and Fiscal Charges	4,057	7,295	(3,238)
<i>Sewer</i>			
Debt Service:			
Interest and Fiscal Charges	0	3,733	(3,733)

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
<i>Drug Law Enforcement</i>			
Transfers Out	\$0	\$15,000	(\$15,000)
<i>Community Development Block Grant</i>			
Community Development:			
CDBG Administration:			
Other than Personal Services	40,457	40,688	(231)
<i>Cain Park Operating</i>			
Culture and Recreation:			
Cain Park Recreation:			
Personal Services	158,584	197,359	(38,775)
Other than Personal Services	563,560	576,639	(13,079)
Cain Park Arts Theater:			
Personal Services	11,416	13,009	(1,593)
Other than Personal Services	38,840	39,745	(905)
<i>Lead Safe Cuyahoga</i>			
Community Development:			
LEAD Safe Cuyahoga:			
Personal Services	30,750	35,457	(4,707)
<i>Police Pension</i>			
Public Safety:			
Police Pension:			
Personal Services	1,157,451	1,220,000	(62,549)
<i>Fire Pension</i>			
Public Safety:			
Fire Pension:			
Personal Services	1,497,816	1,730,779	(232,963)
<i>Parking</i>			
General Government:			
Off-Street Parking:			
Capital Outlay	17,400	33,125	(15,725)
<i>Earned Benefits</i>			
Community Development:			
Personal Services	2,215	9,099	(6,884)
<i>Recreation Facility Improvement</i>			
Culture and Recreation:			
Recreation Facility Improvement:			
Other than Personal Services	446,041	514,428	(68,387)
<i>Capital Improvements</i>			
Capital Outlay	1,343,432	1,461,220	(117,788)

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Fund	Amount
Special Revenue Funds	
Police Pension	\$51,553
Fire Pension	75,025
Agency Funds	
NEORS	5,384

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

Accountability

At December 31, 2017, the following funds had deficit fund balances.

Fund	Amounts
<i>Special Revenue Funds:</i>	
Home Program	\$75,581
Cain Park Operating	30,070
Municipal Court Clerk Computerization	23,831
Lead Safe Cuyahoga	91,637
Police Pension	141,721
Fire Pension	305,150

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

Note 5 – Fund Balances

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund Balances	General	Street Construction, Maintenance and Repair	General Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>					
Inventory	\$527,700	\$0	\$0	\$70,442	\$598,142
<u>Restricted for:</u>					
Capital Projects	0	0	0	1,372,433	1,372,433
Debt Service	0	0	1,564,354	0	1,564,354
Drug and Law Enforcement	0	0	0	771,807	771,807
Road Improvements	0	5,321	0	360,327	365,648
Community Development	0	0	0	1,457,331	1,457,331
Municipal Court Special Projects	0	0	0	1,940,201	1,940,201
Street Lighting	0	0	0	650,619	650,619
<u>Other Purposes:</u>					
FEMA Grant	0	0	0	96,382	96,382
Foundation Grants	0	0	0	45,753	45,753
Neighborhood Stabilization Program	0	0	0	480,781	480,781
First Suburbs Development Council	0	0	0	57,118	57,118
Aging and Youth Recreation	0	0	0	47,766	47,766
Police Memorial Trust	0	0	0	10,608	10,608
Juvenile Deversion Program	0	0	0	1,965	1,965
<i>Total Restricted</i>	<u>0</u>	<u>5,321</u>	<u>1,564,354</u>	<u>7,293,091</u>	<u>8,862,766</u>
<u>Committed to:</u>					
Communications System	0	0	0	179,281	179,281
Public Building Maintenance	0	0	0	423	423
Ambulance Services	0	0	0	1,446,535	1,446,535
Police Facility Improvement	0	0	0	38,225	38,225
Ring Road Construction	0	0	0	35,045	35,045
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,699,509</u>	<u>1,699,509</u>
<u>Assigned to:</u>					
Capital Improvements	0	0	0	307,965	307,965
Economic Development	0	0	0	1,575,711	1,575,711
City Hall Maintenance	0	0	0	63,031	63,031
Earned Benefits	236,674	0	0	0	236,674
2018 Operations	686,828	0	0	0	686,828
<u>Purchases on Order:</u>					
Other than Personal Services	4,343	0	0	0	4,343
<i>Total Assigned</i>	<u>927,845</u>	<u>0</u>	<u>0</u>	<u>1,946,707</u>	<u>2,874,552</u>
Unassigned (Deficit)	13,702,021	0	0	(667,990)	13,034,031
Total Fund Balances	<u><u>\$15,157,566</u></u>	<u><u>\$5,321</u></u>	<u><u>\$1,564,354</u></u>	<u><u>\$10,341,759</u></u>	<u><u>\$27,069,000</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 6 – Budgetary Basis of Accounting

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

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

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

	General	Street Construction, Maintenance and Repair
	<u> </u>	<u> </u>
GAAP Basis	\$3,571,952	\$1,092,173
Net Adjustment for Revenue Accruals	(1,520,318)	(3,058,372)
Beginning Fair Value Adjustment for Investments	(31,558)	0
Ending Fair Value Adjustment for Investments	28,750	0
Beginning Unrecorded Cash	14,914	0
Ending Unrecorded Cash	(98,761)	0
Advances In	468,076	125,578
Net Adjustment for Expenditure Accruals	(1,332,545)	1,701,958
Advances Out	(864,047)	0
Excess of revenues and other financing sources over expenditures and other uses:		
Earned Benefits	219,365	0
Encumbrances	(43,006)	(139,763)
Budget Basis	<u><u>\$412,822</u></u>	<u><u>(\$278,426)</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 7 – Deposits and Investments

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

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

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

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$3,932,427 of the City's bank balance of \$8,324,988 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. \$313,453 of the bank balance was exposed to custodial credit risk due to certain timing issues related to fluctuations in depository balances. These insufficiencies were corrected the next business day. Although all statutory requirements for the deposit of the remaining \$3,618,974 had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

One of the City's four financial institutions was in the process of joining OPCS; however, at December 31, 2017, the financial institutions still maintained their own collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

As of December 31, 2017, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value Per Share				
Star Ohio	\$16,565,128	52.1 days	AAAm	N/A
Fair Value - Level Two Inputs				
Municipal Bonds	148,804	Less than one years	N/A	N/A
Federal Home Loan Mortgage Corporation Bonds	1,890,210	Less than one years	AA+	9.09
Federal Farm Credit Bank Bonds	794,889	Less than two years	AA+	N/A
Federal National Mortgage Association Bonds	246,667	Less than two years	AA+	N/A
Federal Home Loan Bank Bonds	1,139,870	Less than two years	AA+	5.48
Total Fair Value - Level Two Inputs	4,220,440			
Total	\$20,785,568			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2017. STAR Ohio is measured at net asset value per share. The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 8 – Interfund Balances and Transfers

Interfund Balances

As of December 31, 2017, interfund balances were as follows:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		
	General	Water	Totals
Governmental:			
General Fund	\$0	\$9,326	\$9,326
Street Construction Maintenance and Repair Fund	125,578	0	125,578
Other Governmental Funds	865,047	0	865,047
Total	<u>\$990,625</u>	<u>\$9,326</u>	<u>\$999,951</u>

Interfund balances at December 31, 2017, consisted of general fund advances of \$125,578 to the street construction, maintenance and repair special revenue fund and \$865,047 to nonmajor special revenue funds due to deficit cash balances and due to the timing of reimbursement of expenditures. The general fund has an interfund payable to the water enterprise fund of \$9,326 for utilities receivable at December 31, 2017. All advances are expected to be repaid within one year.

The Due from Agency Fund and Due to Governmental Fund in the amount of \$5,384 in the general fund and NEORSD agency fund was the result of deficit cash balances and is expected to be repaid within one year.

Interfund Transfers

At December 31, 2017 interfund transfers were as follows:

<u>Transfers To</u>	<u>Transfers From</u>				Total
	General	Street Construction, Maintenance and Repair	Bond Retirement	Other Governmental Funds	
Major Funds:					
General Bond Retirement	\$0	\$0	\$0	\$39,185	\$39,185
Other Governmental Funds	3,147,528	0	0	76,500	3,224,028
Total Governmental Funds	<u>3,147,528</u>	<u>0</u>	<u>0</u>	<u>115,685</u>	<u>3,263,213</u>
Business-Type:					
Water	0	9,185	23,519	0	32,704
Sewer	0	11,482	4,259	0	15,741
Total Business-Type Funds	<u>0</u>	<u>20,667</u>	<u>27,778</u>	<u>0</u>	<u>48,445</u>
Total	<u>\$3,147,528</u>	<u>\$20,667</u>	<u>\$27,778</u>	<u>\$115,685</u>	<u>\$3,311,658</u>

The general fund transfers to the other governmental funds were made to provide additional resources for capital improvements and current operations. The other governmental funds transfers to the general bond retirement fund were made for the portion of 2017 general obligation bond issuance related to those funds. The transfers from other governmental funds to police pension and fire pension were made for fund contributions for pension liabilities. The transfers from the street construction, maintenance and repair special revenue and general bond retirement funds to the water and sewer enterprise funds were to move the respective OPWC principal payments made from the street construction, maintenance and repair and general bond retirement funds.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 9 – Receivables

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, notes receivable, accrued interest on investments, and accounts (billings for water and utility services).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables, except for delinquent property taxes, special assessments and notes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$3,894,776 in the tree and street lighting special revenue funds and the general bond retirement fund. At December 31, 2017, the amount of delinquent special assessments was \$1,855,594.

Notes receivable expected to be collected in more than one year amount to \$1,026,674. At December 31, 2017 there were no delinquent loans.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017 on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017 was \$13.92 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2017 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	\$649,557,230
Other Real Estate	116,591,460
Public Utility Property	<u>14,528,950</u>
Total Assessed Valuation	<u><u>\$780,677,640</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

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

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

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Homestead and Rollback	\$679,623
Local Government	671,692
Ohio Department of Transportation	604,482
Gas Excise Tax	557,102
Auto Registration	210,554
CDBG Grant	81,772
Federal Assistance Sharing Grant	62,373
Ohio Department of Public Safety	3,025
Cleveland Heights - University Heights	
City School District	1,038
<i>Total Intergovernmental Receivables</i>	\$2,871,661

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 10 – Capital Assets

A summary of changes in capital assets during 2017 follows:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$5,288,136	\$0	\$0	\$5,288,136
Construction in Progress	7,194,303	6,917,157	(8,433,367)	5,678,093
Intangible Assets	32,707	0	0	32,707
<i>Total Nondepreciable Capital Assets</i>	<u>12,515,146</u>	<u>6,917,157</u>	<u>(8,433,367)</u>	<u>10,998,936</u>
<i>Depreciable Capital Assets</i>				
Land Improvements	2,169,283	15,000	0	2,184,283
Building and Improvements	58,664,453	3,879,943	(20,307)	62,524,089
Machinery and Equipment	24,598,406	1,433,703	(392,094)	25,640,015
Infrastructure				
Streets and Sidewalks	54,223,013	6,280,846	0	60,503,859
Off-Street Parking	2,953,656	322,226	0	3,275,882
<i>Total Depreciable Capital Assets</i>	<u>142,608,811</u>	<u>11,931,718</u>	<u>(412,401)</u>	<u>154,128,128</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(1,298,493)	(102,746)	0	(1,401,239)
Building and Improvements	(26,724,343)	(1,429,891)	20,307	(28,133,927)
Machinery and Equipment	(17,914,719)	(1,403,531)	389,883	(18,928,367)
Infrastructure				
Streets and Sidewalks	(24,281,435)	(2,484,963)	0	(26,766,398)
Off-Street Parking	(1,842,504)	(81,309)	0	(1,923,813)
<i>Total Accumulated Depreciation</i>	<u>(72,061,494)</u>	<u>(5,502,440) *</u>	<u>410,190</u>	<u>(77,153,744)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>70,547,317</u>	<u>6,429,278</u>	<u>(2,211)</u>	<u>76,974,384</u>
<i>Total Governmental Capital Assets, Net</i>	<u><u>\$83,062,463</u></u>	<u><u>\$13,346,435</u></u>	<u><u>(\$8,435,578)</u></u>	<u><u>\$87,973,320</u></u>

*Depreciation expense was charged to governmental functions as follows:

General Government	\$1,036,505
Public Safety	647,993
Transportation	2,751,694
Community Development	126,224
Sanitation	280,304
Culture and Recreation	659,720
Total	<u><u>\$5,502,440</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Business-Type Activities				
<i>Depreciable Capital Assets</i>				
Buildings and Improvements	\$148,238	\$0	\$0	\$148,238
Machinery and Equipment	4,411,953	0	0	4,411,953
Infrastructure				
Water Lines	18,837,180	0	(18,837,180) *	0
Sanitary Sewer Lines	7,538,699	0	0	7,538,699
Storm Sewer Lines	2,941,631	0	0	2,941,631
<i>Total Depreciable Capital Assets</i>	<u>33,877,701</u>	<u>0</u>	<u>(18,837,180)</u>	<u>15,040,521</u>
<i>Less Accumulated Depreciation</i>				
Buildings and Improvements	(63,818)	(6,385)	0	(70,203)
Machinery and Equipment	(4,250,029)	(32,323)	0	(4,282,352)
Infrastructure				
Water Lines	(4,791,030)	0	4,791,030 *	0
Sanitary Sewer Lines	(2,178,443)	(125,323)	0	(2,303,766)
Storm Sewer Lines	(1,096,983)	(71,611)	0	(1,168,594)
<i>Total Accumulated Depreciation</i>	<u>(12,380,303)</u>	<u>(235,642)</u>	<u>4,791,030</u>	<u>(7,824,915)</u>
<i>Total Business-Type Activities Capital Assets, Net</i>	<u>\$21,497,398</u>	<u>(\$235,642)</u>	<u>(\$14,046,150)</u>	<u>\$7,215,606</u>

*The City entered into a Municipal Utility District agreement with the City of Cleveland, whereas, the City of Cleveland owns and controls a water distribution system. As part of a regional development initiative, the City of Cleveland assumed ownership and control of the City of Cleveland Heights' water lines. During 2017, the City entered into an agreement with the City of Cleveland to provide transition services, such as meter reading and maintenance of the waterlines.

Note 11 – Significant Commitments

Contractual Commitments

At December 31, 2017, the City had \$3,764,299 in significant contractual commitments which consisted of several construction projects, including the Cedar-Fairmount Streetscape, the Mayfield Road Signalization Design Program and Cedar Road Resurface Project. \$349,526 of the remaining commitment amounts were encumbered at year end.

Encumbrances

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

Governmental Funds:		Proprietary Funds:	
General Fund	\$43,006	Water	\$25,360
Street Construction, Maintenance and Repair Fund	139,763		
Other Governmental Funds	<u>698,087</u>	Sewer	<u>169,113</u>
Total Governmental Funds	<u>\$880,856</u>	Total Proprietary Funds	<u>\$194,473</u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 12 – Risk Management

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

The types of coverage and deductibles are as follows:

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

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

The City participates in the State Workers' Compensation retrospective rating and payment system. Once the City receives notice of the 2017 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 \$725,031 have been accrued as a liability at December 31, 2017 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 2016 and 2017 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2016	\$466,081	494,191	686,154	\$274,118
2017	274,118	1,321,486	870,573	725,031

Note 13 – Defined Benefit Pension Plans

Net Pension Liability

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,863,388 for 2017.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

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

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	<u>Police</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,505,231 for 2017.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.10891600%	0.56298000%	
Prior Measurement Date	<u>0.11949900%</u>	<u>0.63819600%</u>	
Change in Proportionate Share	<u>-0.01058300%</u>	<u>-0.07521600%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$24,732,971	\$35,658,588	\$60,391,559
Pension Expense	\$4,512,463	\$4,449,057	\$8,961,520

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$33,524	\$10,088	\$43,612
Changes of assumptions	3,922,952	0	3,922,952
Net difference between projected and actual earnings on pension plan investments	3,683,310	3,467,640	7,150,950
Changes in proportion and differences between City contributions and proportionate share of contributions	0	3,055,795	3,055,795
City contributions subsequent to the measurement date	<u>1,863,388</u>	<u>2,505,231</u>	<u>4,368,619</u>
Total Deferred Outflows of Resources	<u>\$9,503,174</u>	<u>\$9,038,754</u>	<u>\$18,541,928</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$147,199	\$82,100	\$229,299
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,252,110</u>	<u>3,398,385</u>	<u>4,650,495</u>
Total Deferred Inflows of Resources	<u>\$1,399,309</u>	<u>\$3,480,485</u>	<u>\$4,879,794</u>

\$4,368,619 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2018	\$2,356,918	\$1,378,871	\$3,735,789
2019	2,719,082	1,378,871	4,097,953
2020	1,272,445	1,064,628	2,337,073
2021	(107,968)	(173,370)	(281,338)
2022	0	(529,526)	(529,526)
Thereafter	<u>0</u>	<u>(66,436)</u>	<u>(66,436)</u>
Total	<u>\$6,240,477</u>	<u>\$3,053,038</u>	<u>\$9,293,515</u>

Actuarial Assumptions - OPERS

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's proportionate share of the net pension liability	\$37,785,139	\$24,732,971	\$13,856,294

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016, are summarized below:

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Note: Assumptions are geometric.

* levered 2x

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

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$47,493,014	\$35,658,588	\$25,628,752

Changes between Measurement Date and Report Date

In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 14 - Postemployment Benefits

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016 and 2015 was \$286,675, \$281,758 and \$293,329, respectively. For 2017, 84.54 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Ohio Police and Fire Pension Fund

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

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

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. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OPF for the years ended December 31, 2017, 2016 and 2015 were \$2,562,424, \$2,606,655 and \$2,602,217, respectively, of which \$57,193, \$59,648 and \$59,576, respectively, was allocated to the healthcare plan. For 2017, 86.81 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 15 – Compensated Absences

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

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

Note 16 – Solid Waste

In accordance with a notice letter received from the Ohio Environmental Protection Agency, the City of Cleveland Heights executed the final closure financial assurance instrument for the solid waste transfer station by the required September 30, 2003, deadline. The financial test assured that the City could support any amount up to \$200,000 in post-closure costs and that the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17. This location is used for the transfer of solid waste from the City's refuse trucks to a larger loader which is used to transport the waste to a commercial landfill located outside the City. At December 31, 2017, the current final closure cost estimate is \$167,718, and is reported as a liability on the City's books.

Note 17 – Contingent Liabilities

Litigation

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

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, 2017.

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 18 – Jointly Governed Organization

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

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the Council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2017, the City contributed \$3,000 for membership to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, OH 44118.

Note 19 – Notes Payable

Changes in the City’s note activity for the year ended December 31, 2017, were as follows:

	Outstanding 12/31/2016	Additions	(Reductions)	Outstanding 12/31/2017
Governmental Activities:				
<i>General Obligation</i>				
<i>Bond Retirement Fund:</i>				
Street Improvements	\$0	\$25,000	\$0	\$25,000
Motorized Equipment	0	479,000	0	479,000
Computer Equipment	0	59,000	0	59,000
Premium	0	15,202	0	15,202
<i>Total Governmental Activities</i>	\$0	\$578,202	\$0	\$578,202

In 2017, the City issued \$563,000 in bond anticipation notes to help finance street improvements and for the purchase of motorized equipment and computer equipment with an interest rate of 2.30 percent. At December 31, 2017, the improvements and equipment have been completed and the notes mature on July 24, 2018.

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 20 – Long-term Obligations

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities				
General Obligation Bonds				
Various Purpose Refunding	2013	2017	1.25	\$1,590,000
Various Purpose	2014	2028	3.19	3,125,000
Various Purpose	2015	2028	1.91	2,322,000
Various Purpose	2016	2030	1.91	1,600,000
Various Purpose	2017	2028	2.26	1,325,000
Recreational Facilities Refunding	2008	2017	3.0 - 5.0	8,695,000
Cedar Lee Parking Deck	2008	2017	3.0 - 4.75	6,355,000
Cedar Lee Parking Deck Refunding	2015	2028	2.03	4,640,000
Building Improvements	2017	2037	3.0 - 3.125	5,970,000
Special Assessment Bonds				
Ring Road Improvement Refunding	2014	2029	2.93	2,510,000
OPWC Loans				
Taylor Road Rehabilitation	2001	2021	0	132,780
Coventry Road Rehabilitation	2005	2025	0	369,741
Lee Road Rehabilitation	2006	2029	0	39,852
Meadowbrook Boulevard	2006	2026	0	1,837,103
Monticello Boulevard	2010	2031	0	248,880
Monticello Boulevard	2012	2034	0	640,800
Long-term Notes				
Street Improvements	2017	2018	2.3	272,000
Motorized Equipment	2017	2018	2.3	450,000
Computer Equipment	2016	2017	1.75	71,000
State Infrastructure Bank Loan				
Taylor Road Rehab	2014	2022	3	427,323
Business-Type Acitivites				
OPWC Loans				
Cedar Road - Water	2000	2020	0	940,876
Cedar Road - Sewer	2000	2020	0	170,407
Meadowbrook Boulevard Rehabilitation - Water	2006	2022	0	367,421
Meadowbrook Boulevard Rehabilitation - Sewer	2006	2022	0	459,276
OWDA Loans				
OWDA Loan - Runnymede Water Line	2010	2030	3.84	280,298
OWDA Loan - Demington Sewer	2007	2022	4.12	425,071

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Changes in long-term obligations during the year ended December 31, 2017, consisted of the following:

	Restated Balance 12/31/2016	Increase	Decrease	Balance 12/31/2017	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds					
2013 Various Purpose Refunding Bonds	\$325,000	\$0	\$325,000	\$0	\$0
Unamortized Premium	1,876	0	1,876	0	0
2014 Various Purpose Bonds	2,440,000	0	270,000	2,170,000	285,000
2015 Various Purpose Bonds	1,997,000	0	216,000	1,781,000	217,000
2016 Various Purpose Bonds	1,600,000	0	115,000	1,485,000	115,000
2017 Various Purpose Bonds	0	1,325,000	0	1,325,000	140,000
2008 Recreational Facilities Refunding Bonds	1,110,000	0	1,110,000	0	0
Unamortized Premium	33,806	0	33,806	0	0
2008 Cedar Lee Parking Deck Bonds	290,000	0	290,000	0	0
2015 Cedar Lee Parking Deck Refunding Bonds	4,545,000	0	65,000	4,480,000	370,000
2017 Building Improvement Bonds	0	5,970,000	0	5,970,000	155,000
Unamortized Premium	0	214,216	0	214,216	0
Unamortized Discount	0	(91,758)	0	(91,758)	0
<i>Total General Obligation Bonds</i>	<u>12,342,682</u>	<u>7,417,458</u>	<u>2,426,682</u>	<u>17,333,458</u>	<u>1,282,000</u>
Special Assessment Bonds (with governmental commitment)					
2014 Ring Road Improvement Refunding	2,260,000	0	120,000	2,140,000	125,000
OPWC Loans					
2001 Taylor Road Rehabilitation	33,195	0	9,959	23,236	6,639
2005 Coventry Road Rehabilitation	157,140	0	27,731	129,409	18,487
2006 Lee Road Rehabilitation	25,904	0	2,989	22,915	1,993
2006 Meadowbrook Boulevard	505,204	0	75,780	429,424	50,521
2010 Monticello Boulevard	180,438	0	18,666	161,772	12,444
2012 Monticello Boulevard	443,749	0	38,036	405,713	25,357
<i>Total OPWC Loans</i>	<u>1,345,630</u>	<u>0</u>	<u>173,161</u>	<u>1,172,469</u>	<u>115,441</u>
Long-term Notes					
Street Improvements	320,000	272,000	320,000	272,000	0
Motorized Equipment	1,124,000	450,000	1,124,000	450,000	0
Computer Equipment	71,000	0	71,000	0	0
Premium	11,211	0	11,211	0	0
<i>Total Long-term Notes</i>	<u>1,526,211</u>	<u>722,000</u>	<u>1,526,211</u>	<u>722,000</u>	<u>0</u>
Other Long-Term Obligations					
Compensated Absences Payable	4,444,615	3,572,937	2,612,829	5,404,723	3,040,978
Workers' Compensation Liability	274,118	1,321,486	870,573	725,031	577,655
State Infrastructure Loan Payable	329,838	0	50,963	278,875	52,504
Solid Waste Liability	162,335	5,383	0	167,718	0
Capital Leases	577,825	0	70,764	507,061	72,476
<i>Total Other Long-Term Obligations</i>	<u>5,788,731</u>	<u>4,899,806</u>	<u>3,605,129</u>	<u>7,083,408</u>	<u>3,743,613</u>
Net Pension Liability					
OPERS	19,042,834	3,711,496	0	22,754,330	0
OPF	41,055,597	0	5,397,009	35,658,588	0
<i>Total Net Pension Liability</i>	<u>60,098,431</u>	<u>3,711,496</u>	<u>5,397,009</u>	<u>58,412,918</u>	<u>0</u>
Total Governmental Long-Term Liabilities	<u><u>\$83,361,685</u></u>	<u><u>\$16,750,760</u></u>	<u><u>\$13,248,192</u></u>	<u><u>\$86,864,253</u></u>	<u><u>\$5,266,054</u></u>

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Balance 12/31/2016	Increase	Decrease	Balance 12/31/2017	Amounts Due in One Year
Business-Type Activities					
OPWC Loans					
Cedar Road - Water	\$164,653	\$0	\$70,563	\$94,090	\$47,044
Cedar Road - Sewer	29,821	0	12,780	17,041	8,520
Meadowbrook Boulevard Rehabilitation - Water	183,710	0	27,556	156,154	18,371
Meadowbrook Boulevard Rehabilitation - Sewer	229,638	0	34,446	195,192	22,964
<i>Total OPWC Loans</i>	<u>607,822</u>	<u>0</u>	<u>145,345</u>	<u>462,477</u>	<u>96,899</u>
OWDA Loans					
OWDA Loan - Runnymede Water Line	211,324	0	6,046	205,278	12,442
OWDA Loan - Demington Sewer	186,647	0	15,291	171,356	31,534
<i>Total OWDA Loans</i>	<u>397,971</u>	<u>0</u>	<u>21,337</u>	<u>376,634</u>	<u>43,976</u>
Long-term Notes					
Water System Improvements	185,000	0	185,000	0	0
Premium	1,369	0	1,369	0	0
<i>Total Long-term Notes</i>	<u>186,369</u>	<u>0</u>	<u>186,369</u>	<u>0</u>	<u>0</u>
Other Long-Term Obligations					
Compensated Absences Payable	615,203	83,788	301,484	397,507	317,096
Net Pension Liability					
OPERS	1,655,899	322,742	0	1,978,641	0
Total Business-Type Activities Long-term Liabilities	<u>\$3,463,264</u>	<u>\$406,530</u>	<u>\$654,535</u>	<u>\$3,215,259</u>	<u>\$457,971</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 2013, the City issued general obligation bonds, in the amount of \$1,590,000, to refund bonds previously issued in 2001 for recreational facilities in the amount of \$1,505,000. The bonds were issued with a fixed interest rate of 1.25 percent. The bonds were issued for a 5 year period with final maturity during 2017. The bonds were fully retired from the general bond retirement fund.

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

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

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

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

In 2015, the City issued general obligation bonds, in the amount of \$4,640,000, to partially refund bonds previously issued in 2008 for Cedar Lee parking deck. The bonds were issued with a fixed interest rate of 2.03 percent. The bonds were issued for a 15 year period with final maturity during fiscal year 2028. The bonds will be retired through the general bond retirement fund. As of December 31, 2017, \$4,140,000 of these bonds are considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

In 2017, the City issued \$5,970,000 in building improvement general obligation bonds. The bonds were issued with interest rates ranging from 3.00 to 3.125 percent. The bonds were issued for a 20 year period with a final maturity during fiscal year 2037. The bonds will be retired through the general bond retirement fund. At December 31, 2017, \$1,033,557 of these proceeds had not been spent.

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

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

Long-term Notes During 2017, the City issued \$1,285,000 in bond anticipation notes for street improvements and the purchase of motorized equipment which were used to retire previously issued bond anticipation notes. \$563,000 of these notes are considered short-term and the remaining \$722,000 are considered long-term. The notes have an interest rate of 2.30 percent and mature on July 24, 2018.

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

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the water enterprise fund. The debt is payable solely from net revenues and are payable through 2030. Annual principal and interest payments on the debt issues are expected to require less than 100 percent of net revenues in future years; however, in 2017, principal and interest payments on the loans exceeded net revenues. The total principal and interest remaining to be paid on the debt is \$512,929. Principal and interest paid for the current year and total net revenues were \$75,518 and (\$904,157) respectively.

The City has pledged future revenues, net of operating expenses less depreciation plus interest and fiscal charges, to repay OPWC and OWDA loans in the sewer enterprise fund. The debt is payable solely from net revenues and are payable through 2026. Annual principal and interest payments on the debt issues are expected to require 8.23 of net revenues. The total principal and interest remaining to be paid on the debt is \$403,015. Principal and interest paid for the current year and total net revenues were \$50,509 and \$613,355 respectively.

The City's overall legal debt margin was \$66,045,631 and the unvoted legal debt margin was \$27,011,749 at December 31, 2017. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2017, are as follows:

Governmental Activities				
Year	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2018	\$1,282,000	\$498,095	\$125,000	\$62,702
2019	1,327,000	401,810	125,000	59,040
2020	1,308,000	369,881	130,000	55,377
2021	1,378,000	338,183	130,000	51,568
2022	1,348,000	304,918	135,000	47,759
2023-2027	6,093,000	1,052,206	750,000	176,532
2028-2032	2,615,000	458,665	745,000	38,969
2033-2037	1,860,000	175,400	0	0
Total	\$17,211,000	\$3,599,158	\$2,140,000	\$491,947

Governmental Activities (continued)			
Year	OPWC	State Infrastructure Bank Loan Payable	
	Loans	Principal	Interest
2018	\$115,441	\$52,504	\$7,975
2019	115,440	54,091	6,388
2020	115,440	55,725	4,754
2021	112,120	57,410	3,069
2022	108,801	59,145	1,334
2023-2027	412,764	0	0
2028-2032	167,106	0	0
2033-2037	25,357	0	0
Total	\$1,172,469	\$278,875	\$23,520

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Business-Type Activities			
Year	OPWC	OWDA Loans	
	Loans	Principal	Interest
2018	\$96,899	\$43,976	\$14,306
2019	96,901	45,772	12,550
2020	41,335	47,640	10,721
2021	41,335	49,584	8,818
2022	41,335	51,609	6,837
2023-2027	144,672	81,307	19,726
2028-2032	0	56,746	3,874
Total	\$462,477	\$376,634	\$76,832

Note 21 – Capital Leases

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

Capital asset acquired by lease currently being paid have been capitalized and depreciated as follows as of December 31, 2017:

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

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, 2017.

Year Ending December 31, 2017	Governmental Activities
2018	\$85,154
2019	85,154
2020	85,154
2021	66,879
2022	48,604
2023-2027	194,419
Total	565,364
Less: Amount Representing Interest	(58,303)
Present Value of Net Minimum Lease Payments	\$507,061

City of Cleveland Heights, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 22 – Assets Held For Resale

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

Note 23 – Subsequent Events

On April 25, 2018, the City entered into a lease purchase agreement with Bancorp Government Leasing and Finance, Inc. for an ambulance. The lease is for 5 years at an interest rate of 3.96 percent.

On May 24, 2018, the City issued \$635,000 in vehicle acquisition bonds for the purchase of vehicles and equipment for the sewer department. The bonds have an interest rate of 2.85 percent and a maturity date of December 1, 2027.

On July 24, 2018, the City paid \$1,285,000 in various purpose notes and reissued \$722,000. The notes have an interest rate of 2.18 percent and a maturity date of July 23, 2019. All note proceeds have been fully expended.

On September 6, 2018, the City entered into a lease purchase agreement with Lease Servicing Center, Inc. for fitness equipment. The lease is for 4 years at an interest rate of 4.91 percent.

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 Four Years (1)**

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.10891600%	0.11949900%	0.12774300%	0.12774300%
City's Proportionate Share of the Net Pension Liability	\$24,732,971	\$20,698,733	\$15,407,233	\$15,059,235
City's Covered Payroll	\$14,087,875	\$14,666,438	\$15,189,233	\$13,602,627
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.56%	141.13%	101.44%	110.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	81.08%	86.45%	86.36%

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

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

See accompanying notes to the required supplementary information.

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

	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.56298000%	0.63819600%	0.54712730%	0.54712730%
City's Proportionate Share of the Net Pension Liability	\$35,658,588	\$41,055,597	\$28,343,475	\$26,646,816
City's Covered Payroll	\$11,929,672	\$11,915,147	\$10,740,721	\$11,100,872
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	298.91%	344.57%	263.89%	240.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	66.77%	71.71%	73.00%

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

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

See accompanying notes to the required supplementary information.

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

	2017	2016	2015	2014	2013
Contractually Required Contribution	\$1,863,388	\$1,690,545	\$1,826,707	\$1,892,517	\$1,840,602
Contributions in Relation to the Contractually Required Contribution	<u>(1,863,388)</u>	<u>(1,690,545)</u>	<u>(1,826,707)</u>	<u>(1,892,517)</u>	<u>(1,840,602)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$14,333,754	\$14,087,875	\$14,666,438	\$15,189,233	\$13,602,627
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.46%	12.46%	13.53%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

See accompanying notes to the required supplementary information.

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

	2017	2016	2015	2014	2013
Contractually Required Contribution	\$2,505,231	\$2,547,007	\$2,542,641	\$2,289,692	\$2,022,363
Contributions in Relation to the Contractually Required Contribution	<u>(2,505,231)</u>	<u>(2,547,007)</u>	<u>(2,542,641)</u>	<u>(2,289,692)</u>	<u>(2,022,363)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$11,438,528	\$11,929,672	\$11,915,147	\$10,740,721	\$11,100,872
Contributions as a Percentage of Covered Payroll:	21.90%	21.35%	21.34%	21.32%	18.22%

See accompanying notes to the required supplementary information.

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

City of Cleveland Heights, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

Changes in Assumptions - OPERS

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

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

Combining and Individual Fund Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

Public Building Maintenance Fund - To account for and report committed rental income for placement of communication towers. The fund did not have any budgetary activity in 2017; therefore, budgetary information is not provided.

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

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

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

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

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

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

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

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

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

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

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Fund Descriptions - Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

City of Cleveland Heights, Ohio

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,528,565	\$3,406,196	\$9,934,761
Materials and Supplies Inventory	70,442	0	70,442
Accounts Receivable	1,837,436	0	1,837,436
Intergovernmental Receivable	175,033	36,029	211,062
Property Taxes Receivable	492,616	574,699	1,067,315
Special Assessments Receivable	3,894,776	0	3,894,776
Notes Receivable	1,134,854	0	1,134,854
Assets Held for Resale	474,112	130,575	604,687
<i>Total Assets</i>	<u>\$14,607,834</u>	<u>\$4,147,499</u>	<u>\$18,755,333</u>
Liabilities			
Accounts Payable	\$273,877	\$70,992	\$344,869
Contracts Payable	15,900	69,352	85,252
Retainage Payable	0	0	0
Interfund Payable	865,047	0	865,047
Intergovernmental Payable	366,512	4,017	370,529
<i>Total Liabilities</i>	<u>1,521,336</u>	<u>144,361</u>	<u>1,665,697</u>
Deferred Inflows of Resources			
Property Taxes	383,662	447,606	831,268
Unavailable Revenue	5,753,487	163,122	5,916,609
<i>Deferred Inflows of Resources</i>	<u>6,137,149</u>	<u>610,728</u>	<u>6,747,877</u>
Fund Balances			
Nonspendable	70,442	0	70,442
Restricted	5,920,658	1,372,433	7,293,091
Committed	1,626,239	73,270	1,699,509
Assigned	0	1,946,707	1,946,707
Unassigned (Deficit)	(667,990)	0	(667,990)
<i>Total Fund Balances</i>	<u>6,949,349</u>	<u>3,392,410</u>	<u>10,341,759</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$14,607,834</u>	<u>\$4,147,499</u>	<u>\$18,755,333</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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$406,070	\$473,671	\$879,741
Charges for Services	2,672,388	0	2,672,388
Licenses, Permits and Fees	96,559	30,145	126,704
Fines and Forfeitures	565,767	0	565,767
Intergovernmental	2,450,883	87,815	2,538,698
Special Assessments	1,992,603	0	1,992,603
Rentals	0	24,420	24,420
Contributions and Donations	19,446	0	19,446
Miscellaneous	56,897	43,393	100,290
<i>Total Revenues</i>	<u>8,260,613</u>	<u>659,444</u>	<u>8,920,057</u>
Expenditures			
Current:			
General Government	1,183,488	7,646	1,191,134
Public Safety	5,237,521	18,498	5,256,019
Public Health Services	2,085	0	2,085
Community Development	2,739,664	198,261	2,937,925
Culture and Recreation	886,551	523,192	1,409,743
Capital Outlay	0	6,280,494	6,280,494
Debt Service:			
Principal Retirement	97,151	0	97,151
Interest and Fiscal Charges	19,845	24,208	44,053
Bond Issuance Costs	0	101,000	101,000
<i>Total Expenditures</i>	<u>10,166,305</u>	<u>7,153,299</u>	<u>17,319,604</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,905,692)</u>	<u>(6,493,855)</u>	<u>(8,399,547)</u>
Other Financing Sources (Uses)			
General Obligation Bonds Issued	340,000	5,970,000	6,310,000
Premium on Bonds Issued	0	214,216	214,216
Discount on Bonds Issued	0	(91,758)	(91,758)
Transfers In	2,724,028	500,000	3,224,028
Transfers Out	(88,345)	(27,340)	(115,685)
<i>Total Other Financing Sources (Uses)</i>	<u>2,975,683</u>	<u>6,565,118</u>	<u>9,540,801</u>
<i>Net Change in Fund Balances</i>	1,069,991	71,263	1,141,254
<i>Fund Balances Beginning of Year</i>	<u>5,879,358</u>	<u>3,321,147</u>	<u>9,200,505</u>
<i>Fund Balances End of Year</i>	<u>\$6,949,349</u>	<u>\$3,392,410</u>	<u>\$10,341,759</u>

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement	Community Development Block Grant
Assets						
Equity in Pooled Cash and						
Cash Equivalents	\$11,951	\$195,288	\$423	\$363,814	\$16,140	\$1,451
Materials and Supplies Inventory	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	62,373	81,772
Property Taxes Receivable	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Notes Receivable	0	0	0	0	0	1,089,671
Assets Held for Resale	116,930	0	0	0	0	0
<i>Total Assets</i>	<u>\$128,881</u>	<u>\$195,288</u>	<u>\$423</u>	<u>\$363,814</u>	<u>\$78,513</u>	<u>\$1,172,894</u>
Liabilities						
Accounts Payable	\$17,978	\$6,540	\$0	\$0	\$2,839	\$51,491
Contracts Payable	0	0	0	0	0	0
Retainage Payable	0	0	0	0	0	0
Interfund Payable	65,150	0	0	0	0	203,542
Intergovernmental Payable	0	9,467	0	0	554	11,364
<i>Total Liabilities</i>	<u>83,128</u>	<u>16,007</u>	<u>0</u>	<u>0</u>	<u>3,393</u>	<u>266,397</u>
Deferred Inflows of Resources						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances						
Nonspendable	0	0	0	0	0	0
Restricted	45,753	0	0	363,814	75,120	906,497
Committed	0	179,281	423	0	0	0
Unassigned (Deficit)	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>45,753</u>	<u>179,281</u>	<u>423</u>	<u>363,814</u>	<u>75,120</u>	<u>906,497</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$128,881</u>	<u>\$195,288</u>	<u>\$423</u>	<u>\$363,814</u>	<u>\$78,513</u>	<u>\$1,172,894</u>

(continued)

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

	Home Program	FEMA Grant	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment	Municipal Court Clerk Computerization	DUI Enforcement and Education
Assets							
Equity in Pooled Cash and Cash Equivalents	\$26,200	\$101,668	\$13,085	\$122,267	\$225,860	\$15,916	\$107,013
Materials and Supplies Inventory	0	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0	0
Notes Receivable	45,183	0	0	0	0	0	0
Assets Held for Resale	0	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$71,383</u>	<u>\$101,668</u>	<u>\$13,085</u>	<u>\$122,267</u>	<u>\$225,860</u>	<u>\$15,916</u>	<u>\$107,013</u>
Liabilities							
Accounts Payable	\$0	\$1,609	\$29,923	\$0	\$0	\$22,417	\$0
Contracts Payable	15,900	0	0	0	0	0	0
Retainage Payable	0	0	0	0	0	0	0
Interfund Payable	131,064	0	0	0	0	16,325	0
Intergovernmental Payable	0	3,677	13,232	0	0	1,005	0
<i>Total Liabilities</i>	<u>146,964</u>	<u>5,286</u>	<u>43,155</u>	<u>0</u>	<u>0</u>	<u>39,747</u>	<u>0</u>
Deferred Inflows of Resources							
Property Taxes	0	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances							
Nonspendable	0	0	0	0	0	0	0
Restricted	0	96,382	0	122,267	225,860	0	107,013
Committed	0	0	0	0	0	0	0
Unassigned (Deficit)	(75,581)	0	(30,070)	0	0	(23,831)	0
<i>Total Fund Balances (Deficit)</i>	<u>(75,581)</u>	<u>96,382</u>	<u>(30,070)</u>	<u>122,267</u>	<u>225,860</u>	<u>(23,831)</u>	<u>107,013</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$71,383</u>	<u>\$101,668</u>	<u>\$13,085</u>	<u>\$122,267</u>	<u>\$225,860</u>	<u>\$15,916</u>	<u>\$107,013</u>

Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting	Tree	Police Pension	Fire Pension	First Suburbs Development Council	Parking
\$1,941,276	\$18,807	\$123,599	\$723,402	\$585,101	\$0	\$0	\$57,754	\$462,588
0	0	0	0	0	0	0	0	70,442
0	0	0	0	0	0	0	0	0
0	0	0	0	0	15,444	15,444	0	0
0	0	0	0	0	246,308	246,308	0	0
0	0	0	2,103,179	1,791,597	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	357,182	0	0	0	0	0	0
<u>\$1,941,276</u>	<u>\$18,807</u>	<u>\$480,781</u>	<u>\$2,826,581</u>	<u>\$2,376,698</u>	<u>\$261,752</u>	<u>\$261,752</u>	<u>\$57,754</u>	<u>\$533,030</u>
\$327	\$0	\$0	\$72,783	\$24,620	\$0	\$12,538	\$194	\$9,339
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	110,444	0	0	0	74,563	263,959	0	0
<u>748</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,647</u>	<u>67,158</u>	<u>28,653</u>	<u>442</u>	<u>215,189</u>
<u>1,075</u>	<u>110,444</u>	<u>0</u>	<u>72,783</u>	<u>34,267</u>	<u>141,721</u>	<u>305,150</u>	<u>636</u>	<u>224,528</u>
0	0	0	0	0	191,831	191,831	0	0
0	0	0	2,103,179	1,791,597	69,921	69,921	0	0
0	0	0	2,103,179	1,791,597	261,752	261,752	0	0
0	0	0	0	0	0	0	0	70,442
1,940,201	0	480,781	650,619	550,834	0	0	57,118	238,060
0	0	0	0	0	0	0	0	0
0	(91,637)	0	0	0	(141,721)	(305,150)	0	0
<u>1,940,201</u>	<u>(91,637)</u>	<u>480,781</u>	<u>650,619</u>	<u>550,834</u>	<u>(141,721)</u>	<u>(305,150)</u>	<u>57,118</u>	<u>308,502</u>
<u>\$1,941,276</u>	<u>\$18,807</u>	<u>\$480,781</u>	<u>\$2,826,581</u>	<u>\$2,376,698</u>	<u>\$261,752</u>	<u>\$261,752</u>	<u>\$57,754</u>	<u>\$533,030</u>

(continued)

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2017

	Ambulance Services	Office on Aging Donations	Youth Recreation Donation	Police Memorial Trust	Youth Advisory Commission	Juvenile Diversion Program	Total Nonmajor Special Revenue Funds
Assets							
Equity in Pooled Cash and							
Cash Equivalents	\$1,352,098	\$9,209	\$38,511	\$10,608	\$71	\$4,465	\$6,528,565
Materials and Supplies Inventory	0	0	0	0	0	0	70,442
Accounts Receivable	1,837,436	0	0	0	0	0	1,837,436
Intergovernmental Receivable	0	0	0	0	0	0	175,033
Property Taxes Receivable	0	0	0	0	0	0	492,616
Special Assessments Receivable	0	0	0	0	0	0	3,894,776
Notes Receivable	0	0	0	0	0	0	1,134,854
Assets Held for Resale	0	0	0	0	0	0	474,112
<i>Total Assets</i>	<u>\$3,189,534</u>	<u>\$9,209</u>	<u>\$38,511</u>	<u>\$10,608</u>	<u>\$71</u>	<u>\$4,465</u>	<u>\$14,607,834</u>
Liabilities							
Accounts Payable	\$18,754	\$25	\$0	\$0	\$0	\$2,500	\$273,877
Contracts Payable	0	0	0	0	0	0	15,900
Retainage Payable	0	0	0	0	0	0	0
Interfund Payable	0	0	0	0	0	0	865,047
Intergovernmental Payable	5,376	0	0	0	0	0	366,512
<i>Total Liabilities</i>	<u>24,130</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>1,521,336</u>
Deferred Inflows of Resources							
Property Taxes	0	0	0	0	0	0	383,662
Unavailable Revenue	1,718,869	0	0	0	0	0	5,753,487
<i>Total Deferred Inflows of Resources</i>	<u>1,718,869</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,137,149</u>
Fund Balances							
Nonspendable	0	0	0	0	0	0	70,442
Restricted	0	9,184	38,511	10,608	71	1,965	5,920,658
Committed	1,446,535	0	0	0	0	0	1,626,239
Unassigned (Deficit)	0	0	0	0	0	0	(667,990)
<i>Total Fund Balances (Deficit)</i>	<u>1,446,535</u>	<u>9,184</u>	<u>38,511</u>	<u>10,608</u>	<u>71</u>	<u>1,965</u>	<u>6,949,349</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$3,189,534</u>	<u>\$9,209</u>	<u>\$38,511</u>	<u>\$10,608</u>	<u>\$71</u>	<u>\$4,465</u>	<u>\$14,607,834</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, 2017

	Foundation Grants	Communications System	Public Building Maintenance	Law Enforcement Trust	Drug Law Enforcement
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0
Licenses, Permits and Fees	0	0	0	0	0
Fines and Forfeitures	0	0	0	271,854	108,588
Intergovernmental	25,288	440,907	0	0	37,026
Special Assessments	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	35,461	0
<i>Total Revenues</i>	<u>25,288</u>	<u>440,907</u>	<u>0</u>	<u>307,315</u>	<u>145,614</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Public Safety	0	654,852	0	5,423	164,190
Public Health Services	0	0	0	0	0
Community Development	162,388	0	0	0	0
Culture and Recreation	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>162,388</u>	<u>654,852</u>	<u>0</u>	<u>5,423</u>	<u>164,190</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(137,100)</u>	<u>(213,945)</u>	<u>0</u>	<u>301,892</u>	<u>(18,576)</u>
Other Financing Sources (Uses)					
General Obligation Bonds Issued	0	0	0	0	0
Transfers In	0	444,000	0	0	0
Transfers Out	0	0	0	0	(15,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>444,000</u>	<u>0</u>	<u>0</u>	<u>(15,000)</u>
<i>Net Change in Fund Balances</i>	(137,100)	230,055	0	301,892	(33,576)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>182,853</u>	<u>(50,774)</u>	<u>423</u>	<u>61,922</u>	<u>108,696</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$45,753</u>	<u>\$179,281</u>	<u>\$423</u>	<u>\$363,814</u>	<u>\$75,120</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, 2017

	Community Development Block Grant	Home Program	FEMA Grant	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment
Revenues						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	727,587	0	0
Licenses, Permits and Fees	0	0	0	0	96,516	0
Fines and Forfeitures	0	0	0	0	0	17,010
Intergovernmental	1,277,508	151,040	261,653	21,244	0	0
Special Assessments	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Miscellaneous	0	0	0	10,747	0	0
<i>Total Revenues</i>	<u>1,277,508</u>	<u>151,040</u>	<u>261,653</u>	<u>759,578</u>	<u>96,516</u>	<u>17,010</u>
Expenditures						
Current:						
General Government	0	0	0	0	0	0
Public Safety	0	0	242,992	0	0	0
Public Health Services	0	0	0	0	0	0
Community Development	1,403,768	134,856	0	0	0	0
Culture and Recreation	0	0	0	886,551	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,403,768</u>	<u>134,856</u>	<u>242,992</u>	<u>886,551</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(126,260)</u>	<u>16,184</u>	<u>18,661</u>	<u>(126,973)</u>	<u>96,516</u>	<u>17,010</u>
Other Financing Sources (Uses)						
General Obligation Bonds Issued	0	0	0	0	0	0
Transfers In	0	0	0	95,000	0	0
Transfers Out	0	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(126,260)</u>	<u>16,184</u>	<u>18,661</u>	<u>(31,973)</u>	<u>96,516</u>	<u>17,010</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,032,757</u>	<u>(91,765)</u>	<u>77,721</u>	<u>1,903</u>	<u>25,751</u>	<u>208,850</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$906,497</u>	<u>(\$75,581)</u>	<u>\$96,382</u>	<u>(\$30,070)</u>	<u>\$122,267</u>	<u>\$225,860</u>

Municipal Court Clerk Computerization	DUI Enforcement and Education	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting	Tree
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	40
58,345	5,083	104,887	0	0	0	0
0	0	0	141,399	0	0	0
0	0	0	0	0	914,805	1,077,798
0	0	0	0	0	0	0
0	0	0	0	0	0	10,100
<u>58,345</u>	<u>5,083</u>	<u>104,887</u>	<u>141,399</u>	<u>0</u>	<u>914,805</u>	<u>1,087,938</u>
131,083	0	30,302	0	0	0	0
0	0	0	0	0	840,540	0
0	0	0	0	0	0	0
0	0	0	165,773	0	0	852,950
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>131,083</u>	<u>0</u>	<u>30,302</u>	<u>165,773</u>	<u>0</u>	<u>840,540</u>	<u>852,950</u>
<u>(72,738)</u>	<u>5,083</u>	<u>74,585</u>	<u>(24,374)</u>	<u>0</u>	<u>74,265</u>	<u>234,988</u>
0	0	0	0	0	0	0
0	0	0	0	0	18,600	22,264
0	0	0	0	0	0	(11,845)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,600</u>	<u>10,419</u>
(72,738)	5,083	74,585	(24,374)	0	92,865	245,407
<u>48,907</u>	<u>101,930</u>	<u>1,865,616</u>	<u>(67,263)</u>	<u>480,781</u>	<u>557,754</u>	<u>305,427</u>
<u>(\$23,831)</u>	<u>\$107,013</u>	<u>\$1,940,201</u>	<u>(\$91,637)</u>	<u>\$480,781</u>	<u>\$650,619</u>	<u>\$550,834</u>

(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, 2017

	Police Pension	Fire Pension	First Suburbs Development Council	Parking	Ambulance Services	Office on Aging Donations
Revenues						
Property Taxes	\$203,035	\$203,035	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	1,086,628	858,173	0
Licenses, Permits and Fees	0	0	0	0	0	3
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	30,929	30,929	30,460	0	2,500	0
Special Assessments	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	8,156
Miscellaneous	0	0	0	471	118	0
<i>Total Revenues</i>	<u>233,964</u>	<u>233,964</u>	<u>30,460</u>	<u>1,087,099</u>	<u>860,791</u>	<u>8,159</u>
Expenditures						
Current:						
General Government	0	0	0	1,020,526	0	0
Public Safety	1,149,800	1,598,689	0	0	574,679	0
Public Health Services	0	0	0	0	0	2,085
Community Development	0	0	19,929	0	0	0
Culture and Recreation	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	26,387	70,764	0
Interest and Fiscal Charges	0	0	0	5,272	14,573	0
<i>Total Expenditures</i>	<u>1,149,800</u>	<u>1,598,689</u>	<u>19,929</u>	<u>1,052,185</u>	<u>660,016</u>	<u>2,085</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(915,836)</u>	<u>(1,364,725)</u>	<u>10,531</u>	<u>34,914</u>	<u>200,775</u>	<u>6,074</u>
Other Financing Sources (Uses)						
General Obligation Bonds Issued	0	0	0	0	340,000	0
Transfers In	911,473	1,232,691	0	0	0	0
Transfers Out	0	0	0	0	(61,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>911,473</u>	<u>1,232,691</u>	<u>0</u>	<u>0</u>	<u>278,500</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(4,363)</u>	<u>(132,034)</u>	<u>10,531</u>	<u>34,914</u>	<u>479,275</u>	<u>6,074</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(137,358)</u>	<u>(173,116)</u>	<u>46,587</u>	<u>273,588</u>	<u>967,260</u>	<u>3,110</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$141,721)</u>	<u>(\$305,150)</u>	<u>\$57,118</u>	<u>\$308,502</u>	<u>\$1,446,535</u>	<u>\$9,184</u>

Youth Recreation Donation	Police Memorial Trust	Youth Advisory Commission	Juvenile Diversion Program	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$406,070
0	0	0	0	2,672,388
0	0	0	0	96,559
0	0	0	0	565,767
0	0	0	0	2,450,883
0	0	0	0	1,992,603
2,890	0	0	8,400	19,446
0	0	0	0	56,897
<u>2,890</u>	<u>0</u>	<u>0</u>	<u>8,400</u>	<u>8,260,613</u>
1,577	0	0	0	1,183,488
0	0	0	6,356	5,237,521
0	0	0	0	2,085
0	0	0	0	2,739,664
0	0	0	0	886,551
0	0	0	0	97,151
0	0	0	0	19,845
<u>1,577</u>	<u>0</u>	<u>0</u>	<u>6,356</u>	<u>10,166,305</u>
<u>1,313</u>	<u>0</u>	<u>0</u>	<u>2,044</u>	<u>(1,905,692)</u>
0	0	0	0	340,000
0	0	0	0	2,724,028
0	0	0	0	(88,345)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,975,683</u>
1,313	0	0	2,044	1,069,991
37,198	10,608	71	(79)	5,879,358
<u>\$38,511</u>	<u>\$10,608</u>	<u>\$71</u>	<u>\$1,965</u>	<u>\$6,949,349</u>

City of Cleveland Heights, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Energy Improvements</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$41,317	\$457,556	\$321,863	\$1,033,557
Intergovernmental Receivable	0	36,029	0	0
Property Taxes Receivable	0	574,699	0	0
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$41,317</u>	<u>\$1,068,284</u>	<u>\$321,863</u>	<u>\$1,033,557</u>
Liabilities				
Accounts Payable	\$0	\$61,826	\$1,400	\$0
Contracts Payable	0	0	12,498	56,854
Intergovernmental Payable	3,092	0	0	0
<i>Total Liabilities</i>	<u>3,092</u>	<u>61,826</u>	<u>13,898</u>	<u>56,854</u>
Deferred Inflows of Resources				
Property Taxes	0	447,606	0	0
Unavailable Revenue	0	163,122	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>610,728</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	0	395,730	0	976,703
Committed	38,225	0	0	0
Assigned	0	0	307,965	0
<i>Total Fund Balances</i>	<u>38,225</u>	<u>395,730</u>	<u>307,965</u>	<u>976,703</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$41,317</u>	<u>\$1,068,284</u>	<u>\$321,863</u>	<u>\$1,033,557</u>

<u>Economic Development</u>	<u>City Hall Maintenance</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$1,453,827	\$63,031	\$35,045	\$3,406,196
0	0	0	36,029
0	0	0	574,699
130,575	0	0	130,575
<u>\$1,584,402</u>	<u>\$63,031</u>	<u>\$35,045</u>	<u>\$4,147,499</u>
\$7,766	\$0	\$0	\$70,992
0	0	0	69,352
925	0	0	4,017
<u>8,691</u>	<u>0</u>	<u>0</u>	<u>144,361</u>
0	0	0	447,606
0	0	0	163,122
<u>0</u>	<u>0</u>	<u>0</u>	<u>610,728</u>
0	0	0	1,372,433
0	0	35,045	73,270
1,575,711	63,031	0	1,946,707
<u>1,575,711</u>	<u>63,031</u>	<u>35,045</u>	<u>3,392,410</u>
<u>\$1,584,402</u>	<u>\$63,031</u>	<u>\$35,045</u>	<u>\$4,147,499</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, 2017

	<u>Police Facility Improvement</u>	<u>Recreation Facility Improvement</u>	<u>Capital Improvements</u>	<u>Energy Improvements</u>
Revenues				
Property Taxes	\$0	\$473,671	\$0	\$0
Licenses, Permits and Fees	30,145	0	0	0
Intergovernmental	0	72,155	15,660	0
Rentals	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>30,145</u>	<u>545,826</u>	<u>15,660</u>	<u>0</u>
Expenditures				
General Government	0	0	0	0
Public Safety	18,498	0	0	0
Community Development	0	0	0	0
Culture and Recreation	0	523,192	0	0
Capital Outlay	15,000	273,568	986,276	4,993,297
Debt Service:				
Interest and Fiscal Charges	0	0	2,750	21,458
Bond Issuance Costs	0	0	0	101,000
<i>Total Expenditures</i>	<u>33,498</u>	<u>796,760</u>	<u>989,026</u>	<u>5,115,755</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,353)</u>	<u>(250,934)</u>	<u>(973,366)</u>	<u>(5,115,755)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	5,970,000
Premium on Bonds Issued	0	0	0	214,216
Discount on Bonds Issued	0	0	0	(91,758)
Transfers In	0	0	500,000	0
Transfers Out	0	(27,340)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(27,340)</u>	<u>500,000</u>	<u>6,092,458</u>
<i>Net Change in Fund Balances</i>	(3,353)	(278,274)	(473,366)	976,703
<i>Fund Balances Beginning of Year</i>	<u>41,578</u>	<u>674,004</u>	<u>781,331</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$38,225</u>	<u>\$395,730</u>	<u>\$307,965</u>	<u>\$976,703</u>

<u>Economic Development</u>	<u>City Hall Maintenance</u>	<u>Ring Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$0	\$0	\$473,671
0	0	0	30,145
0	0	0	87,815
0	24,420	0	24,420
<u>43,393</u>	<u>0</u>	<u>0</u>	<u>43,393</u>
<u>43,393</u>	<u>24,420</u>	<u>0</u>	<u>659,444</u>
0	7,646	0	7,646
0	0	0	18,498
198,261	0	0	198,261
0	0	0	523,192
0	12,353	0	6,280,494
0	0	0	24,208
<u>0</u>	<u>0</u>	<u>0</u>	<u>101,000</u>
<u>198,261</u>	<u>19,999</u>	<u>0</u>	<u>7,153,299</u>
<u>(154,868)</u>	<u>4,421</u>	<u>0</u>	<u>(6,493,855)</u>
0	0	0	5,970,000
0	0	0	214,216
0	0	0	(91,758)
0	0	0	500,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,340)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>6,565,118</u>
(154,868)	4,421	0	71,263
<u>1,730,579</u>	<u>58,610</u>	<u>35,045</u>	<u>3,321,147</u>
<u>\$1,575,711</u>	<u>\$63,031</u>	<u>\$35,045</u>	<u>\$3,392,410</u>

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

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

Agency Funds

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

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

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

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

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

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

City of Cleveland Heights, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Balance 12/31/16	Additions	Reductions	Balance 12/31/17
First Suburbs Consortium				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$79,622	\$45,000	\$42,384	\$82,238
Liabilities				
Deposits Held and Due to Others	\$79,622	\$45,000	\$42,384	\$82,238
Municipal Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$379,306	\$2,756,904	\$2,744,013	\$392,197
Liabilities				
Deposits Held and Due to Others	\$379,306	\$2,756,904	\$2,744,013	\$392,197
Sales Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$349	\$43	\$46	\$346
Liabilities				
Deposits Held and Due to Others	\$349	\$43	\$46	\$346
Miscellaneous				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$312,535	\$173,103	\$155,116	\$330,522
Liabilities				
Deposits Held and Due to Others	\$312,535	\$173,103	\$155,116	\$330,522
NEORS				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$87,876	\$3,196,607	\$3,284,483	\$0
Liabilities				
Deposits Held and Due to Others	\$87,876	\$3,191,223	\$3,284,483	(\$5,384)
Due to Governmental Funds	0	5,384	0	5,384
Total Liabilities	\$87,876	\$3,196,607	\$3,284,483	\$0
Payroll				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$166,787	\$0	\$775	\$166,012
Liabilities				
Deposits Held and Due to Others	\$166,787	\$0	\$775	\$166,012
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$647,169	\$3,414,753	\$3,482,804	\$579,118
Cash and Cash Equivalents in Segregated Accounts	379,306	2,756,904	2,744,013	392,197
Total Assets	\$1,026,475	\$6,171,657	\$6,226,817	\$971,315
Liabilities				
Deposits Held and Due to Others	\$1,026,475	\$6,166,273	\$6,226,817	\$965,931
Due to Governmental Funds	0	5,384	0	5,384
Total Liabilities	\$1,026,475	\$6,171,657	\$6,226,817	\$971,315

**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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$6,058,854	\$6,058,854	\$6,610,858	\$552,004
Municipal Income Taxes	25,505,347	25,505,347	27,770,904	2,265,557
Admissions Taxes	52,712	52,712	57,394	4,682
Charges for Services	1,399,950	1,399,950	1,523,637	123,687
Licenses, Permits and Fees	3,560,112	3,560,112	3,869,076	308,964
Fines and Forfeitures	1,655,981	1,655,981	1,802,884	146,903
Intergovernmental	2,550,758	2,550,758	2,988,277	437,519
Interest	223,063	223,063	231,251	8,188
Rentals	278,128	278,128	302,388	24,260
Franchise Taxes	471,497	471,497	513,379	41,882
Miscellaneous	686,522	686,522	796,854	110,332
<i>Total Revenues</i>	<u>42,442,924</u>	<u>42,442,924</u>	<u>46,466,902</u>	<u>4,023,978</u>
Expenditures				
Current:				
General Government				
City Council				
Personal Services	81,571	81,571	81,470	101
Other than Personal Services	8,750	8,750	5,611	3,139
Total City Council	<u>90,321</u>	<u>90,321</u>	<u>87,081</u>	<u>3,240</u>
City Manager				
Personal Services	517,356	477,356	488,435	(11,079)
Other than Personal Services	16,620	16,620	15,803	817
Total City Manager	<u>533,976</u>	<u>493,976</u>	<u>504,238</u>	<u>(10,262)</u>
Management Information System				
Personal Services	297,239	364,089	370,823	(6,734)
Other than Personal Services	68,050	177,800	106,656	71,144
Capital Outlay	3,405	3,855	11,773	(7,918)
Total Management Information System	<u>368,694</u>	<u>545,744</u>	<u>489,252</u>	<u>56,492</u>
Civil Service Commission				
Personal Services	822	1,842	1,618	224
Other than Personal Services	13,950	14,070	12,520	1,550
Total Civil Service Commission	<u>14,772</u>	<u>15,912</u>	<u>14,138</u>	<u>1,774</u>
Finance Department				
Personal Services	402,395	365,395	383,240	(17,845)
Other than Personal Services	112,004	112,004	279,838	(167,834)
Capital Outlay	150	15,150	15,000	150
Total Finance Department	<u>514,549</u>	<u>492,549</u>	<u>678,078</u>	<u>(185,529)</u>
Income Tax Department				
Other than Personal Services	\$991,500	\$979,360	\$938,637	\$40,723

(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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Law Department				
Personal Services	\$517,391	\$513,391	\$499,994	\$13,397
Other than Personal Services	265,100	344,100	267,827	76,273
Total Law Department	782,491	857,491	767,821	89,670
Service Administration				
Personal Services	327,669	371,769	382,205	(10,436)
Other than Personal Services	3,575	3,575	2,161	1,414
Total Service Administration	331,244	375,344	384,366	(9,022)
Capital Projects				
Personal Services	21,000	0	0	0
Other than Personal Services	250	21,250	24,150	(2,900)
Total Capital Projects	21,250	21,250	24,150	(2,900)
Public Properties and Park Maintenance				
Personal Services	1,197,684	1,175,684	1,241,399	(65,715)
Other than Personal Services	983,350	972,355	960,038	12,317
Capital Outlay	0	4,950	4,950	0
Non-Governmental	0	300	115	185
Total Public Properties and Park Maintenance	2,181,034	2,153,289	2,206,502	(53,213)
Community Service Administration				
Personal Services	240,514	261,744	289,225	(27,481)
Other than Personal Services	900	900	589	311
Total Community Service Administration	241,414	262,644	289,814	(27,170)
County Auditor				
Other than Personal Services:				
Auditor and Treasurer Fees	188,000	202,080	202,130	(50)
Delinquent Land Advertising	1,500	1,500	97	1,403
Total County Auditor	189,500	203,580	202,227	1,353
Municipal Court				
Personal Services	1,051,040	1,051,040	1,089,540	(38,500)
Other than Personal Services	189,315	189,315	110,196	79,119
Non-Governmental	120	120	0	120
Total Municipal Court	1,240,475	1,240,475	1,199,736	40,739
Administrative Support				
Personal Services	35,000	69,000	64,627	4,373
Other than Personal Services	847,900	887,725	845,496	42,229
Capital Outlay	0	110,000	107,295	2,705
Non-Governmental	0	166,123	164,121	2,002
Total Administrative Support	882,900	1,232,848	1,181,539	51,309
Hospitalization Insurance				
Personal Services	5,930,000	5,813,000	5,612,520	200,480
<i>Total General Government</i>	<i>\$14,314,120</i>	<i>\$14,777,783</i>	<i>\$14,580,099</i>	<i>\$197,684</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Police Department				
Personal Services	\$9,169,312	\$9,169,312	\$8,683,849	\$485,463
Other than Personal Services	470,350	469,098	496,921	(27,823)
Non-Governmental	500	500	385	115
Total Police Department	9,640,162	9,638,910	9,181,155	457,755
Police Academy				
Personal Services	4,500	4,500	3,975	525
Other than Personal Services	87,000	87,000	82,642	4,358
Capital Outlay	1,000	0	0	0
Non-Governmental	0	1,000	0	1,000
Total Police Academy	92,500	92,500	86,617	5,883
Police Motor Vehicle Maintenance				
Other than Personal Services	0	0	3,710	(3,710)
Traffic Signs and Signals				
Personal Services	60,364	60,364	58,710	1,654
Other than Personal Services	130,600	130,600	134,277	(3,677)
Total Traffic Signs and Signals	190,964	190,964	192,987	(2,023)
Animal Protection Unit				
Personal Services	74,441	74,441	75,732	(1,291)
Other than Personal Services	29,000	29,000	22,385	6,615
Total Animal Protection Unit	103,441	103,441	98,117	5,324
Forestry				
Personal Services	0	0	4,141	(4,141)
Fire Department				
Personal Services	6,627,518	6,827,518	6,825,603	1,915
Other than Personal Services	220,900	220,900	218,300	2,600
Capital Outlay	1,500	1,500	0	1,500
Total Fire Department	6,849,918	7,049,918	7,043,903	6,015
Fire Prevention Bureau				
Personal Services	123,558	123,558	113,551	10,007
Other than Personal Services	4,850	4,850	2,333	2,517
Capital Outlay	1,000	1,000	0	1,000
Total Fire Prevention Bureau	129,408	129,408	115,884	13,524
Fire Department Dispatch				
Personal Services	0	0	1,855	(1,855)
<i>Total Public Safety</i>	<i>\$17,006,393</i>	<i>\$17,205,141</i>	<i>\$16,728,369</i>	<i>\$476,772</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Health Services				
Office on Aging				
Personal Services	\$132,152	\$132,152	\$140,293	(\$8,141)
Other than Personal Services	34,000	34,000	30,344	3,656
Non-Governmental	300	300	0	300
Total Office on Aging	166,452	166,452	170,637	(4,185)
Health and Vital Statistics				
Other than Personal Services	191,519	193,519	183,774	9,745
Commission on Aging				
Other than Personal Services	250	250	0	250
<i>Total Public Health Services</i>	<u>358,221</u>	<u>360,221</u>	<u>354,411</u>	<u>5,810</u>
Transportation				
Vehicle Maintenance				
Personal Services	856,116	796,116	771,866	24,250
Other than Personal Services	1,269,275	1,272,955	1,201,825	71,130
Capital Outlay	9,100	45,420	44,712	708
Total Vehicle Maintenance	2,134,491	2,114,491	2,018,403	96,088
Off Street Parking				
Personal Services	0	0	1,406	(1,406)
Street Maintenance				
Personal Services	1,202,279	1,202,279	1,269,172	(66,893)
Other than Personal Services	74,500	101,145	83,206	17,939
Capital Outlay	0	10,555	10,555	0
Total Street Maintenance	1,276,779	1,313,979	1,362,933	(48,954)
<i>Total Transportation</i>	<u>3,411,270</u>	<u>3,428,470</u>	<u>3,382,742</u>	<u>45,728</u>
Community Development				
Community Relations				
Personal Services	44,178	47,978	48,978	(1,000)
Other than Personal Services	13,000	17,060	11,873	5,187
Total Community Relations	57,178	65,038	60,851	4,187
Public Relations				
Personal Services	178,338	150,338	157,833	(7,495)
Other than Personal Services	101,400	101,400	69,704	31,696
Total Public Relations	\$279,738	\$251,738	\$227,537	\$24,201
Planning Department				
Personal Services	391,294	400,194	415,475	(15,281)
Other than Personal Services	23,975	21,975	13,981	7,994
Total Planning Department	\$415,269	\$422,169	\$429,456	(\$7,287)

(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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Planning Commission				
Personal Services	\$7,670	\$7,670	\$6,463	\$1,207
Other than Personal Services	3,500	1,500	826	674
Non-Governmental	450	450	30	420
Total Planning Commission	11,620	9,620	7,319	2,301
Board of Zoning Appeals				
Personal Services	5,478	5,478	3,592	1,886
Other than Personal Services	2,975	2,975	910	2,065
Non-Governmental	500	500	0	500
Total Board of Zoning Appeals	8,953	8,953	4,502	4,451
Architectural Board of Review				
Personal Services	5,478	6,403	6,375	28
Other than Personal Services	500	500	0	500
Non-Governmental	300	300	280	20
Total Architectural Board of Review	6,278	7,203	6,655	548
Special Improvement Districts				
Other than Personal Services	371,143	371,143	342,627	28,516
Building Department				
Personal Services	0	10,210	8,898	1,312
Other than Personal Services	362,500	362,000	359,726	2,274
Non-Governmental	0	500	252	248
Total Building Department	362,500	372,710	368,876	3,834
Housing Inspections				
Personal Services	499,324	489,114	512,068	(22,954)
Other than Personal Services	42,000	42,000	41,481	519
Non-Governmental	3,000	3,000	2,025	975
Total Housing Inspections	544,324	534,114	555,574	(21,460)
Landmark Commission				
Other than Personal Services	4,150	4,150	35	4,115
Local Programming				
Personal Services	113,404	113,404	91,828	21,576
Other than Personal Services	101,100	301,970	286,528	15,442
Capital Outlay	125,000	125,000	104,827	20,173
Total Local Programming	339,504	540,374	483,183	57,191
Total Community Development	2,400,657	2,587,212	2,486,615	100,597
Sanitation				
Refuse Collection and Transfer Station				
Personal Services	1,629,236	1,629,236	1,753,684	(124,448)
Other than Personal Services	521,900	532,245	506,485	25,760
Total Sanitation	\$2,151,136	\$2,161,481	\$2,260,169	(\$98,688)

(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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture and Recreation				
Recreation Administration				
Personal Services	\$238,514	\$244,514	\$257,048	(\$12,534)
Other than Personal Services	36,150	36,150	28,078	8,072
Total Recreation Administration	274,664	280,664	285,126	(4,462)
Swimming Pools				
Personal Services	252,258	277,758	284,221	(6,463)
Other than Personal Services	40,450	39,950	35,503	4,447
Total Swimming Pools	292,708	317,708	319,724	(2,016)
Ice Programs				
Personal Services	222,217	222,217	223,209	(992)
Other than Personal Services	19,850	19,850	18,381	1,469
Non-Governmental	1,000	1,000	377	623
Total Ice Programs	243,067	243,067	241,967	1,100
General Recreation Programs				
Personal Services	132,621	126,621	93,459	33,162
Other than Personal Services	25,800	35,222	27,083	8,139
Non-Governmental	2,500	2,500	958	1,542
Total General Recreation Programs	160,921	164,343	121,500	42,843
Sports Programs				
Personal Services	118,350	129,650	124,420	5,230
Other than Personal Services	101,500	101,795	93,413	8,382
Non-Governmental	5,000	5,000	660	4,340
Total Sports Programs	224,850	236,445	218,493	17,952
Community Center				
Personal Services	499,864	511,164	520,898	(9,734)
Other than Personal Services	450,300	507,095	431,484	75,611
Non-Governmental	1,500	3,500	2,409	1,091
Total Community Center	951,664	1,021,759	954,791	66,968
<i>Total Culture and Recreation</i>	2,147,874	2,263,986	2,141,601	122,385
<i>Total Expenditures</i>	41,789,671	42,784,294	41,934,006	850,288
<i>Excess of Revenues Over (Under) Expenditures</i>	\$653,253	(\$341,370)	\$4,532,896	\$4,874,266

(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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Advances In	\$468,076	\$468,076	\$468,076	\$0
Advances Out	0	0	(864,047)	(864,047)
Transfers In	500,000	500,000	0	(500,000)
Transfers Out	(3,309,103)	(3,324,103)	(3,724,103)	(400,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,341,027)</u>	<u>(2,356,027)</u>	<u>(4,120,074)</u>	<u>(1,764,047)</u>
<i>Net Change in Fund Balance</i>	(1,687,774)	(2,697,397)	412,822	3,110,219
<i>Fund Balance Beginning of Year</i>	8,822,528	8,822,528	8,822,528	0
Prior Year Encumbrances Appropriated	195,444	195,444	195,444	0
<i>Fund Balance End of Year</i>	<u>\$7,330,198</u>	<u>\$6,320,575</u>	<u>\$9,430,794</u>	<u>\$3,110,219</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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,543,681	\$3,999,100	\$3,607,538	(\$391,562)
Interest	42	108	97	(11)
Miscellaneous	2,542	6,584	5,940	(644)
<i>Total Revenues</i>	<u>1,546,265</u>	<u>4,005,792</u>	<u>3,613,575</u>	<u>(392,217)</u>
Expenditures				
Current:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	164,447	164,447	164,748	(301)
Other than Personal Services	150,457	215,457	210,749	4,708
Capital Outlay	1,200,000	3,422,828	3,466,163	(43,335)
Total Transportation	1,514,904	3,802,732	3,841,660	(38,928)
Debt Service:				
Principal Retirement	0	309,733	166,406	143,327
Interest and Fiscal Charges	0	0	9,513	(9,513)
<i>Total Expenditures</i>	<u>1,514,904</u>	<u>4,112,465</u>	<u>4,017,579</u>	<u>94,886</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	31,361	(106,673)	(404,004)	(297,331)
Other Financing Sources (Uses)				
Advances In	53,735	139,208	125,578	(13,630)
<i>Net Change in Fund Balance</i>	85,096	32,535	(278,426)	(310,961)
<i>Fund Balance Beginning of Year</i>	<u>280,514</u>	<u>280,514</u>	<u>280,514</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$365,610</u>	<u>\$313,049</u>	<u>\$2,088</u>	<u>(\$310,961)</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Bond Retirement Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,431,914	\$1,431,914	\$2,030,100	\$598,186
Intergovernmental	218,129	218,129	309,253	91,124
Special Assessments	87,035	87,035	123,394	36,359
<i>Total Revenues</i>	<u>1,737,078</u>	<u>1,737,078</u>	<u>2,462,747</u>	<u>725,669</u>
Expenditures				
Current:				
General Government:				
Other than Personal Services	0	0	1,221	(1,221)
Debt Service:				
Principal Retirement	4,158,986	4,158,986	4,105,776	53,210
Interest and Fiscal Charges	261,875	261,875	261,875	0
Bond Issuance Costs	50,166	50,166	43,976	6,190
<i>Total Expenditures</i>	<u>4,471,027</u>	<u>4,471,027</u>	<u>4,412,848</u>	<u>58,179</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,733,949)</u>	<u>(2,733,949)</u>	<u>(1,950,101)</u>	<u>783,848</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	1,285,000	1,285,000	1,285,000	0
General Obligation Bonds Issued	985,000	985,000	985,000	0
Premium on Notes Issued	15,202	15,202	15,202	0
Transfers In	39,185	39,185	39,185	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,324,387</u>	<u>2,324,387</u>	<u>2,324,387</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(409,562)	(409,562)	374,286	783,848
<i>Fund Balance Beginning of Year</i>	<u>1,773,910</u>	<u>1,773,910</u>	<u>1,773,910</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,364,348</u></u>	<u><u>\$1,364,348</u></u>	<u><u>\$2,148,196</u></u>	<u><u>\$783,848</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$3,059,416	\$3,059,416	\$3,389,028	\$329,612
Tap-In Fees	77,311	77,311	85,043	7,732
Miscellaneous	206,210	206,210	226,833	20,623
<i>Total Revenues</i>	<u>3,342,937</u>	<u>3,342,937</u>	<u>3,700,904</u>	<u>357,967</u>
Expenses				
Personal Services				
Water Administration	318,464	396,054	375,715	20,339
Water Distribution	898,404	806,804	630,806	175,998
Total Personal Services	<u>1,216,868</u>	<u>1,202,858</u>	<u>1,006,521</u>	<u>196,337</u>
Other than Personal Services				
Water Finance	188,500	188,500	0	188,500
Water Administration	232,050	328,991	276,803	52,188
Water Distribution	238,090	206,040	130,619	75,421
Water Supply	2,061,500	2,224,719	1,894,853	329,866
Total Other than Personal Services	<u>2,720,140</u>	<u>2,948,250</u>	<u>2,302,275</u>	<u>645,975</u>
Capital Outlay				
Water Administration	1,500	3,750	2,239	1,511
Water Distribution	55,000	88,650	41,310	47,340
Total Capital Outlay	<u>56,500</u>	<u>92,400</u>	<u>43,549</u>	<u>48,851</u>
Non-Governmental				
Water Administration	16,300	16,300	1,796	14,504
Water Distribution	16,500	226,500	135,600	90,900
Total Non-Governmental	<u>32,800</u>	<u>242,800</u>	<u>137,396</u>	<u>105,404</u>
Debt Service				
Principal Retirement	81,566	81,566	279,983	(198,417)
Interest	4,057	4,057	7,295	(3,238)
Total Debt Service	<u>85,623</u>	<u>85,623</u>	<u>287,278</u>	<u>(201,655)</u>
<i>Total Expenses</i>	<u>\$4,111,931</u>	<u>\$4,571,931</u>	<u>\$3,777,019</u>	<u>\$794,912</u>

(continued)

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund (continued)
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Excess of Revenues Over (Under)</i>				
<i>Expenses before Transfers</i>	(\$768,994)	(\$1,228,994)	(\$76,115)	\$1,152,879
Other Financing Sources (Uses)				
Advances Out	<u>0</u>	<u>0</u>	<u>(384,357)</u>	<u>(384,357)</u>
<i>Net Change in Fund Equity</i>	(\$768,994)	(\$1,228,994)	(\$460,472)	\$768,522
<i>Fund Equity Beginning of Year</i>	2,795,454	2,795,454	2,795,454	0
Prior Year Encumbrances Appropriated	<u>24,074</u>	<u>24,074</u>	<u>24,074</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,050,534</u></u>	<u><u>\$1,590,534</u></u>	<u><u>\$2,359,056</u></u>	<u><u>\$768,522</u></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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,293,482	\$2,049,032	\$1,001,628	(\$1,047,404)
Intergovernmental	915,719	915,719	915,719	0
Miscellaneous	190,799	302,249	164,365	(137,884)
<i>Total Revenues</i>	<u>2,400,000</u>	<u>3,267,000</u>	<u>2,081,712</u>	<u>(1,185,288)</u>
Expenses				
Personal Services				
Sewer Maintenance	1,047,749	1,027,749	711,736	316,013
Other than Personal Services				
Sewer Maintenance	408,550	408,550	321,123	87,427
Sewer Administration	171,317	171,317	21,120	150,197
Total Other than Personal Services	<u>579,867</u>	<u>579,867</u>	<u>342,243</u>	<u>237,624</u>
Capital Outlay				
Sewer Maintenance	1,164,500	1,881,301	1,263,446	617,855
Debt Service				
Principal Retirement	69,758	206,340	51,036	155,304
Interest and Fiscal Charges	0	0	3,733	(3,733)
Total Debt Service	<u>69,758</u>	<u>206,340</u>	<u>54,769</u>	<u>151,571</u>
<i>Total Expenses</i>	<u>2,861,874</u>	<u>3,695,257</u>	<u>2,372,194</u>	<u>1,323,063</u>
<i>Net Change in Fund Equity</i>	(461,874)	(428,257)	(290,482)	137,775
<i>Fund Equity Beginning of Year</i>	498,487	498,487	498,487	0
Prior Year Encumbrances Appropriated	<u>36,785</u>	<u>36,785</u>	<u>36,785</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$73,398</u>	<u>\$107,015</u>	<u>\$244,790</u>	<u>\$137,775</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$93,672	\$112,126	\$25,288	(\$86,838)
Expenditures				
Current:				
Community Development:				
Foundation Grants:				
Capital Outlay	337,000	337,000	146,860	190,140
<i>Excess of Revenues Over (Under) Expenditures</i>	(243,328)	(224,874)	(121,572)	103,302
Other Financing Sources (Uses)				
Advances In	241,328	288,874	65,150	(223,724)
<i>Net Change in Fund Balance</i>	(2,000)	64,000	(56,422)	(120,422)
<i>Fund Balance Beginning of Year</i>	56,423	56,423	56,423	0
Prior Year Encumbrances Appropriated	11,950	11,950	11,950	0
<i>Fund Balance End of Year</i>	<u>\$66,373</u>	<u>\$132,373</u>	<u>\$11,951</u>	<u>(\$120,422)</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Communications System Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$436,000	\$436,000	\$440,907	\$4,907
Expenditures				
Current:				
Public Safety:				
Communications System:				
Personal Services	669,785	699,785	582,469	117,316
Other than Personal Services	129,350	129,190	113,252	15,938
Capital Outlay	47,300	47,460	0	47,460
<i>Total Expenditures</i>	<u>846,435</u>	<u>876,435</u>	<u>695,721</u>	<u>180,714</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(410,435)	(440,435)	(254,814)	185,621
Other Financing Sources (Uses)				
Transfers In	444,000	444,000	444,000	0
<i>Net Change in Fund Balance</i>	33,565	3,565	189,186	185,621
<i>Fund Balance Beginning of Year</i>	4,655	4,655	4,655	0
Prior Year Encumbrances Appropriated	1,447	1,447	1,447	0
<i>Fund Balance End of Year</i>	<u>\$39,667</u>	<u>\$9,667</u>	<u>\$195,288</u>	<u>\$185,621</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$10,615	\$29,192	\$271,854	\$242,662
Miscellaneous	1,385	3,808	35,461	31,653
<i>Total Revenues</i>	<u>12,000</u>	<u>33,000</u>	<u>307,315</u>	<u>274,315</u>
Expenditures				
Current:				
Public Safety:				
Law Enforcement:				
Other than Personal Services	50,500	69,612	5,423	64,189
Capital Outlay	25,000	25,000	0	25,000
<i>Total Expenditures</i>	<u>75,500</u>	<u>94,612</u>	<u>5,423</u>	<u>89,189</u>
<i>Net Change in Fund Balance</i>	(63,500)	(61,612)	301,892	363,504
<i>Fund Balance Beginning of Year</i>	<u>61,922</u>	<u>61,922</u>	<u>61,922</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$1,578)</u>	<u>\$310</u>	<u>\$363,814</u>	<u>\$363,504</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$100,000	\$165,000	\$108,588	(\$56,412)
Expenditures				
Current:				
Public Safety:				
Drug Law Enforcement:				
Personal Services	54,000	78,082	50,416	27,666
Other than Personal Services	103,500	154,557	124,128	30,429
Capital Outlay	15,000	59,162	30,484	28,678
<i>Total Expenditures</i>	<u>172,500</u>	<u>291,801</u>	<u>205,028</u>	<u>86,773</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(72,500)	(126,801)	(96,440)	30,361
Other Financing Sources (Uses)				
Transfers Out	0	0	(15,000)	(15,000)
<i>Net Change in Fund Balance</i>	(72,500)	(126,801)	(111,440)	15,361
<i>Fund Balance Beginning of Year</i>	<u>127,580</u>	<u>127,580</u>	<u>127,580</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$55,080</u>	<u>\$779</u>	<u>\$16,140</u>	<u>\$15,361</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	<u>\$2,767,740</u>	<u>\$3,105,058</u>	<u>\$1,303,268</u>	<u>(\$1,801,790)</u>
Expenditures				
Current:				
Community Development:				
Financial Administration				
Personal Services	<u>12,000</u>	<u>13,038</u>	<u>11,962</u>	<u>1,076</u>
Administrative Contracts				
Other than Personal Services	<u>228,872</u>	<u>228,902</u>	<u>169,530</u>	<u>59,372</u>
Commercial Area Improvements				
Other than Personal Services	<u>45,000</u>	<u>38,366</u>	<u>31,207</u>	<u>7,159</u>
Water Improvement Projects				
Capital Outlay	<u>80,000</u>	<u>92,965</u>	<u>0</u>	<u>92,965</u>
CDBG - Office on Aging				
Personal Services	<u>45,018</u>	<u>59,997</u>	<u>32,609</u>	<u>27,388</u>
LDC - Economic Development				
Personal Services	<u>127,936</u>	<u>154,224</u>	<u>128,121</u>	<u>26,103</u>
Other than Personal Services	<u>1,110,638</u>	<u>1,106,963</u>	<u>208,231</u>	<u>898,732</u>
Total LDC - Economic Development	<u>1,238,574</u>	<u>1,261,187</u>	<u>336,352</u>	<u>924,835</u>
CDBG Administration				
Personal Services	<u>138,744</u>	<u>135,406</u>	<u>96,188</u>	<u>39,218</u>
Other than Personal Services	<u>48,179</u>	<u>40,457</u>	<u>40,688</u>	<u>(231)</u>
Capital Outlay	<u>31,858</u>	<u>656</u>	<u>0</u>	<u>656</u>
Total CDBG Administration	<u>218,781</u>	<u>176,519</u>	<u>136,876</u>	<u>39,643</u>
CDBG - Public Works				
Other than Personal Services	<u>0</u>	<u>136,000</u>	<u>97,608</u>	<u>38,392</u>
Capital Outlay	<u>343,000</u>	<u>225,721</u>	<u>0</u>	<u>225,721</u>
Total CDBG - Public Works	<u>343,000</u>	<u>361,721</u>	<u>97,608</u>	<u>264,113</u>
CDBG - Home Repair Resources Center				
Other than Personal Services	<u>242,431</u>	<u>237,367</u>	<u>150,038</u>	<u>87,329</u>
Housing Preservation				
Personal Services	<u>322,108</u>	<u>334,970</u>	<u>289,526</u>	<u>45,444</u>
Other than Personal Services	<u>222,288</u>	<u>235,600</u>	<u>113,720</u>	<u>121,880</u>
Capital Outlay	<u>2,000</u>	<u>4,100</u>	<u>0</u>	<u>4,100</u>
Total Housing Preservation	<u>\$546,396</u>	<u>\$574,670</u>	<u>\$403,246</u>	<u>\$171,424</u>

(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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
CDBG - Code Enforcement				
Personal Services	\$55,911	\$67,275	\$52,822	\$14,453
CDBG - Neighborhood Relations				
Personal Services	57,116	68,803	52,635	16,168
CDBG - Program Income				
Other than Personal Services	45,802	802	0	802
CDBG - GIS				
Personal Services	0	32,770	414	32,356
Other than Personal Services	0	4,000	0	4,000
Capital Outlay	0	31,858	22,784	9,074
Total CDBG - GIS	0	68,628	23,198	45,430
CDBG - Program Income				
Other than Personal Services	0	82,440	437	82,003
<i>Total Expenditures</i>	<u>3,158,901</u>	<u>3,332,680</u>	<u>1,498,520</u>	<u>1,834,160</u>
<i>Excess of Revenues Over</i>				
<i>(Under) Expenditures</i>	<u>(391,161)</u>	<u>(227,622)</u>	<u>(195,252)</u>	<u>32,370</u>
Other Financing Sources (Uses)				
Advances In	432,260	484,942	203,542	(281,400)
Advances Out	0	0	(13,842)	(13,842)
<i>Total Other Financing Sources (Uses)</i>	<u>432,260</u>	<u>484,942</u>	<u>189,700</u>	<u>(295,242)</u>
<i>Net Change in Fund Balance</i>	41,099	257,320	(5,552)	(262,872)
<i>Fund Balance Beginning of Year</i>	<u>5,616</u>	<u>5,616</u>	<u>5,616</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$46,715</u>	<u>\$262,936</u>	<u>\$64</u>	<u>(\$262,872)</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$127,243	\$198,715	\$154,764	(\$43,951)
Expenditures				
Current:				
Community Development:				
Home Administration				
Other than Personal Services	234,841	234,841	189,751	45,090
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(107,598)</u>	<u>(36,126)</u>	<u>(34,987)</u>	<u>1,139</u>
Other Financing Sources (Uses)				
Advances In	107,757	168,285	131,064	(37,221)
Advances Out	<u>0</u>	<u>0</u>	<u>(69,877)</u>	<u>(69,877)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>107,757</u>	<u>168,285</u>	<u>61,187</u>	<u>(107,098)</u>
<i>Net Change in Fund Balance</i>	159	132,159	26,200	(105,959)
<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>\$159</u>	<u>\$132,159</u>	<u>\$26,200</u>	<u>(\$105,959)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$240,000	\$240,000	\$261,653	\$21,653
Expenditures				
Current:				
Public Safety:				
FEMA:				
Personal Services	296,819	296,819	254,066	42,753
<i>Net Change in Fund Balance</i>	(56,819)	(56,819)	7,587	64,406
<i>Fund Balance Beginning of Year</i>	94,081	94,081	94,081	0
<i>Fund Balance End of Year</i>	<u>\$37,262</u>	<u>\$37,262</u>	<u>\$101,668</u>	<u>\$64,406</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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$766,805	\$833,900	\$740,268	(\$93,632)
Intergovernmental	22,044	23,973	21,244	(2,729)
Miscellaneous	11,151	12,127	10,747	(1,380)
<i>Total Revenues</i>	<u>800,000</u>	<u>870,000</u>	<u>772,259</u>	<u>(97,741)</u>
Expenditures				
Current:				
Culture and Recreation:				
Cain Park Recreation				
Personal Services	158,000	158,584	197,359	(38,775)
Other than Personal Services	556,161	563,560	576,639	(13,079)
Total Cain Park Recreation	<u>714,161</u>	<u>722,144</u>	<u>773,998</u>	<u>(51,854)</u>
Cain Park Arts Festival				
Other than Personal Services	31,200	27,600	27,472	128
Cain Park Arts Theater				
Personal Services	12,000	11,416	13,009	(1,593)
Other than Personal Services	42,639	38,840	39,745	(905)
Total Cain Park Arts Theater	<u>54,639</u>	<u>50,256</u>	<u>52,754</u>	<u>(2,498)</u>
<i>Total Expenditures</i>	<u>800,000</u>	<u>800,000</u>	<u>854,224</u>	<u>(54,224)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	70,000	(81,965)	(151,965)
Other Financing Sources (Uses)				
Transfers In	0	0	95,000	95,000
<i>Net Change in Fund Balance</i>	0	70,000	13,035	(56,965)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	50	50	50	0
<i>Fund Balance End of Year</i>	<u>\$50</u>	<u>\$70,050</u>	<u>\$13,085</u>	<u>(\$56,965)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses, Permits and Fees	\$8,000	\$8,000	\$96,516	\$88,516
Expenditures				
	0	0	0	0
<i>Net Change in Fund Balance</i>	8,000	8,000	96,516	88,516
<i>Fund Balance Beginning of Year</i>	25,751	25,751	25,751	0
<i>Fund Balance End of Year</i>	<u>\$33,751</u>	<u>\$33,751</u>	<u>\$122,267</u>	<u>\$88,516</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$2,000	\$2,000	\$17,010	\$15,010
Expenditures				
Current:				
General Government:				
Indigent DUI Treatment				
Other than Personal Services	14,000	14,000	0	14,000
<i>Net Change in Fund Balance</i>	(12,000)	(12,000)	17,010	29,010
<i>Fund Balance Beginning of Year</i>	208,850	208,850	208,850	0
<i>Fund Balance End of Year</i>	<u>\$196,850</u>	<u>\$196,850</u>	<u>\$225,860</u>	<u>\$29,010</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$282,265	\$297,265	\$58,345	(\$238,920)
Expenditures				
Current:				
General Government:				
Court Computer				
Personal Services	86,940	86,940	55,845	31,095
Other than Personal Services	89,500	89,500	38,494	51,006
Capital Outlay	212,000	62,000	36,084	25,916
<i>Total Expenditures</i>	388,440	238,440	130,423	108,017
<i>Excess of Revenues Over (Under) Expenditures</i>	(106,175)	58,825	(72,078)	(130,903)
Other Financing Sources (Uses)				
Advances In	12,735	12,735	16,325	3,590
<i>Net Change in Fund Balance</i>	(93,440)	71,560	(55,753)	(127,313)
<i>Fund Balance Beginning of Year</i>	55,804	55,804	55,804	0
Prior Year Encumbrances Appropriated	15,265	15,265	15,265	0
<i>Fund Balance (Deficit) End of Year</i>	(\$22,371)	\$142,629	\$15,316	(\$127,313)

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$5,083	\$83
Expenditures				
Current:				
General Government:				
DUI Enforcement Education				
Other than Personal Services	10,000	10,000	0	10,000
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	5,083	10,083
<i>Fund Balance Beginning of Year</i>	101,930	101,930	101,930	0
<i>Fund Balance End of Year</i>	<u>\$96,930</u>	<u>\$96,930</u>	<u>\$107,013</u>	<u>\$10,083</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$150,000	\$150,000	\$103,247	(\$46,753)
Expenditures				
Current:				
General Government:				
Court Special Projects				
Personal Services	52,591	52,591	19,707	32,884
Other than Personal Services	79,000	79,000	10,653	68,347
Capital Outlay	170,000	170,000	0	170,000
<i>Total Expenditures</i>	<u>301,591</u>	<u>301,591</u>	<u>30,360</u>	<u>271,231</u>
<i>Net Change in Fund Balance</i>	(151,591)	(151,591)	72,887	224,478
<i>Fund Balance Beginning of Year</i>	1,852,199	1,852,199	1,852,199	0
Prior Year Encumbrances Appropriated	<u>779</u>	<u>779</u>	<u>779</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,701,387</u></u>	<u><u>\$1,701,387</u></u>	<u><u>\$1,925,865</u></u>	<u><u>\$224,478</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Lead Safe Cuyahoga Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$364,556	\$477,056	\$141,398	(\$335,658)
Expenditures				
Current:				
Community Development:				
LEAD Safe Cuyahoga				
Personal Services	29,932	30,750	35,457	(4,707)
Other than Personal Services	442,614	446,021	210,528	235,493
<i>Total Expenditures</i>	<u>472,546</u>	<u>476,771</u>	<u>245,985</u>	<u>230,786</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(107,990)	285	(104,587)	(104,872)
Other Financing Sources (Uses)				
Advances In	110,444	110,444	110,444	0
<i>Net Change in Fund Balance</i>	2,454	110,729	5,857	(104,872)
<i>Fund Balance Beginning of Year</i>	<u>743</u>	<u>743</u>	<u>743</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,197</u>	<u>\$111,472</u>	<u>\$6,600</u>	<u>(\$104,872)</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Neighborhood Stabilization Program Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Development:				
Neighborhood Stabilization				
Other than Personal Services	121,324	121,324	0	121,324
<i>Net Change in Fund Balance</i>	(121,324)	(121,324)	0	121,324
<i>Fund Balance Beginning of Year</i>	123,599	123,599	123,599	0
<i>Fund Balance End of Year</i>	<u>\$2,275</u>	<u>\$2,275</u>	<u>\$123,599</u>	<u>\$121,324</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	<u>\$941,400</u>	<u>\$941,400</u>	<u>\$914,805</u>	<u>(\$26,595)</u>
Expenditures				
Current:				
Public Safety:				
Street Lighting				
Other than Personal Services	<u>930,000</u>	<u>930,000</u>	<u>912,912</u>	<u>17,088</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	11,400	11,400	1,893	(9,507)
Other Financing Sources (Uses)				
Transfers In	<u>18,600</u>	<u>18,600</u>	<u>18,600</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	30,000	30,000	20,493	(9,507)
<i>Fund Balance Beginning of Year</i>	<u>702,909</u>	<u>702,909</u>	<u>702,909</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$732,909</u></u>	<u><u>\$732,909</u></u>	<u><u>\$723,402</u></u>	<u><u>(\$9,507)</u></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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$43	\$43	\$40	(\$3)
Special Assessments	1,159,888	1,159,888	1,077,798	(82,090)
Miscellaneous	10,869	10,869	10,100	(769)
<i>Total Revenues</i>	<u>1,170,800</u>	<u>1,170,800</u>	<u>1,087,938</u>	<u>(82,862)</u>
Expenditures				
Current:				
Community Development:				
Tree				
Personal Services	729,824	729,824	663,040	66,784
Other than Personal Services	361,550	361,394	318,871	42,523
Capital Outlay	10,000	10,156	10,156	0
<i>Total Expenditures</i>	<u>1,101,374</u>	<u>1,101,374</u>	<u>992,067</u>	<u>109,307</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>69,426</u>	<u>69,426</u>	<u>95,871</u>	<u>26,445</u>
Other Financing Sources (Uses)				
Transfers In	22,264	22,264	22,264	0
Transfers Out	(11,845)	(11,845)	(11,845)	0
<i>Total Other Financing Sources (Uses)</i>	<u>10,419</u>	<u>10,419</u>	<u>10,419</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	79,845	79,845	106,290	26,445
<i>Fund Balance Beginning of Year</i>	<u>478,811</u>	<u>478,811</u>	<u>478,811</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$558,656</u>	<u>\$558,656</u>	<u>\$585,101</u>	<u>\$26,445</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$193,493	\$236,883	\$203,035	(\$33,848)
Intergovernmental	29,475	36,085	30,929	(5,156)
<i>Total Revenues</i>	222,968	272,968	233,964	(39,004)
Expenditures				
Current:				
Public Safety:				
Police Pension				
Personal Services	1,157,451	1,157,451	1,220,000	(62,549)
<i>Excess of Revenues Over (Under) Expenditures</i>	(934,483)	(884,483)	(986,036)	(101,553)
Other Financing Sources (Uses)				
Advances In	23,010	23,010	23,010	0
Transfers In	911,473	911,473	911,473	0
<i>Total Other Financing Sources (Uses)</i>	934,483	934,483	934,483	0
<i>Net Change in Fund Balance</i>	0	50,000	(51,553)	(101,553)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$50,000	(\$51,553)	(\$101,553)

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$183,686	\$206,251	\$203,035	(\$3,216)
Intergovernmental	27,982	31,420	30,929	(491)
<i>Total Revenues</i>	211,668	237,671	233,964	(3,707)
Expenditures				
Current:				
Public Safety:				
Fire Pension				
Personal Services	1,497,816	1,497,816	1,730,779	(232,963)
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,286,148)	(1,260,145)	(1,496,815)	(236,670)
Other Financing Sources (Uses)				
Advances In	170,929	191,927	188,934	(2,993)
Transfers In	1,115,220	1,252,219	1,232,691	(19,528)
<i>Total Other Financing Sources (Uses)</i>	1,286,149	1,444,146	1,421,625	(22,521)
<i>Net Change in Fund Balance</i>	1	184,001	(75,190)	(259,191)
<i>Fund Balance Beginning of Year</i>	165	165	165	0
<i>Fund Balance (Deficit) End of Year</i>	\$166	\$184,166	(\$75,025)	(\$259,191)

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
First Suburbs Development Council Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$20,000	\$20,000	\$30,460	\$10,460
Expenditures				
Current:				
Community Development:				
First Suburbs Development Council				
Personal Services	23,090	23,090	20,465	2,625
<i>Net Change in Fund Balance</i>	(3,090)	(3,090)	9,995	13,085
<i>Fund Balance Beginning of Year</i>	47,759	47,759	47,759	0
<i>Fund Balance End of Year</i>	<u>\$44,669</u>	<u>\$44,669</u>	<u>\$57,754</u>	<u>\$13,085</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,122,913	\$1,122,913	\$1,086,692	(\$36,221)
Miscellaneous	487	487	471	(16)
<i>Total Revenues</i>	<u>1,123,400</u>	<u>1,123,400</u>	<u>1,087,163</u>	<u>(36,237)</u>
Expenditures				
Current:				
General Government:				
Off-Street Parking				
Personal Services	197,364	197,364	186,014	11,350
Other than Personal Services	959,498	880,663	837,047	43,616
Capital Outlay	17,400	17,400	33,125	(15,725)
Non-Governmental	1,000	1,000	0	1,000
<i>Total General Government</i>	<u>1,175,262</u>	<u>1,096,427</u>	<u>1,056,186</u>	<u>40,241</u>
Debt Service:				
Principal Retirement	0	83,563	26,387	57,176
Interest and Fiscal Charges	0	5,272	5,272	0
<i>Total Expenditures</i>	<u>1,175,262</u>	<u>1,185,262</u>	<u>1,087,845</u>	<u>97,417</u>
<i>Net Change in Fund Balance</i>	(51,862)	(61,862)	(682)	61,180
<i>Fund Balance Beginning of Year</i>	417,614	417,614	417,614	0
Prior Year Encumbrances Appropriated	45,538	45,538	45,538	0
<i>Fund Balance End of Year</i>	<u>\$411,290</u>	<u>\$401,290</u>	<u>\$462,470</u>	<u>\$61,180</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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$844,810	\$844,810	\$875,053	\$30,243
Intergovernmental	2,458	2,458	2,500	42
Miscellaneous	116	116	118	2
<i>Total Revenues</i>	<u>847,384</u>	<u>847,384</u>	<u>877,671</u>	<u>30,287</u>
Expenditures				
Current:				
Public Safety:				
Ambulance Services				
Personal Services	221,145	221,145	186,382	34,763
Other than Personal Services	383,500	398,550	349,387	49,163
Capital Outlay	366,818	415,423	82,244	333,179
<i>Total Public Safety</i>	<u>971,463</u>	<u>1,035,118</u>	<u>618,013</u>	<u>417,105</u>
Debt Service:				
Principal Retirement	70,764	70,764	70,764	0
Interest and Fiscal Charges	21,957	21,757	14,573	7,184
<i>Total Expenditures</i>	<u>1,064,184</u>	<u>1,127,639</u>	<u>703,350</u>	<u>424,289</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(216,800)</u>	<u>(280,255)</u>	<u>174,321</u>	<u>454,576</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	340,000	340,000	340,000	0
Transfers Out	(61,500)	(61,500)	(61,500)	0
<i>Total Other Financing Sources</i>	<u>278,500</u>	<u>278,500</u>	<u>278,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	61,700	(1,755)	452,821	454,576
<i>Fund Balance Beginning of Year</i>	879,841	879,841	879,841	0
Prior Year Encumbrances Appropriated	19,436	19,436	19,436	0
<i>Fund Balance End of Year</i>	<u><u>\$960,977</u></u>	<u><u>\$897,522</u></u>	<u><u>\$1,352,098</u></u>	<u><u>\$454,576</u></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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$4	\$4	\$3	(\$1)
Contributions and Donations	11,496	11,896	8,156	(3,740)
<i>Total Revenues</i>	<u>11,500</u>	<u>11,900</u>	<u>8,159</u>	<u>(3,741)</u>
Expenditures				
Current:				
Public Health Services:				
Office on Aging Computer Center Other than Personal Services	8,840	9,303	2,060	7,243
Office on Aging Other than Personal Services	2,700	2,700	0	2,700
Capital	3,000	3,000	0	3,000
Total Office on Aging	<u>5,700</u>	<u>5,700</u>	<u>0</u>	<u>5,700</u>
<i>Total Expenditures</i>	<u>14,540</u>	<u>15,003</u>	<u>2,060</u>	<u>12,943</u>
<i>Net Change in Fund Balance</i>	(3,040)	(3,103)	6,099	9,202
<i>Fund Balance Beginning of Year</i>	<u>3,110</u>	<u>3,110</u>	<u>3,110</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$70</u>	<u>\$7</u>	<u>\$9,209</u>	<u>\$9,202</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Youth Recreation Donation Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Contributions and Donations	\$5,000	\$5,000	\$6,003	\$1,003
Expenditures				
Current:				
General Government:				
Youth Donations				
Other than Personal Services	5,500	5,500	1,577	3,923
<i>Net Change in Fund Balance</i>	(500)	(500)	4,426	4,926
<i>Fund Balance Beginning of Year</i>	34,085	34,085	34,085	0
<i>Fund Balance End of Year</i>	<u>\$33,585</u>	<u>\$33,585</u>	<u>\$38,511</u>	<u>\$4,926</u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Memorial Trust Fund
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Police Trust				
Other than Personal Services	<u>608</u>	<u>608</u>	<u>0</u>	<u>608</u>
<i>Net Change in Fund Balance</i>	(608)	(608)	0	608
<i>Fund Balance Beginning of Year</i>	<u>10,608</u>	<u>10,608</u>	<u>10,608</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,000</u></u>	<u><u>\$10,000</u></u>	<u><u>\$10,608</u></u>	<u><u>\$608</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Youth Advisory Commission Fund
For the Year Ended December 31, 2017

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

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Program Fund
For the Year Ended December 31, 2017

	<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	\$11,000	\$11,000	\$8,400	(\$2,600)
Expenditures				
Current:				
Public Safety:				
Juvenile Diversion Program				
Other than Personal Services	12,000	12,000	8,930	3,070
<i>Net Change in Fund Balance</i>	(1,000)	(1,000)	(530)	470
<i>Fund Balance Beginning of Year</i>	4,995	4,995	4,995	0
<i>Fund Balance End of Year</i>	<u>\$3,995</u>	<u>\$3,995</u>	<u>\$4,465</u>	<u>\$470</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$0	\$0	\$47,380	\$47,380
Expenditures				
Current:				
General Government:				
Personal Services	154,645	154,643	85,593	69,050
Public Safety:				
Personal Services	450,080	450,080	249,117	200,963
Transportation:				
Personal Services	68,205	68,205	37,751	30,454
Community Development:				
Personal Services	2,215	2,215	9,099	(6,884)
Sanitation:				
Personal Services	92,204	92,204	51,034	41,170
Culture and Recreation:				
Personal Services	45,047	45,047	24,933	20,114
<i>Total Expenditures</i>	<u>812,396</u>	<u>812,394</u>	<u>457,527</u>	<u>354,867</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(812,396)	(812,394)	(410,147)	402,247
Other Financing Sources (Uses)				
Transfers In	0	0	576,575	576,575
<i>Net Change in Fund Balance</i>	(812,396)	(812,394)	166,428	978,822
<i>Fund Balance Beginning of Year</i>	<u>70,246</u>	<u>70,246</u>	<u>70,246</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$742,150)</u>	<u>(\$742,148)</u>	<u>\$236,674</u>	<u>\$978,822</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$20,000	\$20,000	\$30,145	\$10,145
Expenditures				
Current:				
Public Safety:				
Police Facility Improvement				
Other than Personal Services	19,500	19,500	17,930	1,570
Capital Outlay	15,000	15,000	15,000	0
<i>Total Expenditures</i>	34,500	34,500	32,930	1,570
<i>Net Change in Fund Balance</i>	(14,500)	(14,500)	(2,785)	11,715
<i>Fund Balance Beginning of Year</i>	44,102	44,102	44,102	0
<i>Fund Balance End of Year</i>	\$29,602	\$29,602	\$41,317	\$11,715

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$463,171	\$463,171	\$473,671	\$10,500
Intergovernmental	70,556	70,556	72,155	1,599
<i>Total Revenues</i>	<u>533,727</u>	<u>533,727</u>	<u>545,826</u>	<u>12,099</u>
Expenditures				
Current:				
Culture and Recreation:				
Recreation Facility Improvement				
Other than Personal Services	185,000	446,041	514,428	(68,387)
Capital Outlay	578,000	313,537	273,568	39,969
<i>Total Expenditures</i>	<u>763,000</u>	<u>759,578</u>	<u>787,996</u>	<u>(28,418)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(229,273)	(225,851)	(242,170)	(16,319)
Other Financing Sources (Uses)				
Transfers Out	(27,340)	(27,340)	(27,340)	0
<i>Net Change in Fund Balance</i>	(256,613)	(253,191)	(269,510)	(16,319)
<i>Fund Balance Beginning of Year</i>	654,028	654,028	654,028	0
Prior Year Encumbrances Appropriated	72,265	72,265	72,265	0
<i>Fund Balance End of Year</i>	<u>\$469,680</u>	<u>\$473,102</u>	<u>\$456,783</u>	<u>(\$16,319)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$15,660	\$15,660
Expenditures				
Capital Outlay	1,245,300	1,343,432	1,461,220	(117,788)
Debt Service:				
Interest and Fiscal Charges	0	2,750	2,750	0
<i>Total Expenditures</i>	<u>1,245,300</u>	<u>1,346,182</u>	<u>1,463,970</u>	<u>(117,788)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,245,300)	(1,346,182)	(1,448,310)	(102,128)
Other Financing Sources (Uses)				
Transfers In	996,400	500,000	500,000	0
<i>Net Change in Fund Balance</i>	(248,900)	(846,182)	(948,310)	(102,128)
<i>Fund Balance Beginning of Year</i>	769,103	769,103	769,103	0
Prior Year Encumbrances Appropriated	437,991	437,991	437,991	0
<i>Fund Balance End of Year</i>	<u>\$958,194</u>	<u>\$360,912</u>	<u>\$258,784</u>	<u>(\$102,128)</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Capital Outlay	0	5,556,366	5,556,366	0
Debt Service:				
Interest and Fiscal Charges	0	21,458	21,458	0
Bond Issuance Costs	<u>0</u>	<u>101,000</u>	<u>101,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>5,678,824</u>	<u>5,678,824</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(5,678,824)</u>	<u>(5,678,824)</u>	<u>0</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	5,632,942	5,970,000	337,058
Premium on Bonds Issued	0	214,216	214,216	0
Discount on Bonds Issued	<u>0</u>	<u>(91,758)</u>	<u>(91,758)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>5,755,400</u>	<u>6,092,458</u>	<u>337,058</u>
<i>Net Change in Fund Balance</i>	0	76,576	413,634	337,058
<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>\$76,576</u></u>	<u><u>\$413,634</u></u>	<u><u>\$337,058</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$30,000	\$30,000	\$43,393	\$13,393
Expenditures				
Current:				
Community Development:				
Economic Development				
Personal Services	56,632	56,632	54,603	2,029
Other than Personal Services	305,000	422,143	136,352	285,791
<i>Total Expenditures</i>	361,632	478,775	190,955	287,820
<i>Net Change in Fund Balance</i>	(331,632)	(448,775)	(147,562)	301,213
<i>Fund Balance Beginning of Year</i>	1,601,389	1,601,389	1,601,389	0
<i>Fund Balance End of Year</i>	\$1,269,757	\$1,152,614	\$1,453,827	\$301,213

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, 2017

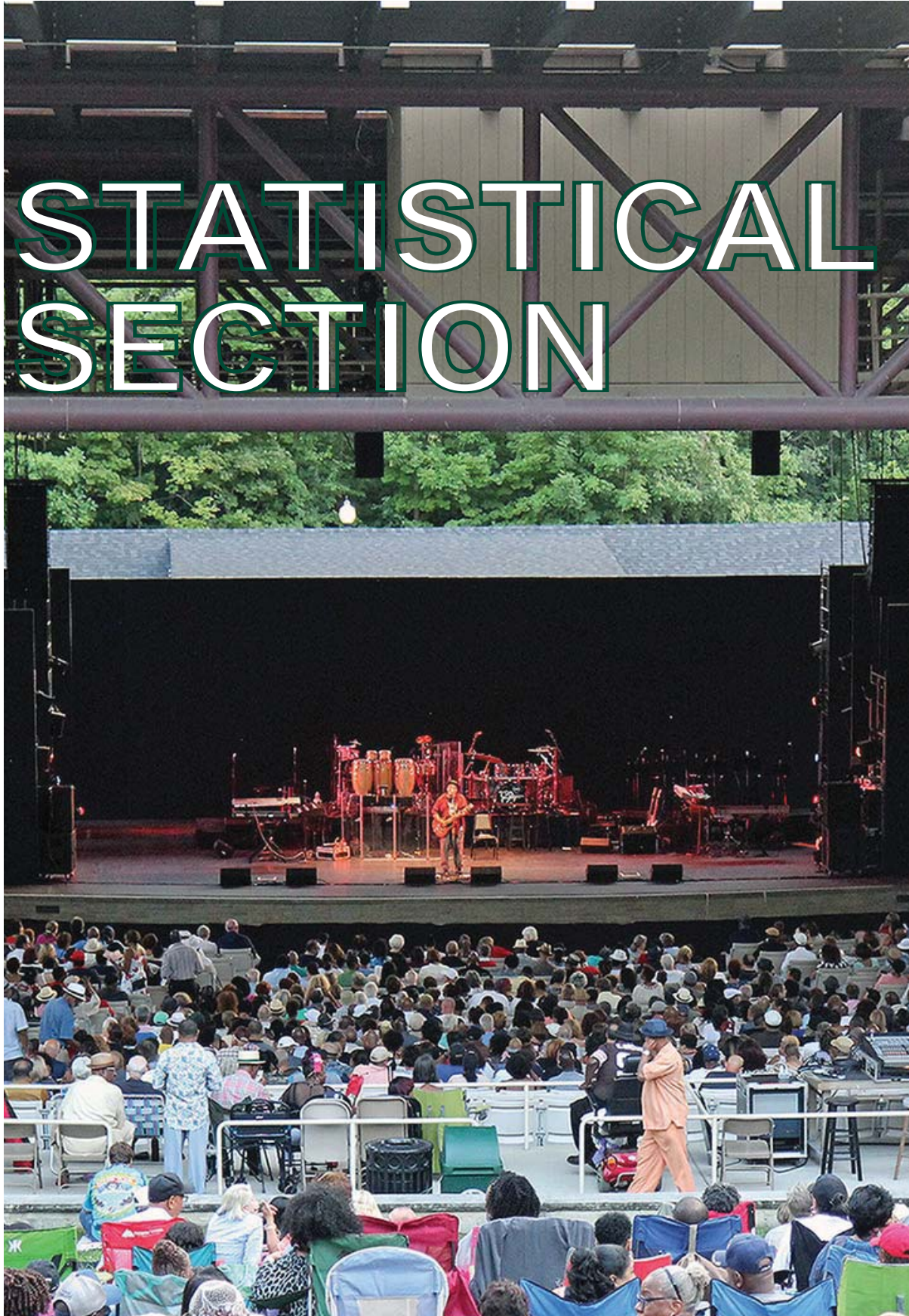
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Rentals	\$35,000	\$35,000	\$24,420	(\$10,580)
Expenditures				
Current:				
General Government:				
City Hall Maintenance				
Other than Personal Services	15,000	15,000	7,646	7,354
Capital Outlay	15,000	15,000	12,353	2,647
<i>Total Expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>19,999</u>	<u>10,001</u>
<i>Net Change in Fund Balance</i>	5,000	5,000	4,421	(579)
<i>Fund Balance Beginning of Year</i>	<u>58,610</u>	<u>58,610</u>	<u>58,610</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$63,610</u></u>	<u><u>\$63,610</u></u>	<u><u>\$63,031</u></u>	<u><u>(\$579)</u></u>

City of Cleveland Heights, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ring Road Construction Fund
For the Year Ended December 31, 2017

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

**Cleveland Heights beautiful parks
beautiful community**

**Cain
Park
is the
place
to be
for a
summer
concert**



Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S12 – S18
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S19 - S26
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	S27 – S31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<i>Operating Information</i>	S32 - S37
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

City of Cleveland Heights, Ohio

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 (2)</u>
Governmental Activities				
Net Investment in Capital Assets	\$66,649,264	\$65,331,766	\$63,355,613	\$63,242,503
Restricted	15,323,423	14,526,578	16,344,332	15,988,947
Unrestricted (Deficit)	<u>(19,186,619)</u>	<u>(17,475,658)</u>	<u>(14,732,685)</u>	<u>(20,086,683)</u>
<i>Total Governmental Activities Net Position</i>	<u>62,786,068</u>	<u>62,382,686</u>	<u>64,967,260</u>	<u>59,144,767</u>
Business-Type Activities				
Net Investment in Capital Assets	6,832,017	20,305,226	20,428,734	20,507,524
Unrestricted (Deficit)	<u>3,027,284</u>	<u>3,178,139</u>	<u>2,464,954</u>	<u>(43,529)</u>
<i>Total Business-Type Activities Net Position</i>	<u>9,859,301</u>	<u>23,483,365</u>	<u>22,893,688</u>	<u>20,463,995</u>
Primary government				
Net Investment in Capital Assets	73,481,281	85,636,992	83,784,347	83,750,027
Restricted	15,323,423	14,526,578	16,344,332	15,988,947
Unrestricted (Deficit)	<u>(16,159,335)</u>	<u>(14,297,519)</u>	<u>(12,267,731)</u>	<u>(20,130,212)</u>
<i>Total Primary Government Net Position</i>	<u>\$72,645,369</u>	<u>\$85,866,051</u>	<u>\$87,860,948</u>	<u>\$79,608,762</u>

(1) The City implemented GASB Statement No. 54 in 2011, causing the classification of net position to change.

(2) In 2015, the City implemented GASB 68 which affected Unrestricted Net Position for 2014.

2013	2012	2011 (1)	2010 (1)	2009	2008
\$64,402,234	\$66,164,102	\$61,261,817	\$60,655,783	\$52,671,861	\$49,880,927
16,261,342	16,014,581	14,783,716	10,212,831	10,039,038	9,455,828
13,108,074	14,583,025	13,789,209	11,467,878	8,480,557	8,228,404
93,771,650	96,761,708	89,834,742	82,336,492	71,191,456	67,565,159
20,927,544	21,386,384	21,461,778	21,995,967	29,105,885	29,365,271
2,028,666	2,017,605	2,882,395	3,647,070	3,246,059	3,309,986
22,956,210	23,403,989	24,344,173	25,643,037	32,351,944	32,675,257
85,329,778	87,550,486	82,723,595	82,651,750	81,777,746	79,246,198
16,261,342	16,014,581	14,783,716	10,212,831	10,039,038	9,455,828
15,136,740	16,600,630	16,671,604	15,114,948	11,726,616	11,538,390
\$116,727,860	\$120,165,697	\$114,178,915	\$107,979,529	\$103,543,400	\$100,240,416

City of Cleveland Heights, Ohio

Changes in Net Position

Last Ten Years (1)

(accrual basis of accounting)

	2017	2016	2015	2014
Program Revenues				
Governmental Activities:				
Charges for Services and Operating Assessments				
General Government	\$4,005,958	\$4,172,508	\$4,368,875	\$4,406,803
Public Safety	5,291,173	5,833,368	5,614,727	5,625,274
Public Health Services	65,406	69,414	75,245	74,658
Transportation	433,538	536,527	660,114	757,961
Community Development	1,547,919	1,411,096	508,653	1,684,767
Sanitation	450,884	407,540	1,037,224	468,649
Culture and Recreation	1,133,852	856,391	1,486,855	955,160
Operating Grants and Contributions	9,116,678	6,276,236	5,136,553	6,296,657
Capital Grants and Contributions	87,378	72,096	37,300	73,446
<i>Total Governmental Activities Program Revenues</i>	<u>22,132,786</u>	<u>19,635,176</u>	<u>18,925,546</u>	<u>20,343,375</u>
Business-Type Activities:				
Charges for Services:				
Water (2)	594,071	14,242,180	14,282,892	13,045,233
Sewer	2,883,863	1,398,962	1,622,110	1,553,903
Utilities (1)	0	0	0	0
Operating Grants and Contributions	915,719	0	0	0
Capital Grants and Contributions	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>4,393,653</u>	<u>15,641,142</u>	<u>15,905,002</u>	<u>14,599,136</u>
<i>Total Primary Government Program Revenues</i>	<u>26,526,439</u>	<u>35,276,318</u>	<u>34,830,548</u>	<u>34,942,511</u>
Expenses				
Governmental Activities:				
General Government	16,331,347	16,358,242	12,914,350	14,768,680
Public Safety	26,341,709	25,334,587	21,488,717	21,856,257
Public Health Services	360,285	359,185	332,708	363,067
Transportation	8,527,689	8,278,949	7,123,967	8,330,208
Community Development	5,613,479	6,350,784	5,009,520	6,147,040
Sanitation	2,678,313	2,217,216	2,531,508	1,829,229
Culture and Recreation	4,381,740	3,220,376	3,007,590	3,117,836
Interest and Fiscal Charges	451,277	583,113	498,182	668,496
<i>Total Governmental Activities Expenses</i>	<u>64,685,839</u>	<u>62,702,452</u>	<u>52,906,542</u>	<u>57,080,813</u>
Business-Type Activities:				
Water	15,810,884	13,422,399	12,225,265	14,023,023
Sewer	2,646,476	1,649,888	1,539,528	2,045,581
Utilities (1)	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>18,457,360</u>	<u>15,072,287</u>	<u>13,764,793</u>	<u>16,068,604</u>
<i>Total Primary Government Expenses</i>	<u>\$83,143,199</u>	<u>\$77,774,739</u>	<u>\$66,671,335</u>	<u>\$73,149,417</u>

2013	2012	2011	2010	2009	2008
\$4,287,936	\$3,896,511	\$5,173,902	\$5,899,281	\$5,426,842	\$5,167,813
5,903,861	5,078,988	4,063,337	2,787,809	641,586	1,117,854
70,591	61,303	60,043	1,320	1,140	875
695,236	589,434	575,647	4,324	40,283	0
1,667,890	1,320,804	1,264,852	1,682,112	824,958	1,232,524
460,342	429,204	394,745	1,522,649	1,456,358	640,906
614,650	981,803	727,363	1,721,728	1,700,627	1,801,819
4,337,755	5,657,962	4,953,832	2,913,883	2,321,296	2,471,445
74,496	3,877,741	0	2,493,496	413,457	506,820
18,112,757	21,893,750	17,213,721	19,026,602	12,826,547	12,940,056
12,424,417	11,466,957	10,125,904	0	0	0
1,663,242	1,727,854	1,584,611	0	0	0
0	0	0	12,746,117	13,772,780	13,039,119
0	0	0	0	4,990	0
0	0	0	547,852	111,469	0
14,087,659	13,194,811	11,710,515	13,293,969	13,889,239	13,039,119
32,200,416	35,088,561	28,924,236	32,320,571	26,715,786	25,979,175
14,369,538	16,048,638	15,240,828	16,283,136	14,221,696	12,147,129
20,891,754	21,239,342	19,139,951	19,266,592	17,365,410	18,628,409
360,462	363,703	342,507	360,546	374,224	418,430
10,621,023	5,718,551	5,620,385	6,755,636	4,608,968	6,881,110
5,164,372	6,347,777	6,330,335	7,154,037	5,754,860	6,368,068
2,511,148	2,670,357	2,470,427	2,396,825	2,328,083	3,439,963
3,565,494	3,385,120	3,466,238	3,562,465	3,721,292	3,947,966
748,771	798,771	1,159,987	96,930	635,984	815,057
58,232,562	56,572,259	53,770,658	55,876,167	49,010,517	52,646,132
12,743,834	13,213,185	10,800,301	0	0	0
1,790,551	1,787,713	2,217,378	0	0	0
0	0	0	12,374,470	14,806,270	14,336,588
14,534,385	15,000,898	13,017,679	12,374,470	14,806,270	14,336,588
\$72,766,947	\$71,573,157	\$66,788,337	\$68,250,637	\$63,816,787	\$66,982,720

(continued)

City of Cleveland Heights, Ohio
Changes in Net Position (continued)
Last Ten Years (1)
(accrual basis of accounting)

	2017	2016	2015	2014
Net (Expense)/Revenue				
Governmental Activities	(\$42,553,053)	(\$43,067,276)	(\$33,980,996)	(\$36,737,438)
Business-Type Activities	(14,063,707)	568,855	2,140,209	(1,469,468)
<i>Total Primary Government Net Expense</i>	<u>(56,616,760)</u>	<u>(42,498,421)</u>	<u>(31,840,787)</u>	<u>(38,206,906)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	6,721,408	6,816,312	7,465,977	6,581,283
Other Purposes	412,884	423,916	434,668	431,946
Debt Service	2,064,131	2,175,486	1,935,505	1,762,903
Capital Outlay	481,610	494,532	507,033	503,935
Municipal Income Taxes Levied For:				
General Purposes	28,288,722	25,911,464	24,221,436	24,035,692
Admissions Taxes	53,976	83,402	94,087	158,849
Grants and Entitlements not Restricted to Specific Programs	3,311,536	2,973,822	2,938,207	3,297,881
Franchise Taxes	502,577	606,056	560,558	490,496
Payment in Lieu of Taxes	0	0	0	0
Investment Earnings	222,634	133,571	77,437	70,034
Gain on Sale of Capital Assets	0	11,751	15,219	0
Miscellaneous	945,402	1,202,894	1,838,614	1,259,270
Transfers	(48,445)	(20,666)	(285,252)	16,421
<i>Total Governmental Activities</i>	<u>42,956,435</u>	<u>40,812,540</u>	<u>39,803,489</u>	<u>38,608,710</u>
Business-Type Activities:				
Investment Earnings	0	0	0	0
Miscellaneous	391,198	156	4,232	19,361
Transfers	48,445	20,666	285,252	(16,421)
<i>Total Business-Type Activities</i>	<u>439,643</u>	<u>20,822</u>	<u>289,484</u>	<u>2,940</u>
<i>Total Primary Government</i>	<u>43,396,078</u>	<u>40,833,362</u>	<u>40,092,973</u>	<u>38,611,650</u>
Change in Net Position				
Governmental Activities	403,382	(2,254,736)	5,822,493	1,871,272
Business-Type Activities (2)	(13,624,064)	589,677	2,429,693	(1,466,528)
<i>Total Primary Government Change in Net Position</i>	<u>(\$13,220,682)</u>	<u>(\$1,665,059)</u>	<u>\$8,252,186</u>	<u>\$404,744</u>

(1) Business-Type Activities funds are presented together under "utilities" from 2008 - 2010.

(2) During 2017, the City signed a direct service agreement with the City of Cleveland for water distribution.

2013	2012	2011	2010	2009	2008
(\$40,119,805)	(\$34,678,509)	(\$36,556,937)	(\$36,849,565)	(\$36,183,970)	(\$39,706,076)
(446,726)	(1,806,087)	(1,307,164)	919,499	(917,031)	(1,297,469)
(40,566,531)	(36,484,596)	(37,864,101)	(35,930,066)	(37,101,001)	(41,003,545)
6,516,716	6,720,122	6,955,676	7,865,388	7,236,862	7,076,452
449,426	463,456	477,254	482,529	514,132	515,736
2,261,326	2,240,041	2,306,722	2,332,232	3,570,713	3,610,165
524,333	540,700	556,794	485,169	0	0
21,620,891	24,772,161	24,162,250	20,202,521	19,994,781	21,877,327
101,414	107,516	273,716	0	0	0
3,793,292	4,418,417	4,919,000	7,521,076	7,829,289	8,310,262
551,694	588,325	565,476	0	0	0
0	1,150,000	141,241	0	0	0
43,610	45,811	127,999	169,445	112,881	416,225
0	103,497	0	0	0	0
1,244,120	1,318,978	1,694,674	1,295,993	1,054,747	1,789,096
22,925	(863,549)	14,385	0	(503,138)	(283,260)
37,129,747	41,605,475	42,195,187	40,354,353	39,810,267	43,312,003
0	0	0	4,085	21,561	86,224
21,872	2,354	22,685	7,757	69,019	54,156
(22,925)	863,549	(14,385)	0	503,138	283,260
(1,053)	865,903	8,300	11,842	593,718	423,640
37,128,694	42,471,378	42,203,487	40,366,195	40,403,985	43,735,643
(2,990,058)	6,926,966	5,638,250	3,504,788	3,626,297	3,605,927
(447,779)	(940,184)	(1,298,864)	931,341	(323,313)	(873,829)
(\$3,437,837)	\$5,986,782	\$4,339,386	\$4,436,129	\$3,302,984	\$2,732,098

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

	2017	2016	2015	2014
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	527,700	657,693	272,287	653,120
Assigned	927,845	1,775,739	113,116	36,452
Unassigned	13,702,021	9,152,182	7,872,648	3,975,918
<i>Total General Fund</i>	<u>15,157,566</u>	<u>11,585,614</u>	<u>8,258,051</u>	<u>4,665,490</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved:				
Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
Nonspendable	70,442	90,294	75,102	45,930
Restricted	8,862,766	7,787,747	9,244,854	7,213,016
Committed	1,699,509	1,046,209	964,170	904,809
Assigned	1,946,707	2,570,520	3,346,090	2,769,393
Unassigned (Deficit)	(667,990)	(1,607,207)	(583,989)	(311,850)
<i>Total All Other Governmental Funds</i>	<u>11,911,434</u>	<u>9,887,563</u>	<u>13,046,227</u>	<u>10,621,298</u>
<i>Total Governmental Funds</i>	<u>\$27,069,000</u>	<u>\$21,473,177</u>	<u>\$21,304,278</u>	<u>\$15,286,788</u>

(1) During 2011, the City implemented GASB 54, which restated 2010 and caused the classification of fund balance to change.

2013	2012	2011 (1)	2010 (1)	2009	2008
\$0	\$0	\$0	\$0	\$524,144	\$566,116
0	0	0	0	5,282,107	3,369,353
403,831	380,439	282,323	329,078	0	0
6,535,767	2,960,821	4,978,336	358,103	0	0
(2,980,886)	3,157,559	2,764,002	7,740,531	0	0
<u>3,958,712</u>	<u>6,498,819</u>	<u>8,024,661</u>	<u>8,427,712</u>	<u>5,806,251</u>	<u>3,935,469</u>
0	0	0	0	2,135,795	2,315,658
0	0	0	0	3,078,106	2,846,750
0	0	0	0	3,642,458	3,304,603
0	0	0	0	1,764,568	719,201
65,630	65,780	95,526	1,608,483	0	0
7,540,793	8,109,130	7,363,926	9,003,123	0	0
949,701	1,186,778	1,263,138	1,225,246	0	0
1,651,700	1,663,977	356,140	1,409,066	0	0
(803,088)	(1,338,387)	(987,173)	(2,301,471)	0	0
<u>9,404,736</u>	<u>9,687,278</u>	<u>8,091,557</u>	<u>10,944,447</u>	<u>10,620,927</u>	<u>9,186,212</u>
<u>\$13,363,448</u>	<u>\$16,186,097</u>	<u>\$16,116,218</u>	<u>\$19,372,159</u>	<u>\$16,427,178</u>	<u>\$13,121,681</u>

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

	2017	2016	2015	2014
Revenues				
Property Taxes	\$9,520,699	\$9,767,040	\$10,154,350	\$9,329,219
Municipal Income Taxes	28,725,003	26,552,239	24,797,290	23,281,969
Admissions Taxes	53,976	83,402	94,087	158,849
Charges for Services	4,196,025	3,620,781	3,831,395	3,819,341
Licenses, Permits and Fees	3,994,350	4,841,715	5,083,144	4,941,868
Fines and Forfeitures	2,376,533	2,113,387	2,437,592	2,596,790
Intergovernmental	12,505,221	9,334,689	8,052,404	9,891,209
Special Assessments	2,115,997	2,134,257	2,207,781	2,158,785
Interest	222,634	133,571	77,437	70,034
Rentals	326,808	25,200	22,200	50,198
Contributions and Donations	19,446	40,492	30,999	21,902
Franchise Taxes	502,577	606,056	560,558	490,496
Payment in Lieu of Taxes	0	0	0	0
Miscellaneous	945,402	1,202,894	1,838,614	1,259,270
<i>Total Revenues</i>	<u>65,504,671</u>	<u>60,455,723</u>	<u>59,187,851</u>	<u>58,069,930</u>
Expenditures				
Current:				
General Government	15,026,725	16,212,345	14,994,218	14,836,528
Public Safety	21,430,864	21,375,902	21,499,555	22,462,442
Public Health Services	351,307	355,707	382,879	366,334
Transportation	5,751,208	7,703,370	4,912,147	6,014,505
Community Development	5,391,557	6,246,063	5,204,623	6,138,590
Sanitation	2,216,257	2,122,964	2,272,075	2,258,106
Culture and Recreation	3,719,148	3,052,494	2,853,367	2,642,396
Capital Outlay	9,325,850	1,820,801	1,887,039	2,630,003
Debt Service:				
Principal Retirement	4,320,888	4,009,532	2,404,860	2,045,393
Interest and Fiscal Charges	321,081	469,202	397,428	599,873
Bond Issuance Costs	144,976	41,347	117,332	95,463
<i>Total Expenditures</i>	<u>67,999,861</u>	<u>63,409,727</u>	<u>56,925,523</u>	<u>60,089,633</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,495,190)</u>	<u>(2,954,004)</u>	<u>2,262,328</u>	<u>(2,019,703)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	17,358	15,219	26,477
General Obligation Notes and Bonds Issued	8,017,000	3,115,000	8,477,000	5,635,000
General Obligation Notes and Bonds Premium	214,216	11,211	0	0
General Obligation Discount on Bonds Issued	(91,758)	0	0	0
Loans Issued	0	0	0	0
Inception of Capital Lease	0	0	0	730,133
Payment to Refunded Bond Escrow Agent	0	0	(4,728,842)	(2,464,988)
Transfers In	3,263,213	3,104,993	2,550,316	3,325,327
Transfers Out	(3,311,658)	(3,125,659)	(2,550,316)	(3,308,906)
<i>Total Other Financing Sources (Uses)</i>	<u>8,091,013</u>	<u>3,122,903</u>	<u>3,763,377</u>	<u>3,943,043</u>
<i>Net Change in Fund Balances</i>	<u>\$5,595,823</u>	<u>\$168,899</u>	<u>\$6,025,705</u>	<u>\$1,923,340</u>
Debt Service as a Percentage of Noncapital Expenditures	8.1%	7.9%	5.4%	4.8%

2013	2012	2011	2010	2009	2008
\$9,476,596	\$9,906,172	\$10,040,053	\$10,576,318	\$11,123,154	\$11,223,599
21,676,288	23,022,254	19,359,768	20,623,037	20,282,703	21,826,496
101,414	107,516	273,716	0	0	0
5,541,130	5,156,842	4,909,865	3,571,709	3,535,575	2,895,109
2,042,386	1,957,712	1,664,970	1,865,516	1,845,466	1,721,725
3,215,569	2,937,542	2,789,862	2,956,629	3,062,880	2,994,955
7,900,584	10,602,604	9,983,844	12,879,753	10,780,543	11,248,160
1,944,755	1,982,802	1,939,289	1,451,905	1,504,940	1,525,849
43,610	45,811	127,999	169,445	112,881	416,354
27,932	50,476	54,571	0	0	0
12,336	12,348	15,880	0	0	0
551,694	588,325	565,476	0	0	0
0	1,150,000	141,241	0	0	0
1,244,120	1,318,978	1,694,674	2,530,200	2,533,055	3,551,511
53,778,414	58,839,382	53,561,208	56,624,512	54,781,197	57,403,758
15,394,711	15,354,284	14,645,346	15,815,325	13,832,810	15,579,103
21,216,050	20,796,144	19,736,539	18,400,270	17,132,779	17,469,045
362,178	362,103	385,716	360,312	386,646	400,213
5,877,513	5,162,780	5,057,282	3,069,299	2,970,122	3,673,791
5,065,872	6,163,082	5,944,549	6,302,268	5,255,571	5,785,519
2,350,856	2,417,960	2,248,499	2,134,046	2,119,740	2,598,622
2,489,045	2,628,806	2,477,521	2,767,008	2,933,068	3,037,248
1,778,253	2,330,729	1,276,062	6,274,534	3,555,156	4,965,356
1,964,862	2,094,509	4,318,896	1,859,529	2,136,867	1,292,366
693,272	748,794	832,804	627,819	707,451	913,376
0	0	0	0	0	214,813
57,192,612	58,059,191	56,923,214	57,610,410	51,030,210	55,929,452
(3,414,198)	780,191	(3,362,006)	(985,898)	3,750,987	1,474,306
0	128,697	34,260	24,273	17,796	16,056
1,590,000	0	0	0	0	8,695,000
9,185	0	0	0	0	228,332
0	0	0	0	0	0
482,601	24,540	57,420	191,460	39,852	439,992
0	0	0	450,000	0	136,000
(1,513,662)	0	0	0	0	(9,460,000)
3,998,494	3,982,694	2,808,707	3,351,610	3,966,923	3,923,161
(3,975,069)	(4,846,243)	(2,794,322)	(3,351,610)	(4,470,061)	(4,190,062)
591,549	(710,312)	106,065	665,733	(445,490)	(211,521)
(\$2,822,649)	\$69,879	(\$3,255,941)	(\$320,165)	\$3,305,497	\$1,262,785
5.0%	5.2%	9.7%	4.8%	6.0%	4.3%

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

	2017	2016	2015	2014
Inside Millage				
Operating	\$2.22000	\$2.22000	\$2.57000	\$2.57000
Debt	1.50000	1.50000	1.15000	1.15000
Fire Pension	0.30000	0.30000	0.30000	0.30000
Police Pension	0.30000	0.30000	0.30000	0.30000
<i>Total Unvoted Millage</i>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>	<u>4.32000</u>
Charter Millage				
1976 Charter/Current Expense	6.48000	6.48000	6.48000	6.48000
1997 Bond (\$15,000,000)	1.50000	1.50000	1.50000	1.40000
2004 Charter/Recreation Improvements	0.70000	0.70000	0.70000	0.70000
2014 Charter/Current Expense	0.92000	0.92000	0.92000	0.00000
<i>Total Voted Millage by Type of Property</i>	<u>9.60000</u>	<u>9.60000</u>	<u>9.60000</u>	<u>8.58000</u>
<i>Total Millage</i>	<u>\$13.92000</u>	<u>\$13.92000</u>	<u>\$13.92000</u>	<u>\$12.90000</u>
Overlapping Rates by Taxing District				
<i>Cleveland Heights - University Heights</i>				
General Business and Public Utility Personal	\$155.09000	\$149.59000	\$149.59000	\$149.59000
Residential/Agricultural Real	88.48750	81.30809	80.95140	80.38096
Commercial/Industrial and Public Utility Real	107.61380	98.15769	93.53970	92.77882
<i>Cleveland Heights Library</i>				
Operating - continuing				
General Business and Public Utility Personal	10.00000	10.00000	10.00000	7.80000
Residential/Agricultural Real	8.26150	8.20296	8.17220	5.92317
Commercial/Industrial and Public Utility Real	9.11310	8.88246	8.56850	6.31694
<i>Cuyahoga County</i>				
General Business and Public Utility Personal	14.05000	14.05000	14.05000	14.05000
Residential/Agricultural Real	13.91400	13.86978	14.05000	14.05000
Commercial/Industrial and Public Utility Real	14.00610	14.05000	14.01950	13.94947
<i>Special Taxing Districts (1)</i>				
General Business and Public Utility Personal	6.88000	6.88000	6.88000	5.98000
Residential/Agricultural Real	7.28830	6.76737	6.86430	5.96390
Commercial/Industrial and Public Utility Real	7.34360	6.86755	6.84010	5.88426

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

2013	2012	2011	2010	2009	2008
\$2.22000	\$2.22000	\$2.22000	\$2.22000	\$0.92000	\$0.92000
1.50000	1.50000	1.50000	1.50000	2.80000	2.80000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
0.30000	0.30000	0.30000	0.30000	0.30000	0.30000
4.32000	4.32000	4.32000	4.32000	4.32000	4.32000
6.48000	6.48000	6.48000	6.48000	6.48000	6.48000
1.50000	1.40000	1.40000	1.40000	1.40000	1.40000
0.70000	0.70000	0.70000	0.70000	0.70000	0.70000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8.68000	8.58000	8.58000	8.58000	8.58000	8.58000
\$13.00000	\$12.90000	\$12.90000	\$12.90000	\$12.90000	\$12.90000
\$143.70000	\$143.70000	\$136.80000	\$136.80000	\$136.70000	\$136.70000
74.30494	71.72200	64.31560	64.19270	60.29800	60.15730
87.04456	84.67910	76.56090	77.75310	76.29060	75.86760
7.80000	7.80000	7.80000	7.80000	7.80000	5.90000
5.90716	5.71080	5.67410	5.66510	5.38950	3.47930
6.32897	6.17450	6.07140	6.17280	6.08370	4.15760
13.22000	13.22000	13.32000	13.32000	13.32000	13.42000
13.22000	13.11820	13.18660	13.17890	12.66070	11.86880
12.99676	12.78460	12.84120	12.84570	12.81530	12.45350
5.08000	5.08000	5.08000	4.78000	4.78000	4.78000
5.06349	5.00410	4.99000	4.50680	4.15970	4.15900
4.96214	4.86490	4.84500	4.41190	4.39110	4.38000

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
2017	\$649,557,230	\$116,591,460	\$2,188,996,257	\$14,528,950	\$16,510,170
2016	686,084,250	117,958,640	2,297,265,400	14,628,530	16,623,330
2015	703,127,810	132,585,410	2,387,752,057	14,281,390	16,228,852
2014	711,935,130	135,720,620	2,421,873,571	13,432,710	15,264,443
2013	716,045,780	136,988,860	2,437,241,829	12,266,160	13,938,818
2012	758,172,910	142,503,180	2,573,360,257	11,149,780	12,670,205
2011	767,304,310	146,782,270	2,611,675,943	10,757,850	12,224,830
2010	768,320,370	145,568,470	2,611,110,971	10,441,200	11,865,000
2009	820,746,690	147,702,300	2,766,997,114	9,840,320	11,182,182
2008	819,665,980	148,540,150	2,766,303,229	9,479,500	10,772,159

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year were the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Source: Cuyahoga County, Ohio; County Fiscal Officer

Tangible Personal Property

General Business		Total			Direct Tax Rate
Assessed Values	Estimated Actual Value	Assessed Values	Estimated Actual Value	Ratio	
\$0	\$0	\$780,677,640	\$2,205,506,427	35.40 %	\$13.92
0	0	818,671,420	2,313,888,730	35.38	13.92
0	0	849,994,610	2,403,980,909	35.36	13.92
0	0	861,088,460	2,437,138,014	35.33	12.90
0	0	865,300,800	2,451,180,647	35.30	13.00
0	0	911,825,870	2,586,030,462	35.26	12.90
0	0	924,844,430	2,623,900,773	35.25	12.90
0	0	924,330,040	2,622,975,971	35.24	12.90
0	0	978,289,310	2,778,179,296	35.21	12.90
10,222,250	163,556,000	987,907,880	2,940,631,388	33.60	12.90

City of Cleveland Heights, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy (2)
2017	\$12,390,749	\$9,276,560	74.87 %	\$577,266	\$9,853,826	79.53 %
2016	11,390,880	10,626,321	93.29	517,268	11,143,589	97.83
2015	11,768,632	10,905,320	92.66	651,266	11,556,586	98.20
2014	11,056,467	10,003,954	90.48	654,530	10,658,484	96.40
2013	11,286,563	10,311,193	91.36	579,904	10,891,097	96.50
2012	11,835,005	10,845,056	91.64	631,704	11,476,760	96.97
2011	12,141,783	11,045,724	90.97	1,771,588	12,817,312	105.56
2010	12,034,172	11,145,509	92.62	1,515,195	12,660,704	105.21
2009	12,686,328	11,734,295	92.50	1,304,581	13,038,876	102.78
2008	12,784,933	11,873,263	92.87	1,106,080	12,979,343	101.52

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

2017 and 2008

Taxpayer	2017	
	Assessed Valuation	Percentage of Total Assessed Valuation
HS Acquisition	\$11,686,290	1.50%
Cleveland Electric Illuminating Co.	10,573,790	1.36
Severance Realty, LLC	3,675,020	0.47
East Ohio Gas Company	3,299,580	0.42
American Transmission System	2,912,400	0.37
Kensington Limited Partnership	2,601,310	0.33
Waldorf Partners Limited Partnership	2,292,020	0.29
Concord Apartments, LLC	2,120,270	0.27
Lancashire Towers Associates	1,948,490	0.25
Cleveland Heights BG Propco, LLC	1,836,180	0.24
Total	\$42,945,350	5.50%
Total Assessed Valuation	\$780,677,640	
Taxpayer	2008	
	Assessed Valuation	Percentage of Total Assessed Valuation
Severance Realty, LLC	\$18,198,180	1.84%
Kaiser Foundation Health Plan of Ohio	11,616,780	1.18
Cleveland Electric Illuminating Co.	7,329,990	0.74
American Retirement Corporation	3,415,590	0.35
Concord Company	2,591,190	0.26
Kensington Limited Partnership	2,520,000	0.26
Severance Housing Corporation	2,229,290	0.23
Waldorf Partners Limited Partnership	2,189,330	0.22
Oakwood Club	2,102,780	0.21
Lancashire Towers Associates	1,924,760	0.19
Total	\$54,117,890	5.48%
Total Assessed Valuation	\$987,907,880	

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
2017	2.25 %	\$27,289,506	\$8,603,124	31 %	\$1,000,026	4 %	\$17,686,356	65 %
2016	2.25	26,217,124	8,651,651	33	786,514	3	16,778,959	64
2015	2.00	24,039,748	7,471,065	31	805,444	3	15,763,239	66
2014	2.00	23,161,191	7,870,984	34	928,582	4	14,361,625	62
2013	2.00	22,714,993	6,961,230	31	673,668	3	15,080,095	66
2012	2.00	22,419,053	6,949,906	31	672,572	3	14,796,575	66
2011	2.00	19,214,462	6,699,569	35	421,295	2	12,093,598	63
2010	2.00	18,827,105	6,694,873	36	646,012	3	11,486,220	61
2009	2.00	20,085,142	6,713,661	34	662,329	3	12,709,152	63
2008	2.00	18,954,767	6,661,900	35	771,496	4	11,575,371	61

Sources: Regional Income Tax Agency data - certain amounts may be estimates. Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only, without filing requirement.

Note: The City is statutorily prohibited from presenting individual taxpayer information.

(1) Based on Cash Basis

(2) The City's basic income tax rate may only be increased by a majority vote of the City's residents. In November 2015, the voters approved an increase to 2.25%, effective January 1, 2016.

City of Cleveland Heights, Ohio
*Ratio of General Obligation Bonded Debt to Estimated Actual
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population	Estimated Actual Value of Taxable Property	Gross Bonded Debt (1)	Ratio of Bonded Debt to Estimated Actual Value of Taxable Property	Bonded Debt Per Capita
2017	46,121	\$2,205,506,427	\$17,333,458	0.79%	\$376
2016	46,121	2,313,888,730	12,342,682	0.53	268
2015	46,121	2,403,980,909	12,971,816	0.54	281
2014	46,121	2,437,138,014	12,202,733	0.50	265
2013	46,121	2,451,180,647	10,830,316	0.44	235
2012	46,121	2,586,030,462	12,462,539	0.48	270
2011	46,121	2,623,900,773	14,326,306	0.55	311
2010	46,121	2,622,975,971	15,895,000	0.61	345
2009	50,769	2,778,179,296	11,400,000	0.41	225
2008	50,769	2,940,631,388	13,110,000	0.45	258

(1) Although the debt service fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

Note: The debt service fund pays principal and interest on general obligation bonds, as well as special assessment bonds.

City of Cleveland Heights, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Governmental Activities							
Year	General Obligation Bonds	Economic Development Bonds	Special Assessment Bonds	Bond Anticipation Notes	Capital Leases	OPWC Loans	State Infrastructure Bank Loan
2017	\$17,333,458	\$0	\$2,140,000	\$722,000	\$507,061	\$1,172,469	\$278,875
2016	12,342,682	0	2,260,000	1,526,211	577,825	1,345,630	329,838
2015	12,971,816	0	2,375,000	1,515,000	646,918	1,461,069	0
2014	12,202,733	0	2,490,000	0	816,338	1,576,509	0
2013	10,830,316	0	2,522,575	0	193,836	1,679,271	0
2012	12,462,539	0	2,613,206	0	283,615	1,286,753	0
2011	14,326,306	0	2,703,837	0	408,081	1,307,256	0
2010	15,895,000	235,000	2,770,000	1,850,000	637,743	1,399,070	0
2009	11,400,000	460,000	2,850,000	0	122,055	1,226,097	0
2008	13,110,000	680,000	2,930,000	905,000	172,280	1,262,887	0

(1) Computation of percentage of personal income divided by total debt over total personal income.
See page S28 for total personal income data.

(2) Computation of per capita divided by total debt over population.
See page S28 for population data.

Business - Type Activities

General Obligation Bonds	Bond Anticipation Notes	OPWC Loans	OWDA Loans	Capital Leases	Total Debt	Percentage of Personal Income (1)	Per Capita (2)
\$0	\$0	\$462,477	\$376,634	\$0	\$22,992,974	1.65%	\$499
0	186,369	607,822	397,971	0	19,574,348	0.01	424
0	185,000	704,720	439,386	0	20,298,909	1.45	440
0	0	801,619	479,178	0	18,366,377	1.32	398
0	0	898,518	517,409	0	16,641,925	1.19	361
0	0	995,417	554,141	0	18,195,671	1.30	395
0	0	1,043,867	589,433	0	20,378,780	1.46	442
0	0	1,172,917	495,486	0	24,455,216	1.75	530
6,210,000	0	1,237,667	335,792	267,003	24,108,614	1.84	934
6,355,000	0	1,334,567	327,487	479,366	27,556,587	2.10	1,068

City of Cleveland Heights, Ohio

Legal Debt Margin

Last Ten Years

	2017	2016	2015	2014
Total Assessed Property Value	\$780,677,640	\$818,671,420	\$849,994,610	\$861,088,460
General Bonded Debt Outstanding:				
General Obligation Bonds	17,211,000	12,307,000	12,902,000	12,085,000
Special Assessment Bonds	2,140,000	2,260,000	2,375,000	2,490,000
OPWC Loans	1,172,469	1,345,630	1,461,069	1,576,509
State Infrastructure Loan Payable	278,875	329,838	0	0
Notes	1,285,000	1,526,211	1,752,527	1,976,277
Total Gross Indebtedness	22,087,344	17,768,679	18,490,596	18,127,786
Less:				
Special Assessment Bonds	(2,140,000)	(2,260,000)	(2,375,000)	(2,490,000)
OPWC Loans	(1,172,469)	(1,345,630)	(1,461,069)	(1,576,509)
Notes	(1,285,000)	(1,526,211)	(1,752,527)	(1,976,277)
General Bond Retirement Fund Balance	(1,564,354)	(1,773,910)	(277,889)	(482,039)
Total Net Debt Applicable to Debt Limit	15,925,521	10,862,928	12,624,111	11,602,961
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	81,971,152	85,960,499	89,249,434	90,414,288
Legal Debt Margin Within 10 1/2% Limitations	\$66,045,631	\$75,097,571	\$76,625,323	\$78,811,327
Legal Debt Margin as a Percentage of the Debt Limit	80.57%	87.36%	85.86%	87.17%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	\$42,937,270	\$45,026,928	\$46,749,704	\$47,359,865
Total Gross Indebtedness	22,087,344	17,768,679	18,490,596	18,127,786
Less:				
Special Assessment Bonds	(2,140,000)	(2,260,000)	(2,375,000)	(2,490,000)
OPWC Loans	(1,172,469)	(1,345,630)	(1,461,069)	(1,576,509)
Notes	(1,285,000)	(1,526,211)	(1,752,527)	(1,976,277)
General Bond Retirement Fund Balance	(1,564,354)	(1,773,910)	(277,889)	(482,039)
Net Debt Within 5 1/2% Limitations	15,925,521	10,862,928	12,624,111	11,602,961
Unvoted Legal Debt Margin Within 5 1/2% Limitations	\$27,011,749	\$34,164,000	\$34,125,593	\$35,756,904
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	62.91%	75.87%	73.00%	75.50%

Source: City Financial Records

2013	2012	2011	2010	2009	2008
<u>\$865,300,800</u>	<u>\$911,825,870</u>	<u>\$924,844,430</u>	<u>\$924,330,040</u>	<u>\$978,289,310</u>	<u>\$987,907,880</u>
10,680,000	12,290,000	14,125,000	15,895,000	11,400,000	13,110,000
2,505,000	2,595,000	2,685,000	2,770,000	2,850,000	2,930,000
1,679,271	1,286,753	1,307,256	1,399,070	1,226,097	1,262,887
0	0	0	0	0	0
2,193,000	2,126,000	1,703,000	1,850,000	0	905,000
<u>17,057,271</u>	<u>18,297,753</u>	<u>19,820,256</u>	<u>21,914,070</u>	<u>15,476,097</u>	<u>18,207,887</u>
(2,505,000)	(2,595,000)	(2,685,000)	(2,770,000)	(2,850,000)	(2,930,000)
(1,679,271)	(1,286,753)	(1,307,256)	(1,399,070)	(1,226,097)	(1,262,887)
(2,193,000)	(2,126,000)	(1,703,000)	(1,850,000)	0	(905,000)
<u>(1,306,909)</u>	<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>	<u>(3,642,458)</u>	<u>(3,304,603)</u>
<u>9,373,091</u>	<u>10,472,267</u>	<u>10,639,301</u>	<u>12,104,140</u>	<u>7,757,542</u>	<u>9,805,397</u>
<u>90,856,584</u>	<u>95,741,716</u>	<u>97,108,665</u>	<u>97,054,654</u>	<u>102,720,378</u>	<u>103,730,327</u>
<u>\$81,483,493</u>	<u>\$85,269,449</u>	<u>\$86,469,364</u>	<u>\$84,950,514</u>	<u>\$94,962,836</u>	<u>\$93,924,930</u>
89.68%	89.06%	89.04%	87.53%	92.45%	90.55%
<u>\$47,591,544</u>	<u>\$50,150,423</u>	<u>\$50,866,444</u>	<u>\$50,838,152</u>	<u>\$53,805,912</u>	<u>\$54,334,933</u>
17,057,271	18,297,753	19,820,256	21,914,070	15,476,097	18,207,887
(2,505,000)	(2,595,000)	(2,685,000)	(2,770,000)	(2,850,000)	(2,930,000)
(1,679,271)	(1,286,753)	(1,307,256)	(1,399,070)	(1,226,097)	(1,262,887)
(2,193,000)	(2,126,000)	(1,703,000)	(1,850,000)	0	(905,000)
<u>(1,306,909)</u>	<u>(1,817,733)</u>	<u>(3,485,699)</u>	<u>(3,790,860)</u>	<u>(3,642,458)</u>	<u>(3,304,603)</u>
<u>9,373,091</u>	<u>10,472,267</u>	<u>10,639,301</u>	<u>12,104,140</u>	<u>7,757,542</u>	<u>9,805,397</u>
<u>\$38,218,453</u>	<u>\$39,678,156</u>	<u>\$40,227,143</u>	<u>\$38,734,012</u>	<u>\$46,048,370</u>	<u>\$44,529,536</u>
80.31%	79.12%	79.08%	76.19%	85.58%	81.95%

City of Cleveland Heights, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2017

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	\$17,333,458	100.00%	\$17,333,458
Special Assessment Bonds	2,140,000	100.00	2,140,000
OPWC Loans	1,172,469	100.00	1,172,469
State Infrastructure Bank Loan	278,875	100.00	278,875
Long-Term Notes	722,000	100.00	722,000
Capital Leases	507,061	100.00	507,061
Total Direct Debt	22,153,863		22,153,863
Overlapping Debt:			
Payable from Property Taxes			
Cuyahoga County Bonds	222,259,855	3.40	7,556,835
Regional Transit Authority Bonds	128,708,087	3.40	4,376,075
Cleveland Heights-			
University Heights City School District	167,229,769	75.64	126,492,597
East Cleveland City School District	2,903,323	23.80	690,991
Payable from Other Sources:			
Cuyahoga County Revenue Bonds	712,717,846	3.40	24,232,407
Cuyahoga County Certificates of Participation	246,517,627	3.40	8,381,599
Cuyahoga County Loans	1,677,337	3.40	57,029
Cuyahoga County Leases	361,144,312	3.40	12,278,907
Cleveland Heights -			
University Heights City School District Leases	337,129	75.64	255,004
Total Overlapping Debt	1,843,495,285		184,321,444
Total	\$1,865,649,148		\$206,475,307

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government.

City of Cleveland Heights, Ohio

Pledged Revenue Coverage

Revenue Debt - Water Fund

Last Seven Years (1)

Year	Operating Revenue	Expenses, Net of Depreciation *	Net Revenue Available for Debt Service	Debt Service Requirement**			Coverage
				Principal	Interest	Total	
2017	\$820,904	\$1,725,061	(\$904,157)	\$71,461	\$4,057	\$75,518	(11.97)
2016	14,242,336	13,121,324	1,121,012	67,981	8,486	76,467	14.66
2015	14,285,529	11,923,715	2,361,814	76,729	11,925	88,654	26.64
2014	13,054,727	13,639,330	(584,603)	76,306	12,210	88,516	(6.60)
2013	12,437,636	12,307,103	130,533	10,485	8,579	19,064	6.85
2012	11,468,562	12,786,562	(1,318,000)	10,094	10,114	20,208	(65.22)
2011	10,125,904	10,378,779	(252,875)	9,167	0	9,167	(27.59)

(1) Information prior to 2011 unavailable.

* Total operating expenses exclusive of depreciation.

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

Source: City Financial Records

City of Cleveland Heights, Ohio

Pledged Revenue Coverage

Revenue Debt - Sewer Fund

Last Seven Years (1)

Year	Operating Revenue	Expenses, Net of Depreciation *	Net Revenue Available for Debt Service	Debt Service Requirement**			Coverage
				Principal	Interest	Total	
2017	\$3,048,228	\$2,434,873	\$613,355	\$46,776	\$3,733	\$50,509	12.14
2016	1,398,962	1,432,605	(33,643)	49,666	8,283	57,949	(0.58)
2015	1,623,705	1,319,667	304,038	59,962	9,795	69,757	4.36
2014	1,563,770	1,824,582	(260,812)	58,824	10,933	69,757	(3.74)
2013	1,671,895	1,568,459	103,436	26,247	12,026	38,273	2.70
2012	1,728,603	1,555,693	172,910	25,198	13,075	38,273	4.52
2011	1,607,296	1,921,205	(313,909)	11,392	7,151	18,543	(16.93)

(1) Information prior to 2011 unavailable.

* Total operating expenses exclusive of depreciation.

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

Source: City Financial Records

City of Cleveland Heights, Ohio

Principal Employers

2017 and 2008

2017

Employer	Employees
Cleveland Heights - University Heights City School District	938
City of Cleveland Heights	727
MetroHealth System	341
C A S Health Investors, Inc.	324
Cuyahoga County Fiscal Office	313
Home Depot USA Inc.	269
Dave's Supermarket, Inc.	255
Hebrew Academy of Cleveland	254
Charter Communications	184
XCEL Healthcare Products Inc.	174
Total	3,779
Total City Employment	n/a

2008

Employer	Employees	Percentage of Total City Employment
Cleveland Heights - University Heights City School District	1,652	5.01 %
City of Cleveland Heights	841	2.55
Kaiser Foundation	321	0.97
Walmart	300	0.91
Home Depot USA Inc.	262	0.79
A1 Healthcare	231	0.70
Hebrew Academy of Cleveland	230	0.70
Motorcars	187	0.57
Cleveland Heights University Heights Public Library	184	0.56
Mosdos Ohr Hatorah	154	0.46
Total	4,362	13.22 %
Total City Employment	32,988	

Source: City of Cleveland Heights, Department of Income Tax - 2008

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
2017	46,121	\$1,395,621,460	\$30,260	\$47,529	35.2	93.7
2016	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2015	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2014	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2013	46,121	1,395,621,460	30,260	47,529	35.2	93.7
2012	46,121	1,395,621,460	30,260	47,966	35.3	92.4
2011	46,121	1,395,621,460	30,260	49,056	35.7	92.3
2010	46,121	1,395,621,460	30,260	49,056	35.7	92.3
2009	50,769	1,310,043,276	25,804	47,400	35.2	91.6
2008	50,769	1,310,043,276	25,804	47,400	35.2	91.6

(a) Source: U. S. Census, Census of population
 2010- 2017: 2010 Federal Census
 2008-2009: 2000 Federal Census

(b) Source: Cuyahoga County Fiscal Officer

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

<u>School Enrollment (c)</u>	<u>Cuyahoga County Unemployment Rate</u>	<u>Total Assessed Property Value (b)</u>
4,957	5.9 %	\$780,677,640
5,393	5.4	818,671,420
5,393	4.0	849,994,610
5,693	5.3	861,088,460
5,300	7.2	865,300,800
5,870	8.3	911,825,870
5,870	8.0	924,844,430
5,832	8.6	924,330,040
5,899	9.0	978,289,310
6,286	7.1	987,907,880

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

<u>Function/program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government:					
Mangement/Council	3.0	3.0	6.0	7.2	7.1
City-Management	2.0	2.0	0.0	0.0	0.0
Finance	6.5	6.0	6.0	6.5	6.6
Off-Street Parking	2.0	2.0	3.0	3.0	3.0
Planning/Community					
Development	8.0	8.0	12.0	12.0	11.9
Building/Inspectional	11.0	10.0	15.0	16.1	15.0
Municipal Court	28.0	26.0	29.0	26.3	25.4
Other	18.5	21.0	14.5	18.0	20.2
Public Safety:					
Police					
Officers	100.0	98.0	115.8	114.6	113.8
Civilians/Crossing Guards	16.0	17.5	5.0	4.0	5.0
Fire					
Firefighters and officers	73.0	78.0	73.0	78.0	69.0
Civilians/Dispatch	10.0	11.0	8.0	10.3	8.6
Culture and Recreation:					
	82.5	75.0	55.0	55.9	58.6
Sanitation:					
	26.0	29.0	28.0	27.3	30.0
Transportation:					
	20.0	17.0	20.0	22.0	22.0
Other Public Works Departments					
	32.0	35.5	22.0	22.0	23.0
Public Utilities:					
Water	1.0	15.0	14.0	14.0	15.0
Wastewater	12.0	13.0	12.0	12.0	13.0
Totals:	<u>451.5</u>	<u>467.0</u>	<u>438.3</u>	<u>449.2</u>	<u>447.2</u>

Source: City of Cleveland Heights Payroll/ Human Resources Department

Method: Using 1.0 for each full-time employee, and 0.50 for each part-time and seasonal employee.

Count taken at December 31.

2012	2011	2010	2009	2008
6.1	7.0	7.0	7.0	8.0
0.0	0.0	0.0	0.0	0.0
6.6	7.5	17.5	19.0	19.5
3.0	3.0	3.0	3.0	3.0
11.1	12.0	12.0	12.0	14.0
17.4	16.5	15.0	15.5	18.0
24.9	29.0	26.0	23.5	23.0
18.4	19.0	18.5	18.5	21.0
113.1	113.0	111.0	111.0	118.0
8.0	4.0	4.0	4.0	4.0
75.0	71.0	72.0	75.0	78.0
9.9	10.5	10.0	9.0	9.0
57.0	56.5	59.5	59.0	65.0
27.9	30.0	29.0	29.0	31.0
20.0	19.0	21.0	28.0	22.0
23.0	21.0	23.0	23.0	23.0
17.0	18.0	18.0	17.0	17.0
13.0	10.0	10.0	10.0	11.0
<u>451.3</u>	<u>447.0</u>	<u>456.5</u>	<u>463.5</u>	<u>484.5</u>

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

Function/program	2017	2016	2015	2014
General Government				
Council and Clerk				
Number of ordinances passed	123	22	29	36
Number of resolutions passed	135	85	115	102
Number of Planning Commission docket items	25	27	38	34
Number of Board of Zoning Appeals docket items	25	22	31	22
Finance Department				
Number of checks/ accounts payable vouchers issued	6,905	7,948	5,881	5,984
Amount of checks written	\$22,125,138	\$38,756,617	\$34,186,263	\$30,936,718
Interest earnings for fiscal year (cash basis)	\$242,847	\$140,731	\$78,721	\$71,505
Number of journal entries issued	964	606	499	526
Agency Ratings - Moody's Financial Services	A1	A1	A1	Aa2
Income Tax Department				
Number of refund checks/vouchers issued	*	*	*	*
Amount of checks written	*	*	*	*
Number of individual returns	*	*	*	*
Number of business returns	*	*	*	*
Number of business withholding returns	*	*	*	*
Amount of penalties and interest collected	*	*	*	*
Annual number of corporate withholding forms processed	*	*	*	*
Annual number of balance due statements processed	*	*	*	*
Annual number of estimated payment forms processed	*	*	*	*
Annual number of reconciliations of withholdings processed	*	*	*	*
Municipal Court				
Number of civil cases	1,718	1,687	1,075	1,559
Number of criminal cases	1,683	2,849	2,642	3,020
Public Safety				
Fire				
EMS calls	5,305	5,129	4,934	4,559
Fire calls	1,294	1,288	1,288	1,387
Fires with loss	62	16	59	50
Fire safety inspections/re-inspections	2,066	1,616	2,137	980
Number of times mutual aid given to Fire and EMS	129	40	98	99
Number of times mutual aid received from Fire and EMS	150	34	78	60
Civil Service				
Number of police entry tests administered	1	1	0	0
Number of fire entry tests administered	1	0	67	0
Number of fire promotional tests administered	2	0	0	3
Number of hires of police officers from certified lists	8	6	5	4
Number of hires of fire/medics from certified lists	4	4	0	13
Number of promotions from fire certified lists	2	0	0	5
Number of promotions from police certified lists	2	0	8	3
Culture and Recreation				
Senior activity center receipts	\$43,209	\$50,298	\$37,829	\$39,914
Swimming pools receipts	\$110,138	\$104,225	\$99,904	\$105,963
Ice program receipts	\$50,066	\$44,621	\$49,129	\$36,747
General recreation program receipts	\$42,758	\$62,773	\$60,356	\$99,785
Child care/summer program receipts (a)	\$0	\$0	\$0	\$0
Sports programs receipts	\$204,299	\$219,884	\$201,040	\$171,016
Community center program receipts	\$728,019	\$674,170	\$655,843	\$640,367
Cain park program receipts	\$783,820	\$560,335	\$644,005	\$603,585

2013	2012	2011	2010	2009	2008
68	47	52	51	32	72
143	142	112	117	95	111
52	27	22	27	17	16
36	25	28	30	31	33
6,498	6,752	6,363	6,327	6,191	6,842
\$29,020,478	\$30,468,399	\$27,736,616	\$34,223,380	\$26,202,955	\$27,805,150
\$77,695	\$93,503	\$98,115	\$150,034	\$311,695	\$458,811
501	438	415	331	352	335
Aa2	Aa2	Aa3	Aa3	Aa3	Aa3
*	*	*	1,146	1,065	1,100
*	*	*	\$361,142	\$335,724	\$384,020
*	*	*	16,197	15,483	15,660
*	*	*	1,899	1,931	1,331
*	*	*	10,610	10,654	10,343
*	*	*	\$124,498	\$64,601	\$49,630
*	*	*	10,670	10,654	10,343
*	*	*	46,769	47,806	48,909
*	*	*	46,769	47,806	48,909
*	*	*	1,731	2,073	1,495
1,511	1,365	1,126	1,532	1,778	1,864
3,359	2,685	2,287	3,162	3,449	3,047
4,733	4,817	4,631	4,374	4,098	4,113
1,399	1,296	1,211	1,136	1,119	1,247
62	64	54	60	48	57
957	1000+	1000+	1000+	1000+	1000+
110	101	76	72	45	71
82	128	91	51	66	65
1	0	1	0	0	1
1	0	1	0	0	0
2	2	3	0	0	0
2	2	7	8	4	0
2	8	6	0	0	0
4	3	4	0	0	0
0	2	2	2	3	0
\$0	\$60,962	\$57,911	\$51,818	\$56,039	\$54,521
\$97,222	\$108,284	\$98,739	\$97,618	\$87,468	\$95,385
\$36,356	\$46,901	\$53,505	\$56,607	\$49,967	\$50,456
\$94,312	\$90,404	\$96,470	\$97,908	\$143,470	\$69,056
\$0	\$0	\$0	\$0	\$0	\$157,639
\$183,743	\$197,133	\$208,882	\$202,654	\$194,513	\$204,718
\$587,822	\$584,432	\$627,573	\$658,871	\$606,401	\$706,337
\$564,682	\$689,853	\$428,296	\$425,099	\$492,280	\$419,008

(continued)

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

Function/program	2017	2016	2015	2014
Community Development				
Building Department				
Construction permits issued - residential	3,052	464	110	1,010
Construction permits issued - commercial	220	229	92	125
Estimated value of construction - residential	\$23,228,320	\$16,592,300	\$11,042,945	\$12,536,148
Estimated value of construction - commercial	\$12,682,607	\$20,249,000	\$8,749,163	\$14,159,210
Number of permits issued	3,274	3,058	3,364	3,234
Amount of revenue generated from permits	\$309,645	\$846,063	\$604,164	\$389,340
Amount of revenue generated from fees/contractors licenses	\$196,430	\$245,205	\$247,495	\$262,655
Number of contractor registrations issued	1,173	812	965	1,111
Number of inspections performed	3,414	3,153	1,533	5,721
Community Development				
Annual entitled grant award	\$1,437,209	\$2,031,567	\$1,461,454	\$1,476,666
Program income received	\$165,606	\$136,984	\$253,078	\$192,129
CDBG-recovery and reinvestment award	\$0	\$0	\$0	\$0
Neighborhood stabilization program	\$0	\$0	\$0	\$0
Homelessness prevention and rapid re-housing program	\$0	\$0	\$0	\$0
Transportation				
Crackseal Coating Program (lbs.)	10,000	6,720	9,000	6,750
Street repair (curb, aprons, berms, asphalt) (hours)	6,560	5,520	8,640	5,520
Line striping (hours)	n/a	n/a	n/a	1,432
Street Sweeping (hours)	3,113	3,080	2,960	3,300
Cold Patch (hours)	5,066	4,960	4,800	5,440
Snow and ice removal - regular hours	4,200	4,816	6,832	6,384
Snow and ice removal - overtime hours	645	724	1,169	4,434
Landscaping Stump-Chipper Service (hours)	500	5,716	5,716	5,716
Leaf collection - fall (hours)	16,160	14,680	12,168	17,744
Equipment repair/body shop (hours)	1,800	16,640	16,640	14,560
Number of trees planted per year	369	313	203	263
Tons of snow melting salt purchased	6,232	5,400	4,001	13,077
Cost of snow/calcium chloride purchased	\$182,515	\$214,867	\$0	\$424,383
Skunk removals	n/a	n/a	n/a	n/a
Water Department				
Water rates per 1,000 cu ft of water used	0.0	88.0	70.0	70.0
Average number of water accounts billed monthly (cu ft)	0	15,350	15,536	15,476
Total water collections annually (including P&I)	\$3,131,604	\$18,637,752	\$17,757,000	\$17,063,701
Payments to Cleveland for bulk water purchases	\$1,893,113	\$4,132,247	\$12,217,352	\$10,752,942
Wastewater Department				
Wastewater rates per 1,000 cu ft of water used (local)	41.0	11.1	11.1	11.1
Sewer and sanitary calls for service	519	473	535	350

Source: City of Cleveland Heights departments

Notes:

(a) Beginning 2009, child care/summer programs were merged with the general recreational programming.

* The City contracted with Regional Income Tax Agency for the collection of its municipal income tax effective July 7, 2011. Therefore, due to mid-year conversion, accurate statistics are not available.

2013	2012	2011	2010	2009	2008
807	906	792	964	928	1,307
105	95	92	108	97	110
\$9,610,449	\$10,674,213	\$10,638,000	\$11,304,000	\$7,369,000	\$9,392,000
\$8,644,284	\$5,656,276	\$9,091,000	\$4,803,000	\$4,563,000	\$8,490,000
3,185	3,291	3,172	3,599	3,406	3,813
\$365,424	\$314,110	\$311,809	\$383,576	\$211,663	\$227,462
\$113,318	\$120,724	\$113,420	\$117,625	\$349,193	\$348,592
1,080	1,134	853	1,407	1,151	1,078
7,843	7,090	8,193	9,004	8,190	7,385
\$1,496,443	\$1,446,726	\$1,601,941	\$1,909,731	\$1,757,055	\$1,723,214
\$283,408	\$208,548	\$506,829	\$344,680	\$308,859	\$409,675
\$0	\$0	\$0	\$0	\$467,840	\$0
\$0	\$0	\$250,000	\$0	\$2,351,526	\$0
\$0	\$0	\$0	\$0	\$715,677	\$0
11,153	6,761	5,065	7,155	5,145	12,000
2,880	5,520	5,520	5,520	5,972	6,240
2,152	1,736	1,792	1,848	1,704	2,024
2,800	2,960	2,960	2,960	8,255	1,867
4,960	5,440	5,760	5,440	3,723	3,120
8,400	3,360	6,720	7,840	2,688	7,840
3,488	3,002	3,191	4,257	2,856	6,441
5,716	5,500	5,668	5,200	4,610	4,972
13,332	11,433	11,047	10,828	10,613	12,647
15,680	16,818	16,640	16,640	16,640	16,173
246	273	250	309	145	369
7,225	4,977	4,469	5,443	3,418	14,128
\$237,629	\$226,927	\$210,907	\$238,918	\$144,305	\$492,377
n/a	n/a	n/a	n/a	n/a	n/a
70.0	56.6	56.6	56.6	56.6	48.8
15,487	15,460	15,419	15,439	15,500	15,876
\$16,154,339	\$11,083,365	\$10,050,111	\$10,628,905	\$12,676,221	\$9,621,815
\$10,314,487	\$8,993,685	\$779,438	\$9,332,522	\$7,673,574	\$7,656,758
11.1	11.1	11.1	11.1	10.2	10.1
350	318	326	360	1,400	515

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

Function/program	2017	2016	2015	2014
General Government				
Square Footage Occupied	68,000	68,000	68,000	68,000
Administrative Vehicles	12	1	10	9
Inspectional Vehicles	10	14	15	18
Municipal Court Vehicles	2	3	3	3
Land and Building Vehicles	20	5	5	21
Police				
Stations	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877
Vehicles	116	109	92	99
Fire				
Stations	2	2	2	2
Square Footage of Building	24,068	24,068	24,068	24,068
Vehicles	15	18	19	18
Recreation				
Number of Parks	7	7	6	6
Number of Pools	1	1	1	1
Number of Ice Rinks	2	2	2	2
Number of Tennis Courts	18	18	18	18
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	9	9	9	9
Number of Basketball Courts	5	5	5	5
Community Center Square Footage	150,000	150,000	150,000	150,000
Vehicles	13	11	5	7
Other public works				
Streets (miles)	137	137	137	137
Curbs (miles)	249	249	249	249
Square footage of Garage/Transfer Station	42,244	42,244	42,244	42,244
Service Vehicles	125	125	129	105
Wastewater				
Sanitary sewers (miles)	150	150	150	150
Storm sewers (miles)	150	150	150	150

Sources:

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

2013	2012	2011	2010	2009	2008
68,000	68,000	68,000	68,000	68,000	68,000
9	14	14	16	18	22
18	14	14	22	17	18
3	2	2	2	2	2
21	14	14	22	21	16
1	1	1	1	1	1
18,877	18,877	18,877	18,877	18,877	18,877
99	100	100	106	120	153
2	2	2	2	2	2
24,068	24,068	24,068	24,068	24,068	24,068
18	19	19	18	20	20
6	6	6	6	6	6
1	1	1	1	1	1
2	2	2	2	2	2
18	18	18	18	18	18
1	1	1	1	1	1
9	9	9	9	9	9
5	5	5	5	5	5
150,000	150,000	150,000	150,000	150,000	150,000
7	12	12	27	10	34
137	137	137	137	137	137
249	249	249	249	249	249
42,244	42,244	42,244	42,244	42,244	42,244
105	105	105	125	132	153
150	150	150	150	150	150
150	150	150	150	150	150

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Cleveland Heights, Ohio beautiful parks
beautiful community



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

OHIO AUDITOR OF STATE KEITH FABER



CITY OF CLEVELAND HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 29, 2019**