

***CITY OF CLEVELAND HEIGHTS,
OHIO***

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2022

Prepared by:
Department of Finance

Andrew Unetic
Director of Finance



TABLE OF CONTENTS

CITY OF CLEVELAND HEIGHTS

CUYAHOGA COUNTY, OHIO

I

INTRODUCTORY SECTION

A	Letter of Transmittal	v
B	List of Principal Officials	xiii
C	City Organizational Chart	xiv
D	Certificate of Achievement for Excellence in Financial Reporting	xv

II

FINANCIAL SECTION

A	Independent Auditor's Report	1
B	Management's Discussion and Analysis.....	7
C	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position	18
	Statement of Activities	20
	Fund Financial Statements:	
	<i>Governmental Funds:</i>	
	Balance Sheet	22
	Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	24
	Statement of Revenues, Expenditures and Changes in Fund Balances	26
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
	General Fund	30
	Local Fiscal Recovery Fund	31
	<i>Proprietary Funds:</i>	
	Statement of Net Position	32
	Statement of Revenues, Expenses and Changes in Fund Net Position.....	34
	Statement of Cash Flows	36
	<i>Fiduciary Funds:</i>	
	Statement of Net Position	38
	Statement of Changes in Net Position	39
	Notes to the Basic Financial Statements.....	40

D Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) - Ohio Public Employees Retirement System (OPERS)– Traditional Plan and Combined Plan	108
Schedule of the City's Proportionate Share of the Net Pension Liability - Ohio Police and Fire Pension Fund	110
Schedule of City Pension Contributions - Ohio Public Employees Retirement System (OPERS) - Traditional Plan and Combined Plan	112
Schedule of City Pension Contributions - Ohio Police and Fire Pension Fund	114
Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) - Ohio Public Employees Retirement System (OPERS) and Ohio Police and Fire Pension Fund	116
Schedule of City's Net Other Postemployment Benefits (OPEB) Contributions - Ohio Public Employees Retirement System (OPERS) and Ohio Police and Fire Pension Fund.....	118
Notes to the Required Supplementary Information	120

E Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	133
Combining Balance Sheet – Nonmajor Special Revenue Funds	134
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	141
Combining Balance Sheet – Nonmajor Capital Projects Funds	148
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	150

Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i>	152
<i>Special Revenue Fund:</i>	
Local Fiscal Recovery Fund	158

Nonmajor Governmental Funds:

Special Revenue Funds:

Street Construction, Maintenance and Repair Fund.....	159
Foundation Grants Fund.....	160
Public Building Maintenance Fund.....	161
Law Enforcement Trust Fund.....	162
Drug Law Enforcement Fund.....	163
Community Development Block Grant Fund.....	164
Community Development Block Grant COVID Relief Grant Fund	166
Home Program Fund	167
Federal Emergency Management Agency (FEMA) Grant Fund.....	168
Cain Park Operating Fund.....	169
Public Right of Way Fund.....	170
Indigent Driver's Alcohol Treatment Fund	171
Municipal Court Clerk Computerization Fund.....	172
DUI Enforcement and Education Fund	173
Municipal Court Special Projects Fund.....	174
Lead Safe Cuyahoga Fund.....	175
Neighborhood Stabilization Program Fund.....	176
Street Lighting Fund.....	177
Tree Fund	178
Police Pension Fund	179
Fire Pension Fund.....	180
First Suburbs Development Council Fund	181
Coronavirus Relief Fund	182
Miscellaneous Grants Fund	183
One Ohio Opioid Settlement Fund.....	184
Parking Fund	185
Ambulance Services Fund.....	186
Office on Aging Donations Fund	187
Youth Recreation Donation Fund.....	188
Police Memorial Trust Fund.....	189
Youth Advisory Commission Fund.....	190
Juvenile Diversion Program Fund.....	191
Fire Damage Deposits Fund	192
Earned Benefits Fund	193

Nonmajor Governmental Funds:

Debt Service Funds:

General Bond Retirement Fund.....	194
-----------------------------------	-----

Capital Projects Funds:

Police Facility Improvement Fund	195
Recreation Facility Improvement Fund.....	196
Capital Improvements Fund	197
Economic Development Fund	198
City Hall Maintenance Fund	199
Ring Road Construction Fund	200

Fiduciary Funds – Custodial Funds:

Combining Statement of Net Position.....	202
Combining Statement of Changes in Net Position.....	203

III

STATISTICAL SECTION

Net Position by Component - Last Ten Years.....	S 2
Changes in Net Position - Last Ten Years.....	S 4
Fund Balances, Governmental Funds - Last Ten Years	S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years	S 10
Income Tax Revenues by Source, Governmental Funds – Last Ten Years	S 14
Income Tax Statistics - Current Year and Nine Years Ago	S 16
Ratios of Outstanding Debt by Type - Last Ten Years	S 18
Ratios of General Bonded Debt Outstanding - Last Ten Years	S 20
Computation of Direct and Overlapping Debt Attributable to Governmental Activities - Current Year	S 23
Debt Limitations - Last Ten Years	S 24
Demographic and Economic Statistics – Last Ten Years.....	S 26
Principal Employers - Current Year and Nine Years Ago	S 29
Full Time Equivalent Employees by Function - Last Ten Years	S 30
Operating Indicators by Function - Last Ten Years	S 32
Capital Asset Statistics by Function - Last Ten Years	S 36

INTRODUCTORY SECTION





CLEVELAND HEIGHTS

August 21, 2023

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

The purpose of this letter is to acquaint you with the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending December 31, 2022. The City—and, more specifically, the Department of Finance—assumes responsibility for the accuracy, completeness, and fairness of presentation of all disclosures contained within this report and believes the data included is accurate in all material respects. Further, it is our intention to present this information in a manner that fairly sets forth the financial position of the City and the results of its operations as measured by its various activities.

We have provided Management's Discussion and Analysis, which follow the Independent Auditor's Report, to offer a better understanding of the City's financial activities. These sections serve to introduce the City's basic financial statements and provide management's explanation of the City's financial position for 2022.

CITY ORGANIZATION

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

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

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

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

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

- v -

40 SEVERANCE CIRCLE, CLEVELAND HEIGHTS, OHIO 44118

216•291•4444 FAX 291•2064 www.clevelandheights.com

CITY OF CLEVELAND HEIGHTS, OHIO

Letter of Transmittal

For the Year Ended December 31, 2022

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

City Council meets regularly on the first and third Mondays of each month. The City's Charter provides procedures for special or emergency meetings if the need arises. The Mayor, his administrative staff, and various department directors regularly attend Council meetings. City Council generally meets in committee or as a Committee of the Whole as needed.

ECONOMIC CONDITIONS

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

While the City of Cleveland Heights was impacted by the economic downturn in the State of Ohio and the nation as a whole related to the impacts of COVID-19, the City remains optimistic that recent positive trends in residential and commercial development will continue. The City's housing market has stabilized, and property values have continued to increase. Locally-owned small businesses continue to anchor the City's various commercial districts, which has helped insulate the City from downsizing in the national big box retail market. The City has seen a series of large-scale investments in recent years, including the \$83 million Ascent at Top of the Hill, a \$40-million investment by MetroHealth at Severance, the College Club townhouse and historic preservation project, and the Hebrew Academy's new \$30 million campus. That momentum has continued with the ground breaking in 2023 for the \$66-million Cedar-Lee-Meadowbrook mixed-use development with additional development opportunities in the pipeline moving forward.

The City budgeted for 2022 using the same conservative approach it has taken the past few years. Revenues are scrutinized for opportunities to maximize existing sources and create new ones. The Finance Director, Mayor, and Departments closely monitor expenditures. City Council reviews the budget and financial status of the City regularly.

***Letter of Transmittal
For the Year Ended December 31, 2022***

MAJOR INITIATIVES

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

Cain Park, the City's municipally-owned outdoor theatrical complex, is home to both the Alma Theater and the Dina Rees Evans Amphitheater and regularly hosts music, dance, and theatrical performances. The Cain Park Arts Festival is recognized as one of the best outdoor arts festivals in the United States and attracts artists from across the country. The 2022 Cain Park season will highlight 2 Musical Theater productions, SCHOOL OF ROCK and SONDHEIM ON SONDHEIM. The concert season includes Laurie Berkner Band, Chris Botti, Spyro Gyra, Ben Folds, Big Bad Voodoo Daddy, Pink Martini, Bela Fleck, Sam Bush, Jerry Douglas, The Beat Goes On: Cher Tribute Band, Eric Benet, Brit Floyd, Melissa Ethridge, Apollo's Fire, Marcella and her Lovers, Under the Streetlamp, Hiss Golden Messenger, Aoife O'Donovan, Livingston Taylor and Jim Brickman.

During the 2022 operating budget process, the City also budgeted for the following capital improvements:

- Several new vehicles for several Departments
- Annual road resurfacing and chip sealing
- Refuse Transfer Station
- Various improvements to City buildings
- Infrastructure improvements at playgrounds and parks
- Engineering services to assess the City's aging sewer system

The City began or completed several initiatives in 2022 to advance the economic and community development goals contained in its 2017 Master Plan. An \$80 million mixed-use development project in the City's Cedar-Fairmount district substantially completed construction in 2022 and is now leasing both residential and commercial tenants. The City's community-wide community investment area (CRA) program has incentivized private investment into the housing stock through renovation and new construction with tax abatement. Also in 2022, the City and its private sector partner completed approvals for a \$66 million mixed-use development project in the Cedar Lee District that broke ground in spring of 2023. Additionally, the City entered into an agreement for the historic rehabilitation of the Taylor Tudor properties as part of a multi-phase project in the Cain Park Village district. The City also entered into a purchase agreement of vacant land for the construction of a 52-unit affordable housing project on Noble Road. The latter two projects are expected to begin construction in late 2023 or early 2024.

CITY OF CLEVELAND HEIGHTS, OHIO

Letter of Transmittal

For the Year Ended December 31, 2022

CITY UTILITIES

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

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

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

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The City's Planning and Development Department administers its Community Development Block Grant (CDBG) program. In 2022, the City was awarded \$1.4 million in CDBG dollars, which it allocated to an array of projects, including housing preservation, commercial district improvements, youth programs, senior services, and fair housing efforts.

CITY SERVICES

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

The City also offers superior recreational facilities for its residents. The City has more than 135 acres of parkland and operates five municipal parks, including one swimming pool and a variety of sports, playground, and picnic facilities. The Cleveland Heights Community Center houses a Senior Activity Center, a field house, ice rinks, and a fitness center. A new roof was installed on the North Rink in 2017. The field house has two high-school-size side-by-side courts with wooden floors, bleachers, scoreboards, and glass backboards. It has the flexibility to accommodate basketball, volleyball, and other programs and includes a four-lane 180yard elevated track with a rubberized surface. The fitness center features Nautilus exercise machines and free weights, aerobic, elliptical, and step machines, a cardio theater system, an aerobics room, and a variety of bikes. The Community Center also contains child care facilities and meeting and general recreation rooms.

Letter of Transmittal

For the Year Ended December 31, 2022

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

The City operates an Urban Forestry Division that handles all aspects of caring for the City's trees, including pruning, removing, stump grinding, and planting, that is funded mainly through an annual special assessment of all properties. This division's work is prioritized and recorded through an online tree inventory database. In 2021, the City received its 44th Tree City USA Award from the National Arbor Day Foundation in cooperation with the U.S. Forest Service, the U.S. Conference of Mayors, the National Association of State Foresters, and the National League of Cities.

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

COVID-19 PANDEMIC

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

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

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

CITY OF CLEVELAND HEIGHTS, OHIO

Letter of Transmittal

For the Year Ended December 31, 2022

FINANCIAL CONDITION

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Statement of Budgetary Comparisons

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

The City maintains its legal level of budgetary control at the department level for personal services, capital outlay, and other than personal services expenditures for each fund. Management control is exercised at the department level (Public Safety, Public Health, Culture and Recreation, Community Development, Sanitation, Transportation, and General Government). The City Manager/Mayor or Finance Director is authorized to transfer amounts between objects of expenditure within and between departments, as long as the total appropriation for each department does not exceed Council's approved appropriation. The City's fully automated financial system maintains this budgetary control through its purchase order/encumbrance system. A purchase order, which is required before making any purchase, creates an encumbrance against the current budget. The system will not generate a purchase order unless enough unobligated budget remains to avoid an overrun.

INTERNAL ACCOUNTING AND REPORTING CONTROL

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

Letter of Transmittal

For the Year Ended December 31, 2022

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

INDEPENDENT AUDIT

The financial records, books of accounts, and transactions of the City of Cleveland Heights, Ohio, for the year ended December 31, 2022, have been audited by the State of Ohio Auditor's Office.

In addition, the City must undergo an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Based on prior experience, management believes that no material weaknesses in internal controls exist and no questioned costs, if any, will have an adverse material effect on the City's financial condition.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland Heights, Ohio, for its annual financial report for the fiscal year ended December 31, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial report (AFR) whose contents conform to program standards. Such AFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for only one year. The City of Cleveland Heights, Ohio, has received a Certificate of Achievement for the last thirty-seven (38) consecutive years (fiscal years ended December 31, 1984, through December 31, 2021).

ACKNOWLEDGMENTS

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

CITY OF CLEVELAND HEIGHTS, OHIO

Letter of Transmittal

For the Year Ended December 31, 2022

POSTSCRIPT

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

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

To maintain our housing stock at optimum value.

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

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

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

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

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

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

Respectfully submitted,



Kahlil Seren
Mayor



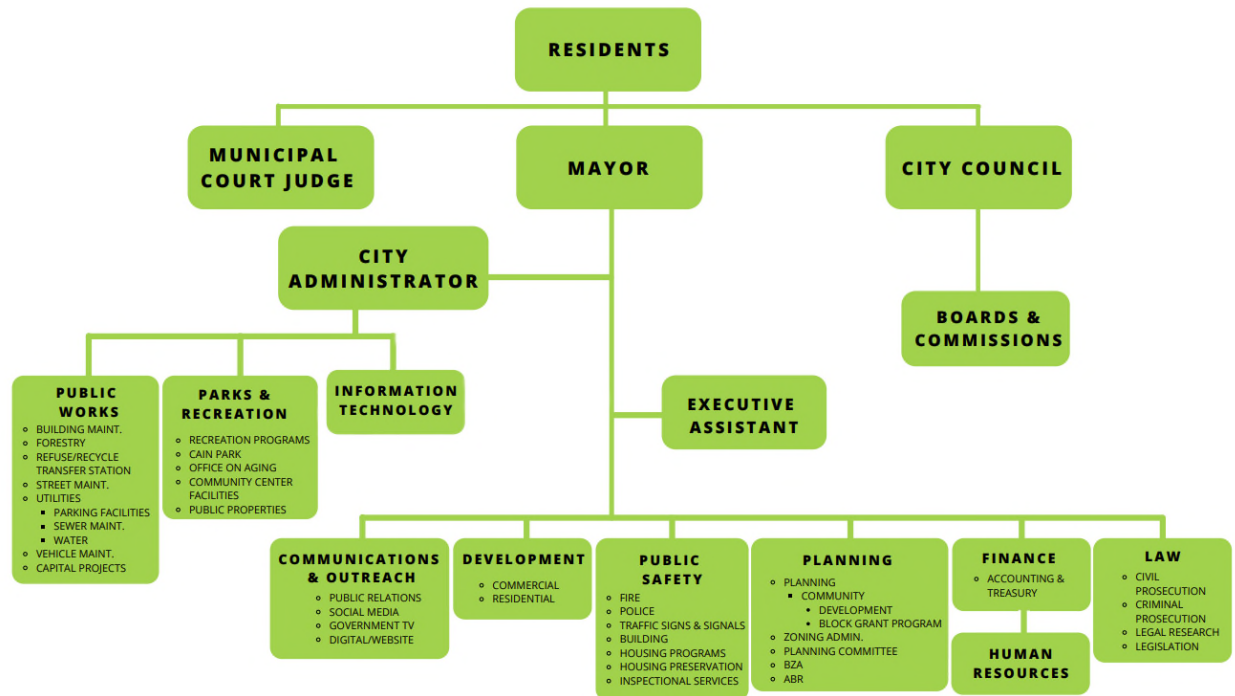
Andrew Unetic
Director of Finance

CITY OF CLEVELAND HEIGHTS, OHIO

List of Principal Officials For the Year Ended December 31, 2022

	<i>Title</i>	<i>Term expires</i>
Kahlil Seren	Mayor	December 2024
<i>Council</i>	<i>Title</i>	
Melody Joy Hart	President of Council	December 2023
Craig Cobb	Vice President of Council	December 2025
Anthony Maddox, Jr.	Council Member	December 2025
Tony Cuda	Council Member	December 2025
Gail Larson	Council Member	December 2023
Davida Russell	Council Member	December 2025
Janine Boyd	Council Member	December 2023
James Costello	Municipal Judge	December 2023
<i>Appointed Officials</i>	<i>Title</i>	
Joe Sinnott	City Administrator	
Andrew Unetic	Director of Finance	
William Hanna	Director of Law	
Eric Zamft	Director of Planning	
Collette Clinckscale	Director of Public Works	
James Harry	Acting - Chief of Fire	
Chris Britton	Chief of Police	
Kelly Ledbetter	Director of Parks and Recreation	
Allan Butler	Director of Housing	
Ryan Prosser	Director of Management Information Services	

City Organizational Chart
For the Year Ended December 31, 2022



***Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting***



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cleveland Heights
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

City of Cleveland Heights
Cuyahoga County
40 Severance Circle
Cleveland Heights, Ohio 44118

To the City Council:

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-Type Activities	Qualified
General Fund	Unmodified
Local Fiscal Recovery Fund	Unmodified
Sewer Fund	Qualified
Refuse Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinions on Governmental Activities, Business-Type Activities, Sewer Fund and Refuse Fund

In our opinion, except for the effects of the matter described in the *Basis for Qualified and Unmodified Opinions* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Governmental Activities, Business-Type Activities, Sewer Fund and Refuse Fund of the City, as of December 31, 2022, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Local Fiscal Recovery Fund, and the aggregate remaining fund information of the City of Cleveland Heights, Cuyahoga County, Ohio as of December 31, 2022, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Local Fiscal Recovery Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to Qualified Opinions on Governmental Activities, Business-Type Activities, Sewer Fund and Refuse Fund

The City does not have a comprehensive capital asset inventory listing which supports the reported Governmental Activities' capital assets not being depreciated, capital assets being depreciated, net, and net position – net investment in capital assets, stated at \$6,288,730, \$64,423,151 and \$51,511,504, respectively, the Business-Type Activities' capital assets not being depreciated, capital assets being depreciated, net, and net position – net investment in capital assets, stated at \$135,222, \$12,406,808 and \$7,471,373, respectively, the Sewer Fund capital assets being depreciated, net, net position – net investment in capital assets, and depreciation expense, stated at \$7,981,868, \$7,104,686 and \$451,967, respectively, and the Refuse Fund capital assets not being depreciated, capital assets being depreciated, net, net position – net investment in capital assets, and depreciation expense, stated at \$135,222, \$4,424,940, \$366,687 and \$301,312, respectively, nor the gross capital asset and accumulated depreciation values listed in Note 9 to the basic financial statements. These balances comprise 33% of assets and 59% of net position reported for governmental activities; 43% of assets and 35% of net position for business-type activities; 37% of assets, 36% of net position and 24% of operating expenses for the Sewer Fund; and 38% of assets, 22% of net position and 7% of operating expenses for the Refuse Fund. We were unable to obtain sufficient, appropriate audit evidence supporting the amounts recorded as Governmental Activities' capital assets not being depreciated, capital assets being depreciated, net, and net position – net investment in capital assets; Business-Type Activities' capital assets not being depreciated, capital assets being depreciated, net, and net position – net investment in capital assets; Sewer Fund capital assets being depreciated, net, net position – net investment in capital assets, and depreciation expense; and Refuse Fund capital assets not being depreciated, capital assets being depreciated net, net position – net investment in capital assets and depreciation expense. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Emphasis of Matter

As discussed in Note 22 to the financial statements, during 2022, the City restated their beginning of year net position/fund balance due to adjustments related to the accounting of economic development properties held by the City. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated August 21, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2023



***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

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, 2022. 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 2022 are as follows:

- ❑ In total, net position increased \$24,110,577. Net position of governmental activities increased \$18,002,900, which represents a 26% increase from 2021. Net position of business-type activities increased \$6,107,677, or 41% from 2021.
- ❑ General revenues accounted for \$52,572,922 in revenue, or 61% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$33,559,065, or 39% of total revenues of \$86,131,987.
- ❑ The City had \$55,867,845 in expenses related to governmental activities; only \$22,512,236 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$52,572,922 were adequate to fully provide for these programs.
- ❑ Among major funds, the general fund had \$61,069,689 in revenues, including other financing sources and \$55,146,503 in expenditures, including other financing uses. The general fund's fund balance increased \$5,923,186.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *pension/OPEB required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of supplementary information that further explains and supports the information in the financial statements.

***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

Unaudited

Government-Wide Financial Statements

The government-wide statements report information about the City as a whole using accepted methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net-position is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's programs and services are reported here including general government, public safety, public health services, transportation, community development, sanitation, culture and recreation, and interest and fiscal charges.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's sewer and refuse departments are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance governmental programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

CITY OF CLEVELAND HEIGHTS, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2022

Unaudited

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are custodial funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a comparison of the City's net position at December 31, 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	Restated				Restated	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$143,666,364	\$116,756,520	\$16,282,042	\$10,384,966	\$159,948,406	\$127,141,486
Net Pension Asset	160,629	100,878	41,922	22,145	202,551	123,023
Net OPEB Asset	1,922,133	1,205,414	501,652	264,603	2,423,785	1,470,017
Capital Assets, Net	70,711,881	72,620,323	12,542,030	8,230,218	83,253,911	80,850,541
Total Assets	216,461,007	190,683,135	29,367,646	18,901,932	245,828,653	209,585,067
Deferred Outflows of Resources	18,655,515	13,970,207	1,534,956	2,579,008	20,190,471	16,549,215
Net Pension Liability	39,187,551	46,765,369	1,448,794	2,292,277	40,636,345	49,057,646
Net OPEB Liability	5,901,366	5,645,307	0	0	5,901,366	5,645,307
Long-Term Liabilities	25,218,532	27,707,237	5,579,592	629,551	30,798,124	28,336,788
Other Liabilities	41,513,525	22,519,140	393,543	1,572,648	41,907,068	24,091,788
Total Liabilities	111,820,974	102,637,053	7,421,929	4,494,476	119,242,903	107,131,529
Deferred Inflows of Resources	36,495,988	33,219,629	2,327,919	1,941,387	38,823,907	35,161,016
Net Position						
Net Investment in Capital Assets	51,511,504	54,826,985	7,471,373	6,735,816	58,982,877	61,562,801
Restricted	27,072,029	23,996,474	0	0	27,072,029	23,996,474
Unrestricted	8,216,027	(10,026,799)	13,681,381	8,309,261	21,897,408	(1,717,538)
Total Net Position	\$86,799,560	\$68,796,660	\$21,152,754	\$15,045,077	\$107,952,314	\$83,841,737

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability (NOL) is reported by the City pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach.

***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

Unaudited

This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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

CITY OF CLEVELAND HEIGHTS, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2022**

Unaudited

Change in Net Position – The following table shows the change in net position for 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	Restated					
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services and Sales	\$16,952,982	\$15,813,184	\$8,876,275	\$7,590,139	\$25,829,257	\$23,403,323
Operating Grants and Contributions	5,559,254	8,531,800	438,024	0	5,997,278	8,531,800
Capital Grants and Contributions	0	222,036	1,732,530	126,717	1,732,530	348,753
Total Program Revenues	22,512,236	24,567,020	11,046,829	7,716,856	33,559,065	32,283,876
General Revenues:						
Property Taxes	10,878,082	9,738,559	0	0	10,878,082	9,738,559
Municipal Income Taxes	35,123,309	32,534,589	0	0	35,123,309	32,534,589
Intergovernmental, Unrestricted	3,886,748	3,622,919	0	0	3,886,748	3,622,919
Franchise Taxes	545,788	393,663	0	0	545,788	393,663
Investment Earnings	753,947	54,133	0	0	753,947	54,133
Miscellaneous	1,385,048	1,285,350	0	978,584	1,385,048	2,263,934
Total General Revenues	52,572,922	47,629,213	0	978,584	52,572,922	48,607,797
Total Revenues	75,085,158	72,196,233	11,046,829	8,695,440	86,131,987	80,891,673
Program Expenses						
General Government	21,109,697	20,010,446	0	0	21,109,697	20,010,446
Public Safety	21,599,504	21,774,363	0	0	21,599,504	21,774,363
Public Health Services	343,096	235,802	0	0	343,096	235,802
Transportation	5,403,603	5,348,697	0	0	5,403,603	5,348,697
Community Development	3,820,227	4,736,225	0	0	3,820,227	4,736,225
Sanitation	0	17,323	0	0	0	17,323
Culture and Recreation	3,030,873	2,749,311	0	0	3,030,873	2,749,311
Interest and Fiscal Charges	560,845	490,071	0	0	560,845	490,071
Sewer	0	0	1,870,935	3,856,708	1,870,935	3,856,708
Refuse	0	0	4,282,630	3,820,913	4,282,630	3,820,913
Total Expenses	55,867,845	55,362,238	6,153,565	7,677,621	62,021,410	63,039,859
Excess (Deficiency) Before Transfers and Special Items	19,217,313	16,833,995	4,893,264	1,017,819	24,110,577	17,851,814
Transfer of Refuse Operations	0	(1,828,378)	0	1,828,378	0	0
Transfers	(1,214,413)	(356,624)	1,214,413	356,624	0	0
Total Change in Net Position	18,002,900	14,648,993	6,107,677	3,202,821	24,110,577	17,851,814
Beginning Net Position - Restated	68,796,660	54,147,667	15,045,077	11,842,256	83,841,737	65,989,923
Ending Net Position	\$86,799,560	\$68,796,660	\$21,152,754	\$15,045,077	\$107,952,314	\$83,841,737

CITY OF CLEVELAND HEIGHTS, OHIO

Management's Discussion and Analysis For the Year Ended December 31, 2022

Unaudited

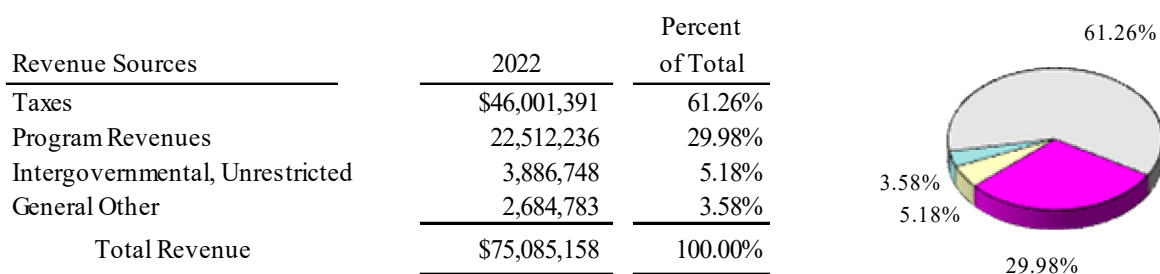
Governmental Activities

Governmental activities net position increased \$18,002,900, or 26%. An increase in charges for services can be attributed to recreation activities returning to pre-pandemic levels. An increase in operating grants in the prior year due to Community Development Block Grant Funding resulted in a subsequent decrease in operating grants in the current year. An increase in income taxes can be attributed to improving economic conditions. An increase in investment earnings can be attributed to an increase in interest rates.

Overall, expenses were consistent with the prior year.

The City also receives an income tax, which is based on 2.25% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City and businesses operating in the City.

Taxes made up 61% of revenues for governmental activities in 2022. The City's reliance upon tax revenues is demonstrated by the following graph:



Business-Type Activities

Net position of the business-type activities increased \$6,107,677, or 41%. An increase in charges for services can be attributed to an increase in refuse collections. Operating grants included EPA Refuse recycling grants. Capital grants consisted of reimbursements received from Cuyahoga County for the Delamere Drive Basement Flooding Relief Project. A decrease in expenses in the prior year due to changes in the Net Pension and Net OPEB liabilities resulted in a subsequent increase in expense in 2022.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$69,616,464, which is an increase from last year's balance of \$62,215,767. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2022 and 2021:

	Fund Balance December 31, 2022	Restated Fund Balance December 31, 2021	Increase (Decrease)
General	\$40,113,655	\$34,190,469	\$5,923,186
Local Fiscal Recovery	0	0	0
Other Governmental	29,502,809	28,025,298	1,477,511
Total	\$69,616,464	\$62,215,767	\$7,400,697

CITY OF CLEVELAND HEIGHTS, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2022****Unaudited**

General Fund – The City's General Fund balance change is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2022 Revenues	2021 Revenues	Increase (Decrease)
Property Taxes	\$8,465,611	\$7,568,400	\$897,211
Municipal Income Taxes	34,526,469	31,984,999	2,541,470
Charges for Services	7,887,363	5,976,333	1,911,030
Licenses, Permits and Fees	2,233,797	2,790,851	(557,054)
Fines and Forfeitures	1,854,185	1,855,442	(1,257)
Intergovernmental Revenues	3,593,724	3,424,617	169,107
Investment Earnings	739,825	45,135	694,690
Franchise Taxes	545,788	485,769	60,019
All Other Revenue	1,188,411	1,091,798	96,613
Total	<u>\$61,035,173</u>	<u>\$55,223,344</u>	<u>\$5,811,829</u>

General Fund revenues increased approximately 11% when compared to 2021 revenues. An increase in income taxes can be attributed to improving economic conditions. An increase in charges for services can be attributed to recreation activities returning to pre-pandemic levels. An increase in investment earnings can be attributed to an increase in interest rates.

	2022 Expenditures	2021 Expenditures	Increase (Decrease)
Current:			
General Government	\$22,279,108	\$20,661,391	\$1,617,717
Public Safety	17,560,839	18,182,726	(621,887)
Public Health Services	386,597	384,031	2,566
Transportation	3,726,627	3,185,559	541,068
Community Development	2,655,148	3,218,793	(563,645)
Sanitation	0	17,323	(17,323)
Culture and Recreation	2,112,218	1,838,742	273,476
Capital Outlay	0	373,588	(373,588)
Total	<u>\$48,720,537</u>	<u>\$47,862,153</u>	<u>\$858,384</u>

General Fund expenditures remained stable, increasing \$858,384, or approximately 2% from the prior year. An increase in general government can be attributed to an increase in hospitalization insurance costs. Increases in transportation included increases in vehicle maintenance and street maintenance costs. A decrease in community development was the result of a decrease in costs in the building department.

Local Fiscal Recovery Fund – The City reported the expenditure of \$503,298 of State and Local Fiscal Recovery funds, received as part of the American Rescue Plan Act. The remaining \$37,775,959 balance of unspent funds are reflected on the balance sheet as unearned revenue.

CITY OF CLEVELAND HEIGHTS, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2022***

Unaudited

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 2022 the City amended its General Fund budget several times.

For the General Fund, final budgeted revenues were 4% lower than original revenue estimates due to decreases in intergovernmental revenues. Actual budget basis revenues were 14% higher than final estimates due to increases in income taxes. Original budgeted and final budgeted budget basis expenditures were not materially different. Actual budget basis expenditures were 9% less than final estimates due to controlling of costs across all General Fund departments. The General Fund had an adequate fund balance to cover expenditures.

This space intentionally left blank.

**Management's Discussion and Analysis
For the Year Ended December 31, 2022****Unaudited****CAPITAL ASSETS AND DEBT ADMINISTRATION****Capital Assets**

At the end of 2022 the City had \$83,253,911 net of accumulated depreciation invested in land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, and infrastructure. Of this total, \$70,711,881 was related to governmental activities and \$12,542,030 to the business-type activities. The following tables show 2022 and 2021 balances:

	Governmental Activities		Increase (Decrease)
	2022	2021	
Land	\$6,180,909	\$5,152,914	\$1,027,995
Construction in Progress	75,114	75,114	0
Intangible Assets	32,707	32,707	0
Land Improvements	2,184,283	2,184,283	0
Buildings and Improvements	63,669,550	63,630,842	38,708
Machinery and Equipment	22,825,968	22,143,400	682,568
Infrastructure	75,254,745	73,172,888	2,081,857
Less: Accumulated Depreciation	(99,511,395)	(93,771,825)	(5,739,570)
Totals	<u>\$70,711,881</u>	<u>\$72,620,323</u>	<u>(\$1,908,442)</u>

Land additions in Governmental capital assets consisted of the purchase of parcels in the Cedar Road and Lee Road area, as part of the Cedar-Lee-Meadowbrook project. Infrastructure additions included waterline improvements at Superior Road and other various road projects. Machinery and equipment additions included a dump truck, freightliner, public safety vehicles, and other various equipment.

	Business-Type Activities		Increase (Decrease)
	2022	2021	
Land	\$135,222	\$135,222	\$0
Buildings and Improvements	666,416	666,416	0
Machinery and Equipment	12,737,639	10,054,909	2,682,730
Infrastructure	11,779,811	10,550,750	1,229,061
Less: Accumulated Depreciation	(12,777,058)	(13,177,079)	400,021
Totals	<u>\$12,542,030</u>	<u>\$8,230,218</u>	<u>\$4,311,812</u>

Additions to machinery and equipment in Business-Type capital assets included the purchase of six refuse trucks. Infrastructure additions consisted of various sanitary sewer improvements. Additional information on the City's capital assets can be found in Note 9.

CITY OF CLEVELAND HEIGHTS, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2022****Unaudited**

Long-Term Debt and Other Long-Term Obligations

The following table summarizes the City's long-term debt and other long-term obligations outstanding as of December 31, 2022 and 2021:

	2022	2021
Governmental Activities:		
General Obligation Bonds	\$15,395,000	\$14,915,000
Special Assessment Bonds	1,516,000	1,663,000
Ohio Public Works Commission Loans	1,554,543	1,712,102
Ohio Water Development Authority Loans	138,053	152,540
State Infrastructure Bank Loan	0	59,144
Long Term Notes Payable	0	1,505,556
Compensated Absences	4,175,523	4,179,289
Workers' Compensation Liability	667,963	655,888
Installment Loans	1,718,450	2,006,743
Police and Firemen's Accrued Pension	53,000	53,000
Total Governmental Activities	25,218,532	26,902,262
Business-Type Activities:		
General Obligation Bonds	696,000	768,000
Ohio Water Development Authority Loans	4,079,475	524,302
Ohio Public Works Commission Loans	103,336	126,300
Compensated Absences	499,079	323,462
Solid Waste Liability	201,702	189,473
Total Business-Type Activities	5,579,592	1,931,537
Totals	\$30,798,124	\$28,833,799

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.50% of the total assessed value of real and personal property. At December 31, 2022, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

CURRENT FINANCIAL RELATED ACTIVITES

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

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional information contact the Finance Department, City of Cleveland Heights, 40 Severance Circle, Cleveland Heights, Ohio 44118, telephone 216-291-4444.

CITY OF CLEVELAND HEIGHTS, OHIO**Statement of Net Position
December 31, 2022**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 83,364,669	\$ 14,965,096	\$ 98,329,765
Receivables:			
Accounts	3,593,681	4,053,708	7,647,389
Intergovernmental	3,037,605	0	3,037,605
Interest	344,969	0	344,969
Income Taxes	14,949,240	0	14,949,240
Property Taxes	12,208,042	0	12,208,042
Special Assessments	5,502,306	1,654,687	7,156,993
Leases	114,173	0	114,173
Loans	3,200,327	0	3,200,327
Internal Balances	4,400,000	(4,400,000)	0
Inventory of Supplies at Cost	945,297	8,551	953,848
Assets Held for Resale	1,006,901	0	1,006,901
Economic Development Properties	7,964,400	0	7,964,400
Prepaid Items	532,085	0	532,085
Restricted Assets:			
Cash and Cash Equivalents	1,302,669	0	1,302,669
Cash and Cash Equivalents with Fiscal Agent	1,200,000	0	1,200,000
Net Pension Asset	160,629	41,922	202,551
Net OPEB Asset	1,922,133	501,652	2,423,785
Capital Assets:			
Capital Assets Not Being Depreciated	6,288,730	135,222	6,423,952
Capital Assets Being Depreciated, Net	64,423,151	12,406,808	76,829,959
Total Assets	216,461,007	29,367,646	245,828,653
Deferred Outflows of Resources:			
Deferred Charge on Debt Refunding	1,228,460	0	1,228,460
Pension	13,749,290	1,210,819	14,960,109
OPEB	3,677,765	324,137	4,001,902
Total Deferred Outflows of Resources	18,655,515	1,534,956	20,190,471

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Accounts Payable	1,406,219	193,300	1,599,519
Accrued Wages and Benefits	452,683	50,215	502,898
Intergovernmental Payable	1,006,819	114,131	1,120,950
Unearned Revenue	37,776,007	0	37,776,007
Deposits Held Payable	838,742	0	838,742
Accrued Interest Payable	33,055	35,897	68,952
Noncurrent Liabilities:			
Due Within One Year	2,643,503	701,799	3,345,302
Due in More Than One Year:			
Net Pension Liability	39,187,551	1,448,794	40,636,345
Net OPEB Liability	5,901,366	0	5,901,366
Other Amounts Due in More Than One Year	22,575,029	4,877,793	27,452,822
Total Liabilities	111,820,974	7,421,929	119,242,903
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	9,887,017	0	9,887,017
Leases	114,173	0	114,173
Pension	20,021,873	1,793,323	21,815,196
OPEB	6,472,925	534,596	7,007,521
Total Deferred Inflows of Resources	36,495,988	2,327,919	38,823,907
Net Position:			
Net Investment in Capital Assets	51,511,504	7,471,373	58,982,877
Restricted For:			
Debt Service	1,878,458	0	1,878,458
Capital Projects	881,635	0	881,635
Road Improvements	3,446,110	0	3,446,110
Community Development	14,009,865	0	14,009,865
Municipal Court Special Projects	2,345,319	0	2,345,319
Street Lighting	3,065,381	0	3,065,381
Public Safety	900,008	0	900,008
Drug and Law Enforcement	435,668	0	435,668
Other Purposes	109,585	0	109,585
Unrestricted	8,216,027	13,681,381	21,897,408
Total Net Position	\$ 86,799,560	\$ 21,152,754	\$ 107,952,314

See accompanying notes to the basic financial statements

CITY OF CLEVELAND HEIGHTS, OHIO**Statement of Activities****For the Year Ended December 31, 2022**

		Program Revenues		
		Charges for	Operating Grants	Capital Grants
	Expenses	Services and	and	and
		Sales	Contributions	Contributions
Governmental Activities:				
General Government	\$ 21,109,697	\$ 6,657,768	\$ 1,047,891	\$ 0
Public Safety	21,599,504	6,021,374	195,590	0
Public Health Services	343,096	300	19,590	0
Transportation	5,403,603	1,692,801	2,184,354	0
Community Development	3,820,227	1,006,552	2,074,647	0
Culture and Recreation	3,030,873	1,574,187	37,182	0
Interest and Fiscal Charges	560,845	0	0	0
Total Governmental Activities	55,867,845	16,952,982	5,559,254	0
Business-Type Activities:				
Sewer	1,870,935	5,564,849	0	1,732,530
Refuse	4,282,630	3,311,426	438,024	0
Total Business-Type Activities	6,153,565	8,876,275	438,024	1,732,530
Totals	\$ 62,021,410	\$ 25,829,257	\$ 5,997,278	\$ 1,732,530

General Revenues and Transfers

Property Taxes

Municipal Income Taxes

Intergovernmental, Unrestricted

Franchise Taxes

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (13,404,038)	\$ 0	\$ (13,404,038)
(15,382,540)	0	(15,382,540)
(323,206)	0	(323,206)
(1,526,448)	0	(1,526,448)
(739,028)	0	(739,028)
(1,419,504)	0	(1,419,504)
(560,845)	0	(560,845)
<u>(33,355,609)</u>	<u>0</u>	<u>(33,355,609)</u>
0	5,426,444	5,426,444
0	(533,180)	(533,180)
<u>0</u>	<u>4,893,264</u>	<u>4,893,264</u>
<u>\$ (33,355,609)</u>	<u>\$ 4,893,264</u>	<u>\$ (28,462,345)</u>
10,878,082	0	10,878,082
35,123,309	0	35,123,309
3,886,748	0	3,886,748
545,788	0	545,788
753,947	0	753,947
1,385,048	0	1,385,048
(1,214,413)	1,214,413	0
<u>51,358,509</u>	<u>1,214,413</u>	<u>52,572,922</u>
18,002,900	6,107,677	24,110,577
68,796,660	15,045,077	83,841,737
<u>\$ 86,799,560</u>	<u>\$ 21,152,754</u>	<u>\$ 107,952,314</u>

CITY OF CLEVELAND HEIGHTS, OHIO

Balance Sheet Governmental Funds December 31, 2022

	General	Local Fiscal Recovery	Other Governmental Funds
Assets:			
Pooled Cash and Investments	\$ 28,353,438	\$ 37,899,344	\$ 17,111,887
Receivables:			
Accounts	182,528	0	3,411,153
Intergovernmental	1,688,654	0	1,348,951
Interest	0	0	344,969
Income Taxes	14,949,240	0	0
Property Taxes	9,475,399	0	2,732,643
Special Assessments	1,124,727	0	4,377,579
Leases	0	0	114,173
Loans	0	0	3,200,327
Interfund Receivable	5,202,897	0	0
Inventory of Supplies, at Cost	886,197	0	59,100
Assets Held for Resale	0	0	1,006,901
Prepaid Items	532,085	0	0
Economic Development Properties	0	0	7,964,400
Restricted Assets:			
Cash and Cash Equivalents	995,243	0	307,426
Cash and Cash Equivalents with Fiscal Agent	0	0	1,200,000
Total Assets	\$ 63,390,408	\$ 37,899,344	\$ 43,179,509
Liabilities:			
Accounts Payable	\$ 597,235	\$ 123,385	\$ 685,599
Accrued Wages and Benefits Payable	426,740	0	25,943
Intergovernmental Payable	454,905	0	551,914
Interfund Payable	0	0	802,897
Deposits Held Payable	838,742	0	0
Unearned Revenue	0	37,775,959	48
Total Liabilities	2,317,622	37,899,344	2,066,401
Deferred Inflows of Resources:			
Unavailable Amounts	13,281,499	0	9,286,741
Property Tax Levy for Next Fiscal Year	7,677,632	0	2,209,385
Leases	0	0	114,173
Total Deferred Inflows of Resources	20,959,131	0	11,610,299
Fund Balances:			
Nonspendable	6,777,329	0	59,100
Restricted	0	0	15,572,499
Committed	0	0	2,558,777
Assigned	1,131,412	0	11,326,897
Unassigned	32,204,914	0	(14,464)
Total Fund Balances	40,113,655	0	29,502,809
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 63,390,408	\$ 37,899,344	\$ 43,179,509

See accompanying notes to the basic financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

Total Governmental
Funds

\$ 83,364,669

3,593,681

3,037,605

344,969

14,949,240

12,208,042

5,502,306

114,173

3,200,327

5,202,897

945,297

1,006,901

532,085

7,964,400

1,302,669

1,200,000

\$ 144,469,261

\$ 1,406,219

452,683

1,006,819

802,897

838,742

37,776,007

42,283,367

22,568,240

9,887,017

114,173

32,569,430

6,836,429

15,572,499

2,558,777

12,458,309

32,190,450

69,616,464

\$ 144,469,261

CITY OF CLEVELAND HEIGHTS, OHIO

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2022

Total Governmental Fund Balances	\$ 69,616,464
---	----------------------

***Amounts reported for governmental activities in the
statement of net position are different because***

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	70,711,881
--	------------

Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	22,568,240
--	------------

The net pension/OPEB 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	13,749,290	
Deferred Inflows - Pension	(20,021,873)	
Net Pension Asset	160,629	
Net Pension Liability	(39,187,551)	
Deferred Outflows - OPEB	3,677,765	
Deferred Inflows - OPEB	(6,472,925)	
Net OPEB Asset	1,922,133	
Net OPEB Liability	<u>(5,901,366)</u>	(52,073,898)

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

General Obligation Bonds Payable	(15,395,000)	
Deferred Charge on Debt Refunding	1,228,460	
Installment Loans Payable	(1,718,450)	
Ohio Public Works Commission Loans Payable	(1,554,543)	
Special Assessment Bonds Payable	(1,516,000)	
Ohio Water Development Authority Loan Payable	(138,053)	
Compensated Absences Payable	(4,175,523)	
Workers' Compensation Retrospective Liability	(667,963)	
Asset Retirement Obligation	(53,000)	
Accrued Interest Payable	<u>(33,055)</u>	<u>(24,023,127)</u>

<i>Net Position of Governmental Activities</i>	<u><u>\$ 86,799,560</u></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, 2022

	General	Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 8,465,611	\$ 0	\$ 2,321,478	\$ 10,787,089
Municipal Income Taxes	34,526,469	0	0	34,526,469
Charges for Services	7,887,363	0	2,479,158	10,366,521
Licenses, Permits and Fees	2,233,797	0	1,645	2,235,442
Fines and Forfeitures	1,854,185	0	481,435	2,335,620
Intergovernmental Revenues	3,593,724	503,298	4,812,032	8,909,054
Special Assessments	0	0	2,207,170	2,207,170
Investment Earnings	739,825	0	10,927	750,752
Lease Revenue	0	0	23,942	23,942
Contributions and Donations	0	0	24,768	24,768
Franchise Taxes	545,788	0	0	545,788
All Other Revenues	1,188,411	0	174,995	1,363,406
Total Revenues	61,035,173	503,298	12,537,550	74,076,021
Expenditures:				
Current:				
General Government	22,279,108	265,004	912,088	23,456,200
Public Safety	17,560,839	238,294	5,563,109	23,362,242
Public Health Services	386,597	0	27,851	414,448
Transportation	3,726,627	0	1,805,336	5,531,963
Community Development	2,655,148	0	2,611,941	5,267,089
Culture and Recreation	2,112,218	0	1,537,649	3,649,867
Capital Outlay	0	0	1,610,915	1,610,915
Debt Service:				
Principal Retirement	0	0	3,122,483	3,122,483
Interest and Fiscal Charges	0	0	497,638	497,638
Total Expenditures	48,720,537	503,298	17,689,010	66,912,845
Excess (Deficiency) of Revenues Over Expenditures	12,314,636	0	(5,151,460)	7,163,176

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

	General	Local Fiscal Recovery	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of Capital Assets	34,516	0	31,350	65,866
General Obligation Bonds Issued	0	0	1,344,000	1,344,000
Refunding Bonds Issued	0	0	3,067,000	3,067,000
Payment to Refunded Debt Escrow	0	0	(3,024,932)	(3,024,932)
Transfers In	0	0	5,443,421	5,443,421
Transfers Out	(6,425,966)	0	(231,868)	(6,657,834)
Total Other Financing Sources (Uses)	(6,391,450)	0	6,628,971	237,521
Net Change in Fund Balances	5,923,186	0	1,477,511	7,400,697
Fund Balance at Beginning of Year - Restated	34,190,469	0	28,025,298	62,215,767
Fund Balance End of Year	\$ 40,113,655	\$ 0	\$ 29,502,809	\$ 69,616,464

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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 7,400,697

***Amounts reported for governmental activities in the statement of
activities are different because***

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	3,125,624	
Economic Development Property Additions	1,027,995	
Depreciation Expense	<u>(5,990,861)</u>	(1,837,242)

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. (71,200)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,009,137

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	4,445,421	
OPEB	<u>74,635</u>	4,520,056

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	2,558,255	
OPEB	<u>2,758,298</u>	5,316,553

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

The issuance of long-term debt (e.g. notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

General Obligation Bond Issuance	(1,344,000)	
General Obligation Refunding Bonds Issued	(3,067,000)	
Payment to Refunded Bond Escrow Agent	3,024,932	
General Obligation Bond Principal Retirement	966,000	
Amortization of Debt Premium	15,556	
Amortization of Deferred Loss on Refunding	(93,084)	
Long Term Note Retirement	1,490,000	
Installment Loan Retirement	288,293	
Ohio Public Works Commission Loan Retirement	157,559	
Special Assessment Bond Principal Retirement	147,000	
Ohio Water Development Authority Loan Retirement	14,487	
State Infrastructure Bank Loan Retirement	59,144	1,658,887

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.

14,321

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 the governmental funds.

Compensated Absences	3,766	
Workers' Compensation Retrospective Liability	(12,075)	(8,309)

Change in Net Position of Governmental Activities

\$ 18,002,900

See accompanying notes to the basic financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 8,367,265	\$ 7,915,265	\$ 8,465,611	\$ 550,346
Municipal Income Taxes	29,322,560	29,275,855	34,107,381	4,831,526
Charges for Services	7,841,089	7,825,250	7,887,851	62,601
Licenses, Permits and Fees	2,141,086	2,141,086	2,241,867	100,781
Fines and Forfeitures	1,630,000	1,630,000	1,369,193	(260,807)
Intergovernmental Revenues	4,099,006	2,785,383	3,584,019	798,636
Investment Earnings	229,868	229,868	1,124,074	894,206
Franchise Taxes	505,540	490,000	463,163	(26,837)
All Other Revenues	1,102,937	646,937	1,025,169	378,232
Total Revenues	<u>55,239,351</u>	<u>52,939,644</u>	<u>60,268,328</u>	<u>7,328,684</u>
Expenditures:				
Current:				
General Government	25,594,831	24,692,397	22,670,459	2,021,938
Public Safety	19,821,833	19,738,043	18,345,930	1,392,113
Public Health Services	512,078	513,078	387,838	125,240
Transportation	3,784,970	4,117,091	3,940,254	176,837
Community Development	3,335,298	3,310,506	2,572,155	738,351
Sanitation	15	15	0	15
Culture and Recreation	2,275,473	2,338,182	2,138,762	199,420
Total Expenditures	<u>55,324,498</u>	<u>54,709,312</u>	<u>50,055,398</u>	<u>4,653,914</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,147)	(1,769,668)	10,212,930	11,982,598
Other Financing Sources (Uses):				
Sale of Capital Assets	16,889	16,889	34,516	17,627
Transfers In	150,000	150,000	223,641	73,641
Transfers Out	(4,750,000)	(7,049,637)	(7,049,607)	30
Advances In	4,400,000	4,400,000	0	(4,400,000)
Total Other Financing Sources (Uses):	<u>(183,111)</u>	<u>(2,482,748)</u>	<u>(6,791,450)</u>	<u>(4,308,702)</u>
Net Changes in Fund Balance	(268,258)	(4,252,416)	3,421,480	7,673,896
Fund Balance at Beginning of Year	21,262,101	21,262,101	21,262,101	0
Prior Year Encumbrances	1,803,083	1,803,083	1,803,083	0
Fund Balance at End of Year	<u>\$ 22,796,926</u>	<u>\$ 18,812,768</u>	<u>\$ 26,486,664</u>	<u>\$ 7,673,896</u>

See accompanying notes to the basic financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

***Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Local Fiscal Recovery Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 19,408,531	\$ 19,408,531	\$ 19,048,264	\$ (360,267)
Total Revenues	<u>19,408,531</u>	<u>19,408,531</u>	<u>19,048,264</u>	<u>(360,267)</u>
Expenditures:				
General Government	20,433,591	4,393,650	280,000	4,113,650
Public Safety	205,875	282,147	238,294	43,853
Total Expenditures	<u>20,639,466</u>	<u>4,675,797</u>	<u>518,294</u>	<u>4,157,503</u>
Net Change in Fund Balance	(1,230,935)	14,732,734	18,529,970	3,797,236
Fund Balance at Beginning of Year	<u>19,230,993</u>	<u>19,230,993</u>	<u>19,230,993</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 18,000,058</u>	<u>\$ 33,963,727</u>	<u>\$ 37,760,963</u>	<u>\$ 3,797,236</u>

See accompanying notes to the basic financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2022**

	Business-Type Activities Enterprise Funds		
	Sewer	Refuse	Total
Assets:			
Current Assets:			
Pooled Cash and Investments	\$ 9,521,672	\$ 5,443,424	\$ 14,965,096
Receivables:			
Accounts	2,837,596	1,216,112	4,053,708
Special Assessments	1,102,450	552,237	1,654,687
Inventory of Supplies at Cost	8,551	0	8,551
Total Current Assets	13,470,269	7,211,773	20,682,042
Noncurrent Assets:			
Net Pension Asset	15,905	26,017	41,922
Net OPEB Asset	190,331	311,321	501,652
Capital Assets:			
Capital Assets Not Being Depreciated	0	135,222	135,222
Capital Assets Being Depreciated, Net	7,981,868	4,424,940	12,406,808
Total Noncurrent Assets	8,188,104	4,897,500	13,085,604
Total Assets	21,658,373	12,109,273	33,767,646
Deferred Outflows of Resources:			
Pension	366,786	844,033	1,210,819
OPEB	0	324,137	324,137
Total Deferred Outflows of Resources	366,786	1,168,170	1,534,956
Liabilities:			
Current Liabilities:			
Accounts Payable	145,984	47,316	193,300
Accrued Wages and Benefits	18,156	32,059	50,215
Intergovernmental Payable	83,221	30,910	114,131
Interfund Payable	0	4,400,000	4,400,000
Accrued Interest Payable	1,108	34,789	35,897
General Obligation Bonds Payable - Current	81,000	0	81,000
OWDA Loans Payable - Current	0	423,295	423,295
OPWC Loans Payable - Current	22,964	0	22,964
Compensated Absences Payable - Current	62,049	112,491	174,540
Total Current Liabilities	414,482	5,080,860	5,495,342

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

	Business-Type Activities Enterprise Funds		
	Sewer	Refuse	Total
Noncurrent Liabilities:			
General Obligation Bonds Payable	501,000	114,000	615,000
OWDA Loans Payable	0	3,656,180	3,656,180
OPWC Loans Payable	80,372	0	80,372
Landfill Postclosure Care Liability	0	201,702	201,702
Compensated Absences Payable	70,482	254,057	324,539
Net Pension Liability	549,684	899,110	1,448,794
Total Noncurrent Liabilities	1,201,538	5,125,049	6,326,587
Total Liabilities	1,616,020	10,205,909	11,821,929
Deferred Inflows of Resources:			
Pension	695,657	1,097,666	1,793,323
OPEB	212,937	321,659	534,596
Total Deferred Inflows of Resources	908,594	1,419,325	2,327,919
Net Position			
Net Investment in Capital Assets	7,104,686	366,687	7,471,373
Unrestricted	12,395,859	1,285,522	13,681,381
Total Net Position	\$ 19,500,545	\$ 1,652,209	\$ 21,152,754

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, 2022

	Business-Type Activities Enterprise Funds		
	Sewer	Refuse	Total
Operating Revenues:			
Charges for Services	\$ 5,564,635	\$ 3,310,534	\$ 8,875,169
Other Operating Revenues	214	7,922	8,136
Total Operating Revenues	5,564,849	3,318,456	8,883,305
Operating Expenses:			
Personal Services	858,777	3,171,603	4,030,380
Other Than Personal Services	542,870	708,764	1,251,634
Depreciation	451,967	301,312	753,279
Total Operating Expenses	1,853,614	4,181,679	6,035,293
Operating Income (Loss)	3,711,235	(863,223)	2,848,012
Non-Operating Revenue (Expenses):			
Interest and Fiscal Charges	(17,321)	(100,951)	(118,272)
Loss on Disposal of Assets	0	(7,030)	(7,030)
Intergovernmental Grants	0	438,024	438,024
Total Non-Operating Revenues (Expenses)	(17,321)	330,043	312,722
Income (Loss) Before Transfers and Contributions	3,693,914	(533,180)	3,160,734
Transfers and Contributions:			
Transfers In	111,635	1,102,778	1,214,413
Capital Contributions	1,732,530	0	1,732,530
Total Transfers and Contributions	1,844,165	1,102,778	2,946,943
Change in Net Position	5,538,079	569,598	6,107,677
Net Position Beginning of Year	13,962,466	1,082,611	15,045,077
Net Position End of Year	\$ 19,500,545	\$ 1,652,209	\$ 21,152,754

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, 2022

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Refuse	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,339,854	\$3,233,438	\$8,573,292
Cash Payments for Goods and Services	(544,855)	(701,847)	(1,246,702)
Cash Payments to Employees	(1,327,625)	(2,206,773)	(3,534,398)
Net Cash Provided by Operating Activities	3,467,374	324,818	3,792,192
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	111,635	1,102,778	1,214,413
Operating Grants	0	438,024	438,024
Net Cash Provided by Noncapital Financing Activities	111,635	1,540,802	1,652,437
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(1,047,495)	(3,954,630)	(5,002,125)
Proceeds from Sale of Assets	0	35,770	35,770
Capital Contributions	1,732,530	0	1,732,530
Principal Paid on Ohio Water Development Authority Loans	(37,122)	(357,565)	(394,687)
Principal Paid on Ohio Public Works Commission Loans	(22,964)	0	(22,964)
Proceeds from Ohio Water Development Authority Loans	0	3,949,860	3,949,860
General Obligation Bond Principal Payment	(72,000)	0	(72,000)
Interest Paid on All Debt	(17,788)	(66,162)	(83,950)
Net Cash Provided (Used) by Capital and Related Financing Activities	535,161	(392,727)	142,434
Increase in Cash and Cash Equivalents	4,114,170	1,472,893	5,587,063
Cash and Cash Equivalents at Beginning of Year	5,407,502	3,970,531	9,378,033
Cash and Cash Equivalents at End of Year	\$9,521,672	\$5,443,424	\$14,965,096

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

	Business-Type Activities		
	Enterprise Funds		
	Sewer	Refuse	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$3,711,235	(\$863,223)	\$2,848,012
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	451,967	301,312	753,279
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:			
Increase in Accounts Receivable	(252,441)	(101,908)	(354,349)
Decrease in Special Assessment Receivable	27,446	16,890	44,336
Increase in Net Pension Asset	(8,523)	(11,254)	(19,777)
Increase in Net OPEB Asset	(102,131)	(134,918)	(237,049)
(Increase) Decrease in Deferred Outflows	(217,784)	1,376,792	1,159,008
Decrease in Accounts Payable	(71,294)	(13,574)	(84,868)
Increase (Decrease) in Intergovernmental Payable	61,785	(5,469)	56,316
Increase in Accrued Wages and Benefits	3,684	7,661	11,345
Increase in Solid Waste Liability	0	12,229	12,229
Increase in Compensated Absences	15,102	160,515	175,617
Decrease in Net Pension Liability	(214,408)	(629,075)	(843,483)
Increase in Deferred Inflows	62,736	208,840	271,576
Total Adjustments	(243,861)	1,188,041	944,180
Net Cash Provided by Operating Activities	\$3,467,374	\$324,818	\$3,792,192

See accompanying notes to the basic financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

***Statement of Net Position
Fiduciary Fund
December 31, 2022***

	Custodial
Assets:	
Cash and Cash Equivalents	\$ 801,298
Cash and Cash Equivalents in Segregated Accounts	169,017
Total Assets	970,315
Liabilities:	
Due to Others	169,017
Total Liabilities	169,017
Net Position:	
Individuals, Organizations, and Other Governments	801,298
Total Net Position	\$ 801,298

See accompanying notes to the basic financial statements

CITY OF CLEVELAND HEIGHTS, OHIO

***Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended December 31, 2022***

	<u>Custodial</u>
Additions:	
Fines and Forfeiture Collections for Others	<u>\$ 1,137,675</u>
Total Additions	<u>1,137,675</u>
Deductions:	
Distribution of Fines and Forfeitures to Others	<u>1,047,307</u>
Total Deductions	<u>1,047,307</u>
Change in Net Position	90,368
Net Position at Beginning of Year	710,930
Net Position End of Year	<u><u>\$ 801,298</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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. On November 5, 2019, voters approved an amendment to the City's charter to revise the structure of its government into a mayor-council-administrator form of government, which began on January 1, 2022.

The Mayor serves full time as the City's chief executive officer for a four-year term. The Mayor appoints a City Administrator, with council approval, to run day-to-day operations.

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.

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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

Cleveland Heights Community Improvement Corporation Cleveland Heights Community Improvement Corporation (the CIC) is a legally separate organization created under chapter 1724 of the Ohio Revised Code governed by a five member Board of Directors composed of the City Manager, the Mayor, the Chairperson of the Planning and Development Committee of City Council, the Director of Housing and development. The CIC is fiscally dependent on the City. The CIC is included in the City's reporting entity because of its financial benefit/burden relationship with the City. The CIC is therefore presented as a blended component unit of the City in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39. The CIC has no significant financial activity. As a result, no financial information is presented at December 31, 2022.

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

The City is associated with three jointly governed organizations, the First Suburbs Consortium of Northeast Ohio Council of Governments, the Northeast Ohio Public Energy Council and the Regional Income Tax Agency (RITA). Information about these organizations is presented in Note 17 to the basic financial statements.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues and expenditures (expenses).

The various funds are grouped into generic fund types and three broad fund categories for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise funds. Fiduciary funds include custodial funds. The following fund types are used by the City:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds - Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the provisions of the City Charter.

Local Fiscal Recovery Fund - This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency.

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

Proprietary Funds - All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are presented on the statement of net position. Proprietary fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following are the City's major enterprise funds:

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

Refuse Fund - This fund accounts for the refuse collection services to the residents and businesses located within the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's fiduciary funds are custodial funds. The City's custodial funds account for amounts collected for the benefit of and distributed to other governments and individuals on behalf of the municipal court and evidence room.

C. Basis of Presentation - Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Position. These eliminations minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total column. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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 governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. 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 and grants and contributions that are restricted to meeting the operational or capital requirements of 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 business segment or governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, and deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

D. Basis of Accounting

The basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus. The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, fines and forfeitures, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Special assessment installments, including related accrued interest, which are measurable but not available at December 31, are recorded as deferred inflows of resources. Property taxes which are measurable at December 31, 2022, but which are not intended to finance 2022 operations or are not expected to be received within sixty (60) days after year end, are recorded as deferred inflows of resources. Property taxes are further described in Note 6.

The accrual basis of accounting is utilized for reporting purposes by all government wide statements, proprietary funds, and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in the proprietary funds.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the annual tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, except custodial funds, are legally required to be budgeted and appropriated. 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 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.

1. Tax Budget

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The estimated revenue amounts reported on the accompanying budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued for 2022.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level for all funds and may be modified during the year by Ordinance of City Council. Total fund appropriations may not exceed the current estimated resources certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the fund, department, and object level. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual for the General Fund and Major Special Revenue Fund" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**E. Budgetary Process (Continued)****6. Budgetary Basis of Accounting**

The City's budgetary process accounts for the City's transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures on the budgetary basis. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual" for the General Fund and Major Special Revenue Fund:

	Net Change in Fund Balance	
	General Fund	Fiscal Recovery Fund
GAAP Basis (as reported)	\$5,923,186	\$0
Increase (Decrease):		
Accrued Revenues at December 31, 2022 received during 2023	(6,558,623)	0
Accrued Revenues at December 31, 2021 received during 2022	6,047,279	0
Accrued Expenditures at December 31, 2022 paid during 2023	1,392,290	37,899,344
Accrued Expenditures at December 31, 2021 paid during 2022	(2,115,892)	(19,230,993)
2021 Prepays for 2022	493,686	0
2022 Prepays for 2023	(532,085)	0
2022 Adjustment to Fair Value	384,249	0
Outstanding Encumbrances	(1,668,112)	(138,381)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	55,502	0
Budget Basis	<u>\$3,421,480</u>	<u>\$18,529,970</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument which is readily convertible to cash.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash, including the investment instrument described above, represents the balance on hand as if each fund maintained its own cash and investments account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be a cash equivalent. See Note 5 "Cash and Cash Equivalents."

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

Cash and cash equivalents that are held separately by the City for the purchase of equipment are recorded as "Cash and cash equivalents with fiscal agent".

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The City allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Investment earnings of \$546,803 earned by other funds were credited to the General Fund as required by state statute.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments (Continued)

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. 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 a NAV per share that approximates fair value. For fiscal year 2022, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

H. 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.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Assets Held for Resale

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

K. Economic Development Properties

The City contains certain nonproductive properties which were acquired at minimal cost to the City. The City identifies a specific property and with the approval of City Council, obtains the property with the purpose of selling it to become a viable and productive property within the community. The properties held by the City at year end are reported as economic development properties and are valued at net realizable value.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold of three or more years.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at acquisition value at the date received. Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (Years)
Land Improvements	30 - 50
Buildings and Improvements	30 - 50
Machinery and Equipment	3 - 20
Infrastructure	15 - 100

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Activity and Interfund Balances

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 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.

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.

N. Accrued Liabilities and Long-Term Obligations

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

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

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Accrued Liabilities and Long-Term Obligations (Continued)

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Bond Retirement Fund, Sewer Fund, Refuse Fund
Special Assessment Bonds	General Bond Retirement Fund
Ohio Public Works Commission (OPWC) Loans	Street Construction, Maintenance and Repair Fund Sewer Fund
Ohio Water Development Authority (OWDA) Loans	General Bond Retirement Fund,, Refuse Fund
Solid Waste Liability	Refuse Fund
Workers' Compensation Liability	General Fund
Installment Loan/State Infrastructure Bank Loan	Street Construction, Maintenance and Repair Fund, Ambulance Services Fund, Recreation Facility Improvement Fund
Compensated Absences/Net Pension Liability/Net OPEB Liability	General Fund Street Construction, Maintenance and Repair Fund CDBG Fund, Municipal Court Special Projects Fund, Tree Fund, Sewer Fund, Refuse Fund
Long-Term Notes Payable	General Bond Retirement Fund

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. 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 "Compensated Absences Payable" in the funds from which the employee who has accumulated unpaid leave is paid.

P. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. 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 (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance (Continued)

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Assigned amounts represent intended uses established by policies of City Council, including giving the Finance Director the authority to constrain monies for intended purposes. City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. Through the City’s purchasing policy, City Council has given the Finance Director the authority to constrain monies for intended purposes, which are also reported as assigned fund balance.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted (committed, assigned and unassigned) resources as they are needed.

Q. Pension/OPEB

The provision for pension/OPEB cost is recorded when the related payroll is accrued and the obligation is incurred. For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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/OPEB systems report investments at fair value.

R. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. 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 use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Operating Revenues and Expenses

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2022.

U. Restricted Assets

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

V. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

W. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, accrued interest on loans receivable and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. See Notes 10 and 11.

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

The fund deficit at December 31, 2022 of \$14,464 in the Lead Safe Cuyahoga Fund was the result of recognizing interfund loans payable on the modified accrual basis, which result in expenditures greater than those on the cash basis. A deficit does not exist on a cash basis. The General Fund provides transfers, upon City Council's approval, when cash is required, not when accruals occur.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases," Statement No. 91, "Conduit Debt Obligations," Statement No. 92, "Omnibus 2020," and Statement No. 93, "Replacement of Interbank Offered Rates."

GASB Statement No. 87 establishes standards of accounting and financial reporting for leases.

GASB Statement No. 91 establishes a single method of reporting conduit debt obligations.

GASB Statement No. 92 establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases.

The implementation of these Statements had no effect on beginning net position/fund balance.

This Space Intentionally Left Blank

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022****NOTE 4 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General Fund	Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Supplies Inventory	\$886,197	\$0	\$59,100	\$945,297
Prepaid Items	532,085	0	0	532,085
Interfund Loans	5,202,897	0	0	5,202,897
Unclaimed Funds	156,150	0	0	156,150
Total Nonspendable	6,777,329	0	59,100	6,836,429
Restricted:				
Capital Projects	0	0	710,498	710,498
Debt Service	0	0	371,737	371,737
Road Improvements	0	0	2,736,571	2,736,571
Community Development	0	0	6,626,737	6,626,737
Municipal Court Special Projects	0	0	2,345,319	2,345,319
Street Lighting	0	0	1,483,066	1,483,066
Public Safety	0	0	765,126	765,126
Drug Law Enforcement	0	0	435,668	435,668
Aging and Youth Recreation	0	0	23,002	23,002
Juvenile Diversion Program	0	0	74,775	74,775
Total Restricted	0	0	15,572,499	15,572,499
Committed:				
Public Building Maintenance	0	0	423	423
Cain Park Operations	0	0	1,411	1,411
Ambulance Services	0	0	2,498,859	2,498,859
Police Facility Improvements	0	0	23,039	23,039
Ring Road Construction	0	0	35,045	35,045
Total Committed	0	0	2,558,777	2,558,777
Assigned:				
Capital Improvements	0	0	1,811,492	1,811,492
Economic Development	0	0	8,529,726	8,529,726
City Hall Maintenance	0	0	129,432	129,432
Parking Operations	0	0	356,247	356,247
Capital Projects	0	0	500,000	500,000
Earned Benefits	389,253	0	0	389,253
Supplies and Services	742,159	0	0	742,159
Total Assigned	1,131,412	0	11,326,897	12,458,309
Unassigned:	32,204,914	0	(14,464)	32,190,450
Total Fund Balances	\$40,113,655	\$0	\$29,502,809	\$69,616,464

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

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

4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

Obligations of the City.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either 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.

At December 31, 2022, the carrying amount of the City's deposits was \$14,005,243 and the bank balance was \$14,984,664. Of the bank balance, \$506,152 was covered by federal depository insurance and \$14,478,512 was exposed to custodial risk and was collateralized with securities held in the Ohio Pooled Collateral System.

B. Investments

The City's investments at December 31, 2022 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Concentration of Credit Risk	Investment Maturities (in Years)		
					less than 1	1-3	3-5
STAR Ohio ³	\$49,900,746	AAAm ¹	NA	56.83%	\$49,900,746	\$0	\$0
Money Market Mutual Fund ³	5,317,408	AA+ ¹	NA	6.06%	5,317,408	0	0
US Treasuries	32,579,352	Aaa ²	Level 2	37.11%	15,812,980	16,766,372	0
Total Investments	<u>\$87,797,506</u>			<u>100.00%</u>	<u>\$71,031,134</u>	<u>\$16,766,372</u>	<u>\$0</u>

¹ Standard & Poor's

² Moody's Investor Service

³ Reported at amortized cost

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

B. Investments (Continued)

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.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount that may be invested in one issuer. Allocation of the City’s investments by issuer is detailed in the table above.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

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. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property located in the City. Real property taxes (other than public utility) collected during 2022 were levied after October 1, 2021 on assessed values as of January 1, 2021, the lien date. Assessed values are established by the county auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments are made in the third year following reappraisal. The last reappraisal was completed in 2021. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Cleveland Heights. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2022 was \$12.42 per \$1,000 of assessed value. The assessed value upon which the 2022 collections were based was \$845,464,590. This amount constitutes \$823,481,080 in real property assessed value and \$21,983,510 in public utility assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Property taxes recorded as revenue in 2022 were based on a tax rate equal to 1.242% (12.42 mills) of assessed value.

B. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 7 - RECEIVABLES

Receivables at December 31, 2022 consisted of taxes, interest, accounts, special assessments, loans, leases, and intergovernmental receivables arising from shared revenues.

The City leases land and a cell phone tower as lessor. In 2022 the City received \$28,083 in lease payments. The total lease receivable balance at December 31, 2022 was \$114,173.

NOTE 8 – INTERFUND ACTIVITY

A. Interfund Transfers

Following is a summary of transfers in and out for all funds for 2022:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General Fund	\$0	\$6,425,966
Other Governmental Funds	5,443,421	231,868
Total Governmental Funds	5,443,421	6,657,834
Enterprise Funds		
Sewer Fund	111,635	0
Refuse Fund	1,102,778	0
Total Enterprise Funds	1,214,413	0
Totals	<u>\$6,657,834</u>	<u>\$6,657,834</u>

General fund transfers to other governmental funds and the refuse fund were made to provide additional resources for capital improvements and current operations. The transfers from other governmental funds to other governmental funds were made for fund contributions for pension liabilities and for debt payments related to those funds. The transfers from the other governmental funds to the sewer fund were for debt service payments provided by governmental funds.

CITY OF CLEVELAND HEIGHTS, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 8 – INTERFUND ACTIVITY (Continued)

B. Interfund Balances

Individual interfund balances at December 31, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds		
General Fund	\$5,202,897	\$0
Other Governmental Funds	<u>0</u>	<u>802,897</u>
Total Governmental Funds	5,202,897	802,897
Enterprise Funds		
Refuse Fund	<u>0</u>	<u>4,400,000</u>
Totals	<u><u>\$5,202,897</u></u>	<u><u>\$5,202,897</u></u>

Interfund balances at December 31, 2022, consisted of general fund advances of \$802,897 and \$4,400,000 to nonmajor special revenue funds and the refuse enterprise fund, respectively, due to deficit cash balances and due to the timing of reimbursement of expenditures.

This Space Intentionally Left Blank

CITY OF CLEVELAND HEIGHTS, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2022:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
<i>Capital assets not being depreciated:</i>				
Land	\$5,152,914	\$1,027,995	\$0	\$6,180,909
Construction in Progress	75,114	0	0	75,114
Intangible Assets	32,707	0	0	32,707
Subtotal	5,260,735	1,027,995	0	6,288,730
<i>Capital assets being depreciated:</i>				
Land Improvements	2,184,283	0	0	2,184,283
Buildings and Improvements	63,630,842	38,708	0	63,669,550
Machinery and Equipment	22,143,400	1,005,059	(322,491)	22,825,968
Infrastructure				
Streets and Sidewalks	69,648,961	2,081,857	0	71,730,818
Off-Street Parking	3,523,927	0	0	3,523,927
Subtotal	161,131,413	3,125,624	(322,491)	163,934,546
Total Cost	\$166,392,148	\$4,153,619	(\$322,491)	\$170,223,276

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Land Improvements	(\$1,754,931)	(\$93,011)	\$0	(\$1,847,942)
Buildings and Improvements	(34,106,696)	(1,637,121)	0	(35,743,817)
Machinery and Equipment	(18,517,024)	(1,277,675)	251,291	(19,543,408)
Infrastructure				
Streets and Sidewalks	(37,152,839)	(2,897,921)	0	(40,050,760)
Off-Street Parking	(2,240,335)	(85,133)	0	(2,325,468)
Total Depreciation	(\$93,771,825)	(\$5,990,861) *	\$251,291	(\$99,511,395)
<i>Net Value:</i>	\$72,620,323			\$70,711,881

*Depreciation was charged to governmental functions as follows:

General Government	\$1,273,330
Public Safety	763,229
Transportation	3,000,476
Community Development	154,306
Culture and Recreation	799,520
Total Depreciation Expense	<u>\$5,990,861</u>

CITY OF CLEVELAND HEIGHTS, OHIO**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022****NOTE 9 - CAPITAL ASSETS (Continued)****B. Business-Type Activities Capital Assets**

Summary by category of changes in business-type activities capital assets at December 31, 2022:

Historical Cost:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Capital assets not being depreciated:				
Land	\$135,222	\$0	\$0	\$135,222
Capital assets being depreciated:				
Buildings and Improvements	666,416	0	0	666,416
Machinery and Equipment	10,054,909	3,878,830	(1,196,100)	12,737,639
Infrastructure				
Sanitary Sewer Lines	7,609,119	1,229,061	0	8,838,180
Storm Sewer Lines	2,941,631	0	0	2,941,631
Subtotal	21,272,075	5,107,891	(1,196,100)	25,183,866
Total Cost	\$21,407,297	\$5,107,891	(\$1,196,100)	\$25,319,088

Accumulated Depreciation:

Class	December 31, 2021	Additions	Deletions	December 31, 2022
Buildings and Improvements	(\$581,826)	(\$13,964)	\$0	(\$595,790)
Machinery and Equipment	(8,324,594)	(532,774)	1,153,300	(7,704,068)
Infrastructure				
Sanitary Sewer Lines	(2,815,621)	(132,334)	0	(2,947,955)
Storm Sewer Lines	(1,455,038)	(74,207)	0	(1,529,245)
Total Depreciation	(\$13,177,079)	(\$753,279)	\$1,153,300	(\$12,777,058)
Net Value:	\$8,230,218			\$12,542,030

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability (Asset)

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.

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. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

When a 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 3.00% 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 3.00%.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

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

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

CITY OF CLEVELAND HEIGHTS, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>State and Local</u>
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee*	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

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

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

For 2022, the City's contractually required contribution was \$1,574,149 for the traditional plan and \$28,479 for the combined plan. Of these amounts, \$121,630 is reported as an intergovernmental payable.

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF 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 OPF may retire and receive a lifetime monthly pension. OPF 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 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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF 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 participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

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

CITY OF CLEVELAND HEIGHTS, OHIO**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022****NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
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 OPF was \$3,174,490 for 2022. Of this amount, \$237,617 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. 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>Traditional Plan</u>	<u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,999,996	\$0	\$33,636,349	\$40,636,345
Proportionate Share of the Net Pension Asset	0	202,551	0	202,551
Proportion of the Net Pension Liability-2022	0.080456%	0.051408%	0.538404%	
Proportion of the Net Pension Liability-2021	0.086001%	0.042618%	0.532819%	
Percentage Change	<u>(0.005545%)</u>	<u>0.008790%</u>	<u>0.005585%</u>	
Pension Expense	(\$2,939,425)	(\$60,337)	\$1,313,630	(\$1,686,132)

CITY OF CLEVELAND HEIGHTS, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Changes in assumptions	\$875,347	\$10,177	\$6,147,283	\$7,032,807
Differences between expected and actual experience	356,854	1,257	969,873	1,327,984
Change in proportionate share	621,722	0	1,200,478	1,822,200
City contributions subsequent to the measurement date	1,574,149	28,479	3,174,490	4,777,118
Total Deferred Outflows of Resources	<u>\$3,428,072</u>	<u>\$39,913</u>	<u>\$11,492,124</u>	<u>\$14,960,109</u>
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$8,326,243	\$43,425	\$8,818,934	\$17,188,602
Differences between expected and actual experience	153,528	22,659	1,748,625	1,924,812
Change in proportionate share	1,432,220	0	1,269,562	2,701,782
Total Deferred Inflows of Resources	<u>\$9,911,991</u>	<u>\$66,084</u>	<u>\$11,837,121</u>	<u>\$21,815,196</u>

\$4,777,118 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2023	(\$1,796,770)	(\$13,311)	(\$494,784)	(\$2,304,865)
2024	(2,978,964)	(18,403)	(2,233,582)	(5,230,949)
2025	(1,957,835)	(12,067)	(848,828)	(2,818,730)
2026	(1,324,499)	(8,928)	(657,537)	(1,990,964)
2027	0	(1,184)	715,244	714,060
Thereafter	0	(757)	0	(757)
Total	<u>(\$8,058,068)</u>	<u>(\$54,650)</u>	<u>(\$3,519,487)</u>	<u>(\$11,632,205)</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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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 in the December 31, 2021 and December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	Combined Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

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.

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other Investments	4.00	2.85
Total	100.00 %	4.21 %

Discount Rate The discount rate used to measure the total pension liability was 6.9 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 statutorily required rates. 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
Traditional Plan	\$18,455,802	\$6,999,996	(\$2,532,755)
Combined Plan	(151,140)	(202,551)	(242,646)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2021 is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, compared with January 1, 2020, are presented below.

	January 1, 2021	January 1, 2020
Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2021 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2021 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return 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 OPF's target asset allocation as of December 31, 2021 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00 %	

* levered 2.5x

Note: Assumptions are geometric

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2021, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2020 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$49,882,237	\$33,636,349	\$20,107,536

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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 OPEB are financed; however, the City does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, 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 0 percent during calendar year 2022. 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 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2022.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$74,635 for 2022. Of this amount, \$5,575 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportionate Share of the Net OPEB Liability (Asset)	(\$2,423,785)	\$5,901,366	\$3,477,581
Proportion of the Net OPEB Liability (Asset) -2022	0.077384%	0.538404%	
Proportion of the Net OPEB Liability (Asset) -2021	0.082512%	0.532819%	
Percentage Change	(0.005128%)	0.005585%	
OPEB Expense	(\$2,846,695)	\$167,424	(\$2,679,271)

CITY OF CLEVELAND HEIGHTS, OHIO**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022****NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$2,612,129	\$2,612,129
Differences between expected and actual experience	0	268,459	268,459
Change in proportionate share	324,137	722,542	1,046,679
City contributions subsequent to the measurement date	0	74,635	74,635
Total Deferred Outflows of Resources	<u>\$324,137</u>	<u>\$3,677,765</u>	<u>\$4,001,902</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$1,155,489	\$533,092	\$1,688,581
Changes in assumptions	981,121	685,410	1,666,531
Differences between expected and actual experience	367,650	779,946	1,147,596
Change in proportionate share	664,007	1,840,806	2,504,813
Total Deferred Inflows of Resources	<u>\$3,168,267</u>	<u>\$3,839,254</u>	<u>\$7,007,521</u>

\$74,635 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2023	(\$1,865,075)	(\$119,614)	(\$1,984,689)
2024	(560,640)	(198,755)	(759,395)
2025	(252,470)	(206,888)	(459,358)
2026	(165,945)	29,608	(136,337)
2027	0	134,229	134,229
2028	0	79,189	79,189
2029	0	46,107	46,107
Total	<u>(\$2,844,130)</u>	<u>(\$236,124)</u>	<u>(\$3,080,254)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	1.84 percent
Prior measurement date	2.00 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Prior measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index").

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$1,425,413)	(\$2,423,785)	(\$3,252,450)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$2,449,977)	(\$2,423,785)	(\$2,392,713)

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.84 percent	2.96 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00 %</u>	

* levered 2.5x

Note: Assumptions are geometric

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021 and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$7,418,150	\$5,901,366	\$4,654,569

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

NOTE 12 – COMPENSATED ABSENCES

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

All full-time employees earn sick leave at the rate of 4.6 hours for each 80 hours worked. An employee with ten or more consecutive years of service is entitled to payment to a maximum of 240 hours for accumulated sick leave for non-bargaining staff. Police and Local 860 employees are entitled to 750 hours and fire employees are entitle to 1,000 hours.

CITY OF CLEVELAND HEIGHTS, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

The original issue date, maturity date, interest rate and original issuance amount for each of the City's debt issues is as follows:

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Governmental Activities:				
General Obligation Bonds:				
Cedar Lee parking Deck Refunding	2015	2028	2.03%	\$4,640,000
Restructuring Refunding	2020	2037	0.43-1.93%	11,796,000
Various Purpose	2021	2030	1.52%	759,000
Top of the Hill	2022	2031	2.25%	1,344,000
Cedar Lee parking Deck Refunding	2022	2033	2.60%	3,067,000
Special Assessment Bonds:				
2021 Ring Road Improvement Refunding	2021	2029	1.32%	1,682,000
OPWC Loans from Direct Borrowings:				
Taylor Road Rehabilitation	2001	2021	0.00%	132,780
Coventry Road Rehabilitation	2005	2025	0.00%	369,741
Lee Road Rehabilitation	2006	2029	0.00%	39,852
Meadowbrook Boulevard	2006	2026	0.00%	2,204,524
Monticello Boulevard	2010	2031	0.00%	248,880
Monticello Boulevard	2012	2034	0.00%	640,800
Meadowbrook Boulevard	2019	2049	0.00%	766,582
OWDA Loan from Direct Borrowing:				
OWDA Loan - Runnymede Water Line	2010	2030	3.84%	280,298
Installment Loans:				
Fire Truck	2015	2026	2.66%	493,630
Ambulance	2018	2023	3.96%	205,725
Equipment	2018	2022	4.91%	241,476
Fire Truck	2019	2029	2.66%	550,000
Ladder Fire Truck	2021	2031	2.32%	1,200,000
Long-term Notes:				
Top of the Hill	2021	2022	1.30%	1,490,000
State Infrastructure Bank Loan from Direct Borrowing:				
Taylor Road Rehab	2014	2022	3.00%	427,323
Business-Type Activities:				
General Obligation Bonds:				
Vehicle Acquisition	2018	2027	2.85%	635,000
Restructuring Refunding	2020	2037	0.43-1.93%	114,000
Various Purpose	2021	2030	1.52%	259,000
OPWC Loans from Direct Borrowings:				
Meadowbrook Boulevard Rehabilitation - Sewer	2016	2022	0.00%	459,276
OWDA Loan from Direct Borrowing:				
OWDA Loan - Demington Sewer	2007	2022	4.12%	425,071
OWDA Loan - Refuse Automation	2021	2031	1.68-1.73%	487,180

CITY OF CLEVELAND HEIGHTS, OHIO

Notes to the Basic Financial Statements For the Year Ended December 31, 2022

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Long-term debt and other long-term obligations of the City at December 31, 2022 were as follows:

Issue Date	Description	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Governmental Activities Debt:						
General Obligation Bonds:						
2015	Cedar Lee parking Deck Refunding	\$2,965,000	\$0	(\$2,965,000)	\$0	\$0
2020	Restructuring Refunding	11,191,000	0	(510,000)	10,681,000	525,000
2021	Various Purpose	759,000	0	(89,000)	670,000	93,000
2022	Top of the Hill	0	1,344,000	(131,000)	1,213,000	123,000
2022	Cedar Lee parking Deck Refunding	0	3,067,000	(236,000)	2,831,000	226,000
	Total General Obligation Bonds	14,915,000	4,411,000	(3,931,000)	15,395,000	967,000
Loan-term Notes:						
2021	Top of the Hill	1,490,000	0	(1,490,000)	0	0
2021	Top of the Hill Premium	15,556	0	(15,556)	0	0
	Total Long-term Notes	1,505,556	0	(1,505,556)	0	0
Installment Loans:						
2015	Fire Truck	224,740	0	(42,615)	182,125	43,751
2018	Ambulance	87,111	0	(42,710)	44,401	44,401
2018	Equipment	43,602	0	(43,602)	0	0
2019	Fire Truck	451,290	0	(51,344)	399,946	52,715
2021	Ladder Fire Truck	1,200,000	0	(108,022)	1,091,978	110,523
	Total Installment Loans	2,006,743	0	(288,293)	1,718,450	251,390
Ohio Public Works Commission Loans:						
2001	Taylor Road Rehabilitation	3,319	0	(3,319)	0	0
2005	Coventry Road Rehabilitation	73,948	0	(18,488)	55,460	18,488
2006	Lee Road Rehabilitation	16,938	0	(1,992)	14,946	1,992
2006	Meadowbrook Boulevard	378,903	0	(68,893)	310,010	68,892
2010	Monticello Boulevard	124,440	0	(12,444)	111,996	12,444
2012	Monticello Boulevard	329,642	0	(25,357)	304,285	25,357
2019	Meadowbrook Boulevard	784,912	0	(27,066)	757,846	27,066
	Total Ohio Public Works Commission Loans	1,712,102	0	(157,559)	1,554,543	154,239
Special Assessment Bonds:						
2021	Ring Road Improvement Refunding	1,663,000	0	(147,000)	1,516,000	150,000
	Total Special Assessment Bonds					
	(with Governmental Commitment)	1,663,000	0	(147,000)	1,516,000	150,000
Ohio Water Development Authority (OWDA) Loan Payable:						
2010	Runnymede Water Line	152,540	0	(14,487)	138,053	15,048
	Total OWDA Loan Payable	152,540	0	(14,487)	138,053	15,048
State Infrastructure Bank Loan:						
2014	Taylor Road Rehab	59,144	0	(59,144)	0	0
	Total State Infrastructure Bank Loan	59,144	0	(59,144)	0	0
Governmental Activities Other Long-Term Obligations:						
	Compensated Absences	4,179,289	2,220,187	(2,223,953)	4,175,523	1,041,325
	Workers' Retrospective Compensation Liability	655,888	667,963	(655,888)	667,963	64,501
	Asset Retirement Obligation	53,000	0	0	53,000	0
	Governmental Activities Debt and Other Long-Term Obligations	\$26,902,262	\$7,299,150	(\$8,982,880)	\$25,218,532	\$2,643,503

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

Issue Date	Description	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Business-Type Activities Debt:						
General Obligation Bonds:						
2018	Vehicle Acquisition Bonds	395,000	0	(60,000)	335,000	65,000
2020	Restructuring Bonds	114,000	0	0	114,000	0
2021	Various Purpose	259,000	0	(12,000)	247,000	16,000
	Total General Obligation Bonds	768,000	0	(72,000)	696,000	81,000
Ohio Water Development Authority Loans:						
2010	OWDA Loan - Demington Sewer	37,122	0	(37,122)	0	0
2016	OWDA Loan - Refuse Automation	487,180	3,949,860	(357,565)	4,079,475	423,295
	Total Ohio Water Development Authority Loans	524,302	3,949,860	(394,687)	4,079,475	423,295
Ohio Public Works Commission Loans:						
2016	Meadowbrook Boulevard Rehabilitation - Sewer	126,300	0	(22,964)	103,336	22,964
Business-Type Activities Other Long-Term Obligations:						
	Compensated absences	323,462	402,420	(226,803)	499,079	174,540
	Solid Waste Liability	189,473	12,229	0	201,702	0
	Total Long-term Obligations	512,935	414,649	(226,803)	700,781	174,540
	Business-Type Activities Debt and Other Long-Term Obligations	\$1,931,537	\$4,364,509	(\$716,454)	\$5,579,592	\$701,799

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

In 2015, the City issued general obligation bonds, in the amount of \$4,640,000, to partially refund bonds previously issued in 2008 for Cedar Lee parking deck. The bonds were issued with a fixed interest rate of 2.03 percent. The bonds were issued for a 15 year period with final maturity during fiscal year 2028. The bonds will be retired through the general bond retirement fund. As of December 31, 2021, \$2,855,000 of these bonds are considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

In 2022 the City refunded the remaining \$2,965,000 balance of the 2008 Cedar Lee parking deck bonds through the issuance of \$3,067,000 of general obligation refunding bonds. The net proceeds of the 2022 Bonds have been used to currently refund the remaining bonds. The City increased its aggregate debt service payments over the life of the refunded bonds by \$380,037 and incurred an economic loss (difference between the present values of the old and new debt service payments) of \$133,293.

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

In 2020, the City issued general obligation bonds in the amount of \$11,796,000, to refund various purpose bonds previously issued in 2014, 2015, 2016 and 2017 and the building improvement bonds issued in 2017. The bonds were issued with interest rates ranging from 0.43 to 1.93 percent. The bonds were issued for a 17 year period with a final maturity in 2037. The bonds will be retired through the general bond retirement fund. As of December 31, 2020, \$6,702,000 of these bonds are considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

In 2020, the City issued general obligation bonds in the amount of \$114,000 to refund various purpose bonds issued in 2014 and 2015 for the transfer station. The bonds were issued with interest rates ranging from 1.93 to 2.84 percent. The bonds were issued for a 17 year period with a final maturity in 2037. The bonds will be retired through the sewer enterprise fund. As of December 31, 2020, \$108,000 of these bonds are considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

In 2021, the City issued various purpose general obligation bonds in the amount of \$759,000 for the purpose of retiring notes previously issued for street improvements, motorized equipment and police radios. The bonds were issued with a fixed interest rate of 1.52 percent. The bonds were issued for a 10 year period with a final maturity during fiscal year 2030. The bonds will be retired through the general bond retirement fund.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

In 2022, the City issued economic development nontax revenue bonds in the amount of \$1,344,000 for the purpose of retiring notes previously issued. The bonds were issued with a fixed interest rate of 2.25 percent. The bonds were issued for a 10 year period with a final maturity during fiscal year 2031. The bonds will be retired through the general bond retirement fund.

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

In 2014, the City issued special assessment bonds, in the amount of \$2,510,000, to refund bonds previously issued in 2004 for improvements to Ring Road. The bonds were issued with a fixed interest rate of 2.93 percent. The bonds were issued for a 15 year period with final maturity during 2029. The bonds will be retired through the general bond retirement fund. The outstanding balance of the refunded bonds were called and fully repaid. These bonds were refunded with the 2021 refunding.

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

Other Long-Term Obligations Installment loans will be paid from the ambulance services special revenue fund and the recreation facility improvement capital projects fund. Compensated absences will be paid from the general fund and sewer and refuse enterprise funds. The workers' compensation liability will be paid from the general fund. There is no repayment schedule for the net pension liability and net OPEB liability. However, employer pension/OPEB contributions are made from the general fund, street construction and maintenance repair, community development, Cain Park operating, municipal court special projects, lead safe, tree, parking, ambulance services, police pension and fire pension special revenue funds and the sewer and refuse enterprise funds.

The solid waste liability will be paid from the refuse fund. During 2018, the EPA required a final closure cost estimate from the City. The State infrastructure bank and OPWC and OWDA loans in the governmental activities will be paid semiannually from street construction and maintenance special revenue fund and bond retirement debt service fund. The OPWC loans are interest free.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

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

The City's outstanding OPWC loans from direct borrowings and direct placements related to governmental activities of \$1,554,543 and related to business type activities of \$103,336 contain a provision that in an event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The City's outstanding OWDA loans from direct borrowings of \$138,053 related to governmental activities and \$4,079,075 related to business-type activities contain a provision that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

The City has entered into a contractual agreement for a construction loan from the OWDA. Under the terms of this agreement, OWDA will reimburse, advance or directly pay for construction cost of the approved project. OWDA will capitalize administrative costs and construction interest and then add them to the total amount of the final loan. The loan will not have an accurate repayment schedule until the loan is finalized and, therefore, are not included in the schedule of future annual debt service requirements. The City is currently making payments based on estimates. The balance of the loan at December 31, 2022 is \$4,079,475.

The City entered into a \$1,200,000 loan agreement for a fire truck. The fire truck has not yet been purchased. As part of the agreement, Key Municipal Finance, a division of Key Corporate Capital Incorporated provided \$1,200,000 for the purchase of the fire truck. Amounts are paid to the vendor by the fiscal agent at the discretion of the City. As of December 31, 2022, \$1,200,000 is held by the fiscal agent.

The City has entered into other various installment loans for the purchase of fire and ambulance service equipment. The balance of these loans at December 31, 2022 is \$1,718,450.

CITY OF CLEVELAND HEIGHTS, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2022, follows:

Years	Governmental Activities					
	General Obligation Bonds		Special Assessment Bonds		Installment Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$967,000	\$344,522	\$150,000	\$20,012	\$251,390	\$42,165
2024	776,000	330,422	152,000	18,032	212,123	35,273
2025	756,000	335,940	155,000	16,024	217,384	30,012
2026	862,000	302,940	158,000	13,978	222,778	24,618
2027	852,000	286,564	160,000	11,894	179,699	19,091
2028-2032	6,036,000	1,103,849	741,000	17,477	635,076	34,115
2033-2037	5,146,000	409,884	0	0	0	0
Totals	\$15,395,000	\$3,114,121	\$1,516,000	\$97,417	\$1,718,450	\$185,274

Years	Governmental Activities			
	OWDA Loans		OPWC Loans	
	Principal	Interest	Principal	Interest
2023	\$15,048	\$5,159	\$154,239	\$0
2024	15,632	4,575	154,239	0
2025	16,238	3,969	154,239	0
2026	16,868	3,339	135,752	0
2027	17,521	2,685	101,303	0
2028-2032	56,746	3,874	316,876	0
2033-2037	0	0	186,039	0
2038-2042	0	0	135,330	0
2043-2047	0	0	135,330	0
2048-2050	0	0	81,196	0
Totals	\$138,053	\$23,601	\$1,554,543	\$0

Years	Business-Type Activities					
	General Obligation Bonds		OPWC Loans		OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$81,000	\$16,080	\$22,964	\$0	\$423,295	\$67,329
2024	97,000	13,986	22,964	0	430,496	60,127
2025	97,000	11,644	22,964	0	437,821	52,802
2026	102,000	9,306	22,964	0	445,270	45,354
2027	103,000	6,826	11,480	0	452,846	37,778
2028-2032	150,000	15,619	0	0	1,889,747	72,746
2033-2037	66,000	5,428	0	0	0	0
Totals	\$696,000	\$78,889	\$103,336	\$0	\$4,079,475	\$336,136

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 14 – TOP OF THE HILL - CONDUIT DEBT

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

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

Although the bonds bear the name of the City, the City has no obligation for this debt, or for any amounts payable with respect thereto, beyond the resources, if any, provided by or on behalf of the third-party on whose behalf the debt is issued. Payments on the loan to CHFCIII are in the same amounts as the payments on the conduit bonds, and such loan payments are guaranteed by the principal owner of FCD. Service payments are an obligation of CHFCIII, joined by a separate affiliate of FCD that leases the Top of the Hill parcels to CHFCIII. Available service payments, if any, paid by or on behalf of CHFCIII will be credited against the loan payments otherwise due from that entity. The bonds do not constitute a general obligation, debt or bonded indebtedness of the City. Neither is the full faith and credit or taxing power of the City pledged to make repayment. Accordingly, the bonds constitute conduit debt and are not reported as liabilities in the accompanying financial statements.

This Space Intentionally Left Blank

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 15 – ASSET RETIREMENT OBLIGATIONS

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

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

NOTE 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 30th, deadline. The financial test assured that the City could support any amount up to \$200,000 in post-closure costs and that the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17. This location is used for the transfer of solid waste from the City's refuse trucks to a larger loader which is used to transport the waste to a commercial landfill located outside the City. At December 31, 2022, the current final closure cost estimate is \$201,702, and is reported as a liability on the City's books.

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

First Suburbs Consortium of Northeast Ohio Council of Governments The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 19 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain, and redevelop mature communities and other matters which affect health, safety, welfare, education economic conditions and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the Council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2022, the City made no contributions to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 165 Center Road, Bedford, OH 44146.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City did not contribute to NOPEC during 2022. Financial information can be obtained by contacting NOPEC, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

Regional Income Tax Agency The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection of income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the City paid RITA \$1,012,817 for income tax collection services.

This Space Intentionally Left Blank

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

NOTE 18 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with Federal Insurance Company for property insurance and Old Republic Union Insurance Company for general, automobile, public officials and police professional liability insurance.

The types of coverage and deductibles are as follows:

Type of Coverage	Coverage	Deductible
Blanket Property and Contents, Replacement	\$134,268,000	\$50,000
General Liability	\$15,000,000	\$50,000
Automobile Liability	\$15,000,000	\$50,000
Public Officials Liability	\$15,000,000	\$50,000
Police Professional Liability	\$15,000,000	\$50,000

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. The claims liability of \$667,963 reported at December 31, 2022 is based on the requirements of GASB Statement No. 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amount for the past two years are as follows:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2021	\$802,821	\$405,644	(\$552,577)	\$655,888
2022	655,888	667,963	(655,888)	667,963

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2022***

NOTE 19 – CONTINGENT LIABILITIES

A. Litigation

The City of Cleveland Heights is a party to legal proceedings seeking damages. The City management is of opinion that ultimate disposition of these claims and legal proceeding will not have a material effect, if any, on the financial condition of the City. The City entered into a partial consent decree with USEPA in connection with discharges from the City's overflow structures. The partial consent decree requires improvements in the maintenance and management of the City's sewer system between 2022 and 2037 that will cost approximately \$48 million. These improvements will be financed by sewer rates.

B. 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, 2022.

NOTE 20 – 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.

This Space Intentionally Left Blank

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2022**

NOTE 21 – SIGNIFICANT COMMITMENTS**A. Contractual Commitments**

As of December 31, 2022, the City had contractual commitments related to property, plant and equipment improvements and additions, as well as various other contracts and agreements to provide or receive services related to the operations of the City. The list below reflects the major contracts that comprise commitments at December 31, 2022:

Project	Contractual Commitment
Shannon Road Paving	\$72,468
ADA Curb Upgrades	396,691
Combined Sewer Overflow Separation	967,956
	<u>\$1,437,115</u>

B. Encumbrance Commitments

At December 31, 2022 the City had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$1,668,112
Local Fiscal Recovery Fund	138,381
Other Governmental Funds	1,650,266
Total Governmental Funds	<u>\$3,456,759</u>

NOTE 22 – RESTATEMENT OF NET POSITION/FUND BALANCE

Certain adjustments were made to beginning of year net position/fund balance due to the correction of errors in accounting for various economic development properties held by the City.

These corrections had the following effect on net position/fund balance as reported December 31, 2021:

	Governmental Activities	Total Governmental Funds	Other Governmental Funds
Net Position/Fund Balance December 31, 2021	\$65,185,660	\$54,249,867	\$20,059,398
Adjustments:			
Economic Development Properties	<u>3,611,000</u>	<u>7,965,900</u>	<u>7,965,900</u>
Restated Net Position/ Fund Balance December 31, 2021	<u>\$68,796,660</u>	<u>\$62,215,767</u>	<u>\$28,025,298</u>



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) - Ohio Public Employees Retirement System (OPERS)-Traditional Plan and Combined Plan
Last Nine Years***

Ohio Public Employees Retirement System - Traditional Plan

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	0.127743%	0.127743%	0.119499%	0.108916%
City's proportionate share of the net pension liability (asset)	\$15,059,235	\$15,407,233	\$20,698,733	\$24,732,971
City's covered payroll	\$13,602,627	\$15,189,233	\$14,666,438	\$14,087,875
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	110.71%	101.44%	141.13%	175.56%
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.36%	86.45%	81.08%	77.25%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Public Employees Retirement System - Combined Plan

Year	2014	2015	2016	2017
City's proportion of the net pension liability (asset)	NA	NA	NA	NA
City's proportionate share of the net pension liability (asset)	NA	NA	NA	NA
City's covered payroll	NA	NA	NA	NA
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	NA	NA	NA	NA
Plan fiduciary net position as a percentage of the total pension liability (asset)	NA	NA	NA	NA

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Notes: The City implemented GASB Statement 68 in 2015.

The City's participation in the Combined Plan was considered immaterial in years prior to 2018.

The schedule is intended to show ten years of information. Additional years

will be displayed as they become available. Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF CLEVELAND HEIGHTS, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.100820%	0.104932%	0.094837%	0.086001%	0.080456%
\$15,816,704	\$28,738,748	\$18,745,176	\$12,734,876	\$6,999,996
\$14,333,754	\$13,281,107	\$12,950,126	\$11,715,121	\$11,418,141
110.35%	216.39%	144.75%	108.70%	61.31%
84.66%	74.70%	82.17%	86.88%	92.62%
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.039065%	0.042526%	0.038017%	0.042618%	0.051408%
(\$53,180)	(\$47,554)	(\$79,275)	(\$123,023)	(\$202,551)
\$159,992	\$181,886	\$169,236	\$187,821	\$234,364
(33.24%)	(26.14%)	(46.84%)	(65.50%)	(86.43%)
137.28%	126.64%	145.28%	157.67%	169.88%

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of the City's Proportionate Share of the Net Pension Liability - Ohio Police and Fire Pension Fund
Last Nine Years***

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability (asset)	0.547127%	0.547127%	0.638196%
City's proportionate share of the net pension liability (asset)	\$26,646,816	\$28,343,475	\$41,055,597
City's covered payroll	\$11,100,872	\$10,740,721	\$11,915,147
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	240.04%	263.89%	344.57%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	71.71%	66.77%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF CLEVELAND HEIGHTS, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.562980%	0.602776%	0.521387%	0.535183%	0.532819%	0.538404%
\$35,658,588	\$36,995,085	\$42,558,956	\$36,052,800	\$36,322,770	\$33,636,349
\$11,929,672	\$11,438,528	\$12,824,566	\$12,420,140	\$14,768,334	\$13,628,905
298.91%	323.43%	331.85%	290.28%	245.95%	246.80%
68.36%	70.91%	63.07%	69.89%	70.65%	75.03%

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of City Pension Contributions - Ohio Public Employees Retirement System (OPERS)-Traditional Plan and Combined Plan
Last Ten Years***

Ohio Public Employees Retirement System - Traditional Plan

Year	2013	2014	2015	2016
Contractually required contribution	\$1,840,602	\$1,892,517	\$1,826,707	\$1,690,545
Contributions in relation to the contractually required contribution	<u>1,840,602</u>	<u>1,892,517</u>	<u>1,826,707</u>	<u>1,690,545</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$13,602,627	\$15,189,233	\$14,666,438	\$14,087,875
Contributions as a percentage of covered payroll	13.53%	12.46%	12.46%	12.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Public Employees Retirement System - Combined Plan

Year	2013	2014	2015	2016
Contractually required contribution	NA	NA	NA	NA
Contributions in relation to the contractually required contribution	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
Contribution deficiency (excess)	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
City's covered payroll	NA	NA	NA	NA
Contributions as a percentage of covered payroll	NA	NA	NA	NA

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Notes: The City implemented GASB Statement 68 in 2015.

The City's participation in the Combined Plan was considered immaterial in years prior to 2018.

See notes to the required supplementary information

CITY OF CLEVELAND HEIGHTS, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$1,863,388	\$1,859,355	\$1,876,476	\$1,704,740	\$1,640,117	\$1,574,149
<u>1,863,388</u>	<u>1,859,355</u>	<u>1,876,476</u>	<u>1,704,740</u>	<u>1,640,117</u>	<u>1,574,149</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,333,754	\$13,281,107	\$12,950,120	\$11,715,595	\$11,418,141	\$11,243,921
13.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$20,799	\$25,464	\$23,693	\$26,295	\$32,811	\$28,479
<u>20,799</u>	<u>25,464</u>	<u>23,693</u>	<u>26,295</u>	<u>32,811</u>	<u>28,479</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$159,992	\$181,886	\$169,236	\$187,821	\$234,364	\$203,421
13.00%	14.00%	14.00%	14.00%	14.00%	14.00%

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of City Pension Contributions - Ohio Police and Fire Pension Fund
Last Ten Years***

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$2,022,363	\$2,289,692	\$2,542,641	\$2,547,007
Contributions in relation to the contractually required contribution	<u>2,022,363</u>	<u>2,289,692</u>	<u>2,542,641</u>	<u>2,547,007</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$11,100,872	\$10,740,721	\$11,915,147	\$11,929,672
Contributions as a percentage of covered payroll	18.22%	21.32%	21.34%	21.35%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

See notes to the required supplementary information

CITY OF CLEVELAND HEIGHTS, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$2,505,231	\$2,699,820	\$2,657,819	\$3,149,254	\$2,910,940	\$3,174,490
<u>2,505,231</u>	<u>2,699,820</u>	<u>2,657,819</u>	<u>3,149,254</u>	<u>2,910,940</u>	<u>3,174,490</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,438,528	\$12,824,566	\$12,420,140	\$14,768,334	\$13,628,905	\$14,927,049
21.90%	21.05%	21.40%	21.32%	21.36%	21.27%

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) - Ohio Public Employees Retirement System (OPERS) and Ohio Police and Fire Pension Fund
Last Six Years***

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.104370%	0.096660%	0.101016%
City's proportionate share of the net OPEB liability (asset)	\$10,541,725	\$10,496,564	\$13,170,101
City's covered payroll	\$14,087,875	\$14,666,179	\$13,646,743
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	74.83%	71.57%	96.51%
Plan fiduciary net position as a percentage of the total OPEB liability	54.04%	54.14%	46.33%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.562980%	0.602776%	0.521387%
City's proportionate share of the net OPEB liability (asset)	\$26,723,395	\$34,152,444	\$4,748,028
City's covered payroll	\$11,929,672	\$11,438,528	\$12,824,566
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	224.01%	298.57%	37.02%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

See notes to the required supplementary information

CITY OF CLEVELAND HEIGHTS, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>
0.090804%	0.082512%	0.077384%
\$12,542,391	(\$1,470,017)	(\$2,423,785)
\$13,265,937	\$12,020,141	\$11,769,530
94.55%	(12.23%)	(20.59%)
47.80%	115.57%	128.23%

<u>2020</u>	<u>2021</u>	<u>2022</u>
0.535183%	0.532819%	0.538404%
\$5,286,394	\$5,645,307	\$5,901,366
\$12,420,140	\$14,768,334	\$13,628,905
42.56%	38.23%	43.30%
47.08%	45.42%	46.86%

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of City's Net Other Postemployment Benefits (OPEB) Contributions - Ohio Public Employees Retirement System (OPERS) and Ohio Police and Fire Pension Fund
Last Ten Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015	2016
Contractually required contribution	NA	NA	NA	\$281,758
Contributions in relation to the contractually required contribution	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>281,758</u>
Contribution deficiency (excess)	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>\$0</u>
City's covered payroll	NA	NA	NA	\$14,087,875
Contributions as a percentage of covered payroll	NA	NA	NA	2.00%

Source: Finance Director's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015	2016
Contractually required contribution	\$401,482	\$53,704	\$59,576	\$59,648
Contributions in relation to the contractually required contribution	<u>401,482</u>	<u>53,704</u>	<u>59,576</u>	<u>59,648</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$11,100,872	\$10,740,721	\$11,915,147	\$11,929,672
Contributions as a percentage of covered payroll	3.62%	0.50%	0.50%	0.50%

Source: Finance Director's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care; therefore, information prior to 2016 is not presented.

See notes to the required supplementary information

CITY OF CLEVELAND HEIGHTS, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$151,835	\$7,350	\$5,863	\$4,669	\$4,681	\$0
<u>151,835</u>	<u>7,350</u>	<u>5,863</u>	<u>4,669</u>	<u>4,681</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,668,179	\$13,646,743	\$13,265,937	\$12,020,141	\$11,769,530	\$11,447,343
1.04%	0.05%	0.04%	0.04%	0.04%	0.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$57,193	\$64,123	\$62,100	\$73,842	\$68,144	\$74,635
<u>57,193</u>	<u>64,123</u>	<u>62,100</u>	<u>73,842</u>	<u>68,144</u>	<u>74,635</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,438,528	\$12,824,566	\$12,420,140	\$14,768,334	\$13,628,905	\$14,927,049
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2022 for both the traditional and combined plans.

Changes in assumptions (Traditional Plan):

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

Changes in assumptions (Combined Plan): For 2020-2022, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2022.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

This Space Intentionally Left Blank

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

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

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2022***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020 - 2022: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.96% to 2.84%.



*C*OMBINING AND *I*NDIVIDUAL *F*UND
*S*TATEMENTS AND *S*CHEDULES

*T*HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES
INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to trusts or major capital projects) that are legally restricted or committed to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund

To account for and report the portion of the State gasoline tax and motor vehicle registration fees restricted for the maintenance and repair of dedicated streets within the City.

Foundation Grants Fund

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

Public Building Maintenance Fund

This fund is used to account for and report committed rental income for placement of communication towers.

Law Enforcement Trust Fund

To account for and report fines from seizures from criminals by law enforcement officials restricted for expenditures that would enhance the police department.

Drug Law Enforcement Fund

To account for and report fines obtained from confiscated property from criminal offenses restricted for drug law enforcement purposes.

Community Development Block Grant Fund

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

Community Development Block Grant Fund-COVID Relief Grant Fund

To account for and report restricted Federal grant monies for expenditures related to COVID relief through the Community Development Block Grant Program.

Home Program Fund

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

(Continued)

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Federal Emergency Management Agency (FEMA) Grant Fund

To account for and report Federal and State monies restricted for natural disaster preparation and restoration.

Cain Park Operating Fund

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

Public Right of Way Fund

This fund is used 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

This fund is used to account for and report fees charged in all civil and/or criminal traffic convictions restricted for court computer-related expenditures.

DUI Enforcement and Education Fund

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

Municipal Court Special Projects Fund

This fund is used to account for and report costs charged in all civil and/or criminal traffic convictions restricted for court identified projects.

Lead Safe Cuyahoga Fund

To account for and report grants restricted for costs related to testing paint for lead content and remediation of the identified areas.

Neighborhood Stabilization Program Fund

This fund is used to account for and report grants restricted to address the City's foreclosed homes crisis and stabilize neighborhoods.

(Continued)

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

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

This fund is used to account for and report restricted property taxes for the payment of current employer contributions for police disability and pension benefits.

Fire Pension Fund

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

First Suburbs Development Council Fund

This fund is used to account for and report grants restricted to the expenditures of the First Suburbs Development Council.

Coronavirus Relief Fund

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

Miscellaneous Grants Fund

This fund is used to account for and report restricted monies received from the federal and state government.

One Ohio Opioid Settlement Fund

To account for monies obtained and distributed by the State of Ohio for opioid settlements from drug manufacturers and distributors. It is designated for resources to assist with community drug recovery, prevention and treatment.

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.

(Continued)

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Office on Aging Donations Fund

This fund is used 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

This fund is used 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

This fund is used to account for and report private donations restricted for programs that divert youth from involvement in the juvenile justice system.

Fire Damage Deposits Fund

To account for and report restricted insurance deposits held until a home is deemed safe and the deposits returned to the homeowner.

Earned Benefits Fund

This fund is used to account for and report the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of City employment. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

Debt Service Fund

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for payment.

General Bond Retirement Fund

This fund is used to account for and report financial resources that are restricted, committed or assigned to the payment of debt principal and interest.

Nonmajor Governmental Funds

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

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.

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, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 12,885,684	\$ 371,737	\$ 3,854,466	\$ 17,111,887
Receivables:				
Accounts	3,411,153	0	0	3,411,153
Intergovernmental	1,222,225	86,404	40,322	1,348,951
Interest	344,969	0	0	344,969
Property Taxes	585,564	1,463,918	683,161	2,732,643
Special Assessments	3,237,579	1,140,000	0	4,377,579
Leases	0	0	114,173	114,173
Loans	3,200,327	0	0	3,200,327
Assets Held for Resale	876,326	0	130,575	1,006,901
Inventory of Supplies, at Cost	59,100	0	0	59,100
Economic Development Properties	0	0	7,964,400	7,964,400
Restricted Assets:				
Cash and Cash Equivalents	307,426	0	0	307,426
Cash and Cash Equivalents with Fiscal Agent	1,200,000	0	0	1,200,000
Total Assets	\$ 27,330,353	\$ 3,062,059	\$ 12,787,097	\$ 43,179,509
Liabilities:				
Accounts Payable	\$ 475,990	\$ 0	\$ 209,609	\$ 685,599
Accrued Wages and Benefits Payable	25,943	0	0	25,943
Intergovernmental Payable	551,314	0	600	551,914
Interfund Payable	802,897	0	0	802,897
Unearned Revenue	48	0	0	48
Total Liabilities	1,856,192	0	210,209	2,066,401
Deferred Inflows of Resources:				
Unavailable Amounts	7,608,883	1,506,721	171,137	9,286,741
Property Tax Levy for Next Fiscal Year	473,438	1,183,601	552,346	2,209,385
Leases	0	0	114,173	114,173
Total Deferred Inflows of Resources	8,082,321	2,690,322	837,656	11,610,299
Fund Balances:				
Nonspendable	59,100	0	0	59,100
Restricted	14,490,264	371,737	710,498	15,572,499
Committed	2,500,693	0	58,084	2,558,777
Assigned	356,247	0	10,970,650	11,326,897
Unassigned	(14,464)	0	0	(14,464)
Total Fund Balances	17,391,840	371,737	11,739,232	29,502,809
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 27,330,353	\$ 3,062,059	\$ 12,787,097	\$ 43,179,509

CITY OF CLEVELAND HEIGHTS, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ 497,486	\$ 1,243,626	\$ 580,366	\$ 2,321,478
Charges for Services	2,479,158	0	0	2,479,158
Licenses, Permits and Fees	660	0	985	1,645
Fines and Forfeitures	481,435	0	0	481,435
Intergovernmental Revenues	4,558,581	172,807	80,644	4,812,032
Special Assessments	2,084,051	123,119	0	2,207,170
Investment Earnings	6,786	0	4,141	10,927
Lease Revenue	0	0	23,942	23,942
Contributions and Donations	24,768	0	0	24,768
All Other Revenues	161,501	0	13,494	174,995
Total Revenues	10,294,426	1,539,552	703,572	12,537,550
Expenditures:				
Current:				
General Government	900,565	1,219	10,304	912,088
Public Safety	5,542,810	0	20,299	5,563,109
Public Health Services	27,851	0	0	27,851
Transportation	1,805,336	0	0	1,805,336
Community Development	2,390,321	0	221,620	2,611,941
Culture and Recreation	1,285,984	0	251,665	1,537,649
Capital Outlay	0	0	1,610,915	1,610,915
Debt Service:				
Principal Retirement	461,394	2,617,487	43,602	3,122,483
Interest and Fiscal Charges	50,199	446,633	806	497,638
Total Expenditures	12,464,460	3,065,339	2,159,211	17,689,010
Excess (Deficiency) of Revenues Over Expenditures	(2,170,034)	(1,525,787)	(1,455,639)	(5,151,460)
Other Financing Sources (Uses):				
Sale of Capital Assets	31,350	0	0	31,350
General Obligation Bonds Issued	0	1,344,000	0	1,344,000
Refunding Bonds Issued	0	3,067,000	0	3,067,000
Payment to Refunded Debt Escrow	0	(3,024,932)	0	(3,024,932)
Transfers In	3,800,966	167,455	1,475,000	5,443,421
Transfers Out	(140,419)	(91,449)	0	(231,868)
Total Other Financing Sources (Uses)	3,691,897	1,462,074	1,475,000	6,628,971
Net Change in Fund Balances	1,521,863	(63,713)	19,361	1,477,511
Fund Balances at Beginning of Year - Restated	15,869,977	435,450	11,719,871	28,025,298
Fund Balances End of Year	\$ 17,391,840	\$ 371,737	\$ 11,739,232	\$ 29,502,809

CITY OF CLEVELAND HEIGHTS, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022**

	Street Construction, Maintenance and Repair	Foundation Grants	Public Building Maintenance	Law Enforcement Trust
Assets:				
Pooled Cash and Investments	\$ 2,542,262	\$ 93,816	\$ 423	\$ 171,185
Receivables:				
Accounts	0	0	0	0
Intergovernmental	1,064,308	0	0	0
Interest	0	0	0	0
Property Taxes	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Assets Held for Resale	0	116,930	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 3,606,570	\$ 210,746	\$ 423	\$ 171,185
Liabilities:				
Accounts Payable	\$ 31,513	\$ 0	\$ 0	\$ 493
Accrued Wages and Benefits Payable	2,136	0	0	0
Intergovernmental Payable	1,233	0	0	0
Interfund Payable	125,578	4,000	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	160,460	4,000	0	493
Deferred Inflows of Resources:				
Unavailable Amounts	709,539	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	709,539	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	2,736,571	206,746	0	170,692
Committed	0	0	423	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	2,736,571	206,746	423	170,692
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,606,570	\$ 210,746	\$ 423	\$ 171,185

CITY OF CLEVELAND HEIGHTS, OHIO

Drug Law Enforcement	Community Development Block Grant	Community Development Block Grant - Covid Relief Grant	Home Program	FEMA Grant	Cain Park Operating
\$ 225,352	\$ 1,041,419	\$ 7,230	\$ 177,486	\$ 159,526	\$ 2,269
42,501	0	0	0	0	0
0	25,286	313	0	0	0
0	0	0	344,969	0	0
0	0	0	0	0	0
0	528,122	0	0	0	0
0	830,483	0	2,369,844	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$ 267,853	\$ 2,425,310	\$ 7,543	\$ 2,892,299	\$ 159,526	\$ 2,269
\$ 2,506	\$ 24,300	\$ 0	\$ 500	\$ 0	\$ 858
371	9,720	0	0	0	0
0	6,607	0	0	0	0
0	203,542	0	131,064	0	0
0	0	0	0	0	0
2,877	244,169	0	131,564	0	858
0	528,122	0	344,969	0	0
0	0	0	0	0	0
0	528,122	0	344,969	0	0
0	0	0	0	0	0
264,976	1,653,019	7,543	2,415,766	159,526	0
0	0	0	0	0	1,411
0	0	0	0	0	0
0	0	0	0	0	0
264,976	1,653,019	7,543	2,415,766	159,526	1,411
\$ 267,853	\$ 2,425,310	\$ 7,543	\$ 2,892,299	\$ 159,526	\$ 2,269

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022**

	Public Right of Way	Indigent Driver's Alcohol Treatment	Municipal Court Clerk Computerization	DUI Enforcement and Education
Assets:				
Pooled Cash and Investments	\$ 165,532	\$ 300,504	\$ 147,676	\$ 129,090
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Property Taxes	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Assets Held for Resale	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 165,532	\$ 300,504	\$ 147,676	\$ 129,090
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	16,325	0
Unearned Revenue	0	0	0	0
Total Liabilities	0	0	16,325	0
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	165,532	300,504	131,351	129,090
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	165,532	300,504	131,351	129,090
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 165,532	\$ 300,504	\$ 147,676	\$ 129,090

CITY OF CLEVELAND HEIGHTS, OHIO

Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting	Tree	Police Pension
\$ 2,214,694	\$ 45	\$ 123,584	\$ 1,555,987	\$ 1,245,583	\$ 260,112
0	0	0	0	0	0
0	95,935	0	0	0	17,282
0	0	0	0	0	0
0	0	0	0	0	292,782
0	0	0	1,582,315	1,127,142	0
0	0	0	0	0	0
0	0	759,396	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 2,214,694</u>	<u>\$ 95,980</u>	<u>\$ 882,980</u>	<u>\$ 3,138,302</u>	<u>\$ 2,372,725</u>	<u>\$ 570,176</u>
\$ 691	\$ 0	\$ 0	\$ 72,921	\$ 1,648	\$ 0
0	0	0	0	5,298	0
35	0	0	0	3,740	132,802
0	110,444	0	0	0	23,010
0	0	0	0	0	0
<u>726</u>	<u>110,444</u>	<u>0</u>	<u>72,921</u>	<u>10,686</u>	<u>155,812</u>
0	0	0	1,582,315	1,127,142	73,345
0	0	0	0	0	236,719
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,582,315</u>	<u>1,127,142</u>	<u>310,064</u>
0	0	0	0	0	0
2,213,968	0	882,980	1,483,066	1,234,897	104,300
0	0	0	0	0	0
0	0	0	0	0	0
0	(14,464)	0	0	0	0
<u>2,213,968</u>	<u>(14,464)</u>	<u>882,980</u>	<u>1,483,066</u>	<u>1,234,897</u>	<u>104,300</u>
<u>\$ 2,214,694</u>	<u>\$ 95,980</u>	<u>\$ 882,980</u>	<u>\$ 3,138,302</u>	<u>\$ 2,372,725</u>	<u>\$ 570,176</u>

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022**

	Fire Pension	First Suburbs Development Council	Coronavirus Relief	Miscellaneous Grants
Assets:				
Pooled Cash and Investments	\$ 400,676	\$ 60,254	\$ 48	\$ 829
Receivables:				
Accounts	0	0	0	0
Intergovernmental	17,282	0	0	1,819
Interest	0	0	0	0
Property Taxes	292,782	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Assets Held for Resale	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 710,740	\$ 60,254	\$ 48	\$ 2,648
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	172,629	0	0	0
Interfund Payable	188,934	0	0	0
Unearned Revenue	0	0	48	0
Total Liabilities	361,563	0	48	0
Deferred Inflows of Resources:				
Unavailable Amounts	73,345	0	0	0
Property Tax Levy for Next Fiscal Year	236,719	0	0	0
Total Deferred Inflows of Resources	310,064	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	39,113	60,254	0	2,648
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	39,113	60,254	0	2,648
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 710,740	\$ 60,254	\$ 48	\$ 2,648

CITY OF CLEVELAND HEIGHTS, OHIO

One Ohio Opioid Settlement	Parking	Ambulance Services	Office on Aging Donation	Youth Recreation Donation	Police Memorial Trust
\$ 7,445	\$ 597,965	\$ 1,134,398	\$ 23,019	\$ 74,704	\$ 11,808
0	127	3,368,525	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	59,100	0	0	0	0
0	0	0	0	0	0
0	0	1,200,000	0	0	0
<u>\$ 7,445</u>	<u>\$ 657,192</u>	<u>\$ 5,702,923</u>	<u>\$ 23,019</u>	<u>\$ 74,704</u>	<u>\$ 11,808</u>
\$ 0	\$ 7,577	\$ 25,540	\$ 17	\$ 0	\$ 0
0	0	8,418	0	0	0
0	234,268	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>241,845</u>	<u>33,958</u>	<u>17</u>	<u>0</u>	<u>0</u>
0	0	3,170,106	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>3,170,106</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	59,100	0	0	0	0
7,445	0	0	23,002	74,704	11,808
0	0	2,498,859	0	0	0
0	356,247	0	0	0	0
0	0	0	0	0	0
<u>7,445</u>	<u>415,347</u>	<u>2,498,859</u>	<u>23,002</u>	<u>74,704</u>	<u>11,808</u>
<u>\$ 7,445</u>	<u>\$ 657,192</u>	<u>\$ 5,702,923</u>	<u>\$ 23,019</u>	<u>\$ 74,704</u>	<u>\$ 11,808</u>

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022**

	Youth Advisory Commission	Juvenile Diversion Program	Fire Damage Deposits	Total Nonmajor Special Revenue Funds
Assets:				
Pooled Cash and Investments	\$ 71	\$ 10,692	\$ 0	\$ 12,885,684
Receivables:				
Accounts	0	0	0	3,411,153
Intergovernmental	0	0	0	1,222,225
Interest	0	0	0	344,969
Property Taxes	0	0	0	585,564
Special Assessments	0	0	0	3,237,579
Loans	0	0	0	3,200,327
Assets Held for Resale	0	0	0	876,326
Inventory of Supplies, at Cost	0	0	0	59,100
Restricted Assets:				
Cash and Cash Equivalents	0	0	307,426	307,426
Cash and Cash Equivalents with Fiscal Agent	0	0	0	1,200,000
Total Assets	\$ 71	\$ 10,692	\$ 307,426	\$ 27,330,353
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 307,426	\$ 475,990
Accrued Wages and Benefits Payable	0	0	0	25,943
Intergovernmental Payable	0	0	0	551,314
Interfund Payable	0	0	0	802,897
Unearned Revenue	0	0	0	48
Total Liabilities	0	0	307,426	1,856,192
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	7,608,883
Property Tax Levy for Next Fiscal Year	0	0	0	473,438
Total Deferred Inflows of Resources	0	0	0	8,082,321
Fund Balances:				
Nonspendable	0	0	0	59,100
Restricted	71	10,692	0	14,490,264
Committed	0	0	0	2,500,693
Assigned	0	0	0	356,247
Unassigned	0	0	0	(14,464)
Total Fund Balances	71	10,692	0	17,391,840
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 71	\$ 10,692	\$ 307,426	\$ 27,330,353

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, 2022

	Street Construction, Maintenance and Repair	Foundation Grants	Public Building Maintenance	Law Enforcement Trust
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Fines and Forfeitures	0	0	0	54,719
Intergovernmental Revenues	2,165,169	174,865	0	1,988
Special Assessments	0	0	0	0
Investment Earnings	61	0	0	0
Contributions and Donations	0	0	0	0
All Other Revenues	0	0	0	0
Total Revenues	2,165,230	174,865	0	56,707
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	38,870
Public Health Services	0	0	0	0
Transportation	1,805,336	0	0	0
Community Development	0	55,813	0	0
Culture and Recreation	0	0	0	0
Debt Service:				
Principal Retirement	216,703	0	0	0
Interest and Fiscal Charges	1,334	0	0	0
Total Expenditures	2,023,373	55,813	0	38,870
Excess (Deficiency) of Revenues Over Expenditures	141,857	119,052	0	17,837
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(22,964)	0	0	0
Total Other Financing Sources (Uses)	(22,964)	0	0	0
Net Change in Fund Balances	118,893	119,052	0	17,837
Fund Balances at Beginning of Year	2,617,678	87,694	423	152,855
Fund Balances End of Year	\$ 2,736,571	\$ 206,746	\$ 423	\$ 170,692

(Continued)

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, 2022**

	Drug Law Enforcement	Community Development Block Grant	Community Development Block Grant - Covid Relief Grant	Home Program
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Fines and Forfeitures	247,945	38,578	0	0
Intergovernmental Revenues	0	1,474,383	83,117	3,065
Special Assessments	0	0	0	0
Investment Earnings	0	0	0	0
Contributions and Donations	0	0	0	0
All Other Revenues	0	18,040	0	6,397
Total Revenues	247,945	1,531,001	83,117	9,462
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	179,716	0	0	0
Public Health Services	0	0	0	0
Transportation	0	0	0	0
Community Development	0	1,365,903	48,269	35
Culture and Recreation	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	179,716	1,365,903	48,269	35
Excess (Deficiency) of Revenues Over Expenditures	68,229	165,098	34,848	9,427
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	51,000	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	51,000	0
Net Change in Fund Balances	68,229	165,098	85,848	9,427
Fund Balances at Beginning of Year	196,747	1,487,921	(78,305)	2,406,339
Fund Balances End of Year	\$ 264,976	\$ 1,653,019	\$ 7,543	\$ 2,415,766

CITY OF CLEVELAND HEIGHTS, OHIO

FEMA Grant	Cain Park Operating	Public Right of Way	Indigent Driver's Alcohol Treatment	Municipal Court Clerk Computerization	DUI Enforcement and Education
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	939,920	0	0	0	0
0	0	600	0	0	0
0	0	0	12,546	46,567	3,331
77,388	18,042	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	3,500	0	0	0	0
0	4,684	0	0	0	0
77,388	966,146	600	12,546	46,567	3,331
0	0	0	1,912	0	0
77,409	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	1,066,505	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
77,409	1,066,505	0	1,912	0	0
(21)	(100,359)	600	10,634	46,567	3,331
0	0	0	0	0	0
0	100,000	0	0	0	0
0	0	0	0	0	0
0	100,000	0	0	0	0
(21)	(359)	600	10,634	46,567	3,331
159,547	1,770	164,932	289,870	84,784	125,759
\$ 159,526	\$ 1,411	\$ 165,532	\$ 300,504	\$ 131,351	\$ 129,090

(Continued)

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, 2022

	Municipal Court Special Projects	Lead Safe Cuyahoga	Neighborhood Stabilization Program	Street Lighting
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Fines and Forfeitures	77,749	0	0	0
Intergovernmental Revenues	0	310,697	0	0
Special Assessments	0	0	0	984,199
Investment Earnings	0	0	0	0
Contributions and Donations	0	0	0	0
All Other Revenues	0	0	0	0
Total Revenues	77,749	310,697	0	984,199
Expenditures:				
Current:				
General Government	48,311	0	0	0
Public Safety	0	0	0	929,318
Public Health Services	0	0	0	0
Transportation	0	0	0	0
Community Development	0	214,685	0	0
Culture and Recreation	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	48,311	214,685	0	929,318
Excess (Deficiency) of Revenues Over Expenditures	29,438	96,012	0	54,881
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	31,000	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	31,000	0	0
Net Change in Fund Balances	29,438	127,012	0	54,881
Fund Balances at Beginning of Year	2,184,530	(141,476)	882,980	1,428,185
Fund Balances End of Year	\$ 2,213,968	\$ (14,464)	\$ 882,980	\$ 1,483,066

CITY OF CLEVELAND HEIGHTS, OHIO

Tree	Police Pension	Fire Pension	First Suburbs Development Council	Coronavirus Relief	Miscellaneous Grants
\$ 0	\$ 248,743	\$ 248,743	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
60	0	0	0	0	0
0	0	0	0	0	0
28,520	34,563	34,563	0	24,345	100,643
1,099,852	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
7,363	0	0	0	0	0
1,135,795	283,306	283,306	0	24,345	100,643
0	0	0	0	0	1,598
0	1,436,045	1,801,154	0	0	95,126
0	0	0	0	24,345	0
0	0	0	0	0	0
705,616	0	0	0	0	0
0	0	0	0	0	219,479
0	0	0	0	0	0
0	0	0	0	0	0
705,616	1,436,045	1,801,154	0	24,345	316,203
430,179	(1,152,739)	(1,517,848)	0	0	(215,560)
31,350	0	0	0	0	0
0	1,200,000	1,600,000	0	0	18,966
(17,455)	0	0	0	0	0
13,895	1,200,000	1,600,000	0	0	18,966
444,074	47,261	82,152	0	0	(196,594)
790,823	57,039	(43,039)	60,254	0	199,242
\$ 1,234,897	\$ 104,300	\$ 39,113	\$ 60,254	\$ 0	\$ 2,648

(Continued)

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, 2022

	One Ohio Opioid Settlement	Parking	Ambulance Services	Office on Aging Donations
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	0	429,682	1,109,556	0
Licenses, Permits and Fees	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental Revenues	7,445	0	19,788	0
Special Assessments	0	0	0	0
Investment Earnings	0	15	6,710	0
Contributions and Donations	0	0	0	5,628
All Other Revenues	0	12,000	0	0
Total Revenues	7,445	441,697	1,136,054	5,628
Expenditures:				
Current:				
General Government	0	847,743	0	0
Public Safety	0	0	872,085	0
Public Health Services	0	0	0	3,506
Transportation	0	0	0	0
Community Development	0	0	0	0
Culture and Recreation	0	0	0	0
Debt Service:				
Principal Retirement	0	0	244,691	0
Interest and Fiscal Charges	0	0	48,865	0
Total Expenditures	0	847,743	1,165,641	3,506
Excess (Deficiency) of Revenues Over Expenditures	7,445	(406,046)	(29,587)	2,122
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Transfers In	0	800,000	0	0
Transfers Out	0	0	(100,000)	0
Total Other Financing Sources (Uses)	0	800,000	(100,000)	0
Net Change in Fund Balances	7,445	393,954	(129,587)	2,122
Fund Balances at Beginning of Year	0	21,393	2,628,446	20,880
Fund Balances End of Year	\$ 7,445	\$ 415,347	\$ 2,498,859	\$ 23,002

CITY OF CLEVELAND HEIGHTS, OHIO

Youth Recreation Donation	Police Memorial Trust	Youth Advisory Commission	Juvenile Diversion Program	Fire Damage Deposits	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 497,486
0	0	0	0	0	2,479,158
0	0	0	0	0	660
0	0	0	0	0	481,435
0	0	0	0	0	4,558,581
0	0	0	0	0	2,084,051
0	0	0	0	0	6,786
15,640	0	0	0	0	24,768
0	0	0	0	113,017	161,501
15,640	0	0	0	113,017	10,294,426
1,001	0	0	0	0	900,565
0	0	0	70	113,017	5,542,810
0	0	0	0	0	27,851
0	0	0	0	0	1,805,336
0	0	0	0	0	2,390,321
0	0	0	0	0	1,285,984
0	0	0	0	0	461,394
0	0	0	0	0	50,199
1,001	0	0	70	113,017	12,464,460
14,639	0	0	(70)	0	(2,170,034)
0	0	0	0	0	31,350
0	0	0	0	0	3,800,966
0	0	0	0	0	(140,419)
0	0	0	0	0	3,691,897
14,639	0	0	(70)	0	1,521,863
60,065	11,808	71	10,762	0	15,869,977
\$ 74,704	\$ 11,808	\$ 71	\$ 10,692	\$ 0	\$ 17,391,840

CITY OF CLEVELAND HEIGHTS, OHIO**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2022**

	Police Facility Improvement	Recreation Facility Improvement	Capital Improvement	Economic Development
Assets:				
Pooled Cash and Investments	\$ 33,039	\$ 1,270,797	\$ 1,933,695	\$ 452,458
Receivables:				
Intergovernmental	0	40,322	0	0
Property Taxes	0	683,161	0	0
Leases	0	0	0	0
Assets Held for Resale	0	0	0	130,575
Economic Development Properties	0	0	0	7,964,400
Total Assets	\$ 33,039	\$ 1,994,280	\$ 1,933,695	\$ 8,547,433
Liabilities:				
Accounts Payable	\$ 9,400	\$ 60,299	\$ 122,203	\$ 17,707
Intergovernmental Payable	600	0	0	0
Total Liabilities	10,000	60,299	122,203	17,707
Deferred Inflows of Resources:				
Unavailable Amounts	0	171,137	0	0
Property Tax Levy for Next Fiscal Year	0	552,346	0	0
Leases	0	0	0	0
Total Deferred Inflows of Resources	0	723,483	0	0
Fund Balances:				
Restricted	0	710,498	0	0
Committed	23,039	0	0	0
Assigned	0	500,000	1,811,492	8,529,726
Total Fund Balances	23,039	1,210,498	1,811,492	8,529,726
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 33,039	\$ 1,994,280	\$ 1,933,695	\$ 8,547,433

CITY OF CLEVELAND HEIGHTS, OHIO

City Hall Maintenance	Ring Road Construction	Total Nonmajor Capital Projects Funds
\$ 129,432	\$ 35,045	\$ 3,854,466
0	0	40,322
0	0	683,161
114,173	0	114,173
0	0	130,575
0	0	7,964,400
<u>\$ 243,605</u>	<u>\$ 35,045</u>	<u>\$ 12,787,097</u>
\$ 0	\$ 0	\$ 209,609
<u>0</u>	<u>0</u>	<u>600</u>
<u>0</u>	<u>0</u>	<u>210,209</u>
0	0	171,137
0	0	552,346
114,173	0	114,173
<u>114,173</u>	<u>0</u>	<u>837,656</u>
0	0	710,498
0	35,045	58,084
129,432	0	10,970,650
<u>129,432</u>	<u>35,045</u>	<u>11,739,232</u>
<u>\$ 243,605</u>	<u>\$ 35,045</u>	<u>\$ 12,787,097</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, 2022

	Police Facility Improvement	Recreation Facility Improvement	Capital Improvement	Economic Development
Revenues:				
Property Taxes	\$ 0	\$ 580,366	\$ 0	\$ 0
Licenses, Permits and Fees	985	0	0	0
Intergovernmental Revenues	0	80,644	0	0
Investment Earnings	0	0	0	0
Lease Revenue	0	0	0	0
All Other Revenues	0	0	13,016	478
Total Revenues	985	661,010	13,016	478
Expenditures:				
Current:				
General Government	0	0	0	0
Public Safety	20,299	0	0	0
Community Development	0	0	0	221,620
Culture and Recreation	0	251,665	0	0
Capital Outlay	0	120,076	459,236	1,031,603
Debt Service:				
Principal Retirement	0	43,602	0	0
Interest and Fiscal Charges	0	806	0	0
Total Expenditures	20,299	416,149	459,236	1,253,223
Excess (Deficiency) of Revenues Over Expenditures	(19,314)	244,861	(446,220)	(1,252,745)
Other Financing Sources (Uses):				
Transfers In	35,000	500,000	500,000	440,000
Total Other Financing Sources (Uses)	35,000	500,000	500,000	440,000
Net Change in Fund Balances	15,686	744,861	53,780	(812,745)
Fund Balances at Beginning of Year - Restated	7,353	465,637	1,757,712	9,342,471
Fund Balances End of Year	\$ 23,039	\$ 1,210,498	\$ 1,811,492	\$ 8,529,726

CITY OF CLEVELAND HEIGHTS, OHIO

City Hall Maintenance	Ring Road Construction	Total Nonmajor Capital Project Funds
\$ 0	\$ 0	\$ 580,366
0	0	985
0	0	80,644
4,141	0	4,141
23,942	0	23,942
0	0	13,494
<u>28,083</u>	<u>0</u>	<u>703,572</u>
10,304	0	10,304
0	0	20,299
0	0	221,620
0	0	251,665
0	0	1,610,915
0	0	43,602
0	0	806
<u>10,304</u>	<u>0</u>	<u>2,159,211</u>
17,779	0	(1,455,639)
0	0	1,475,000
<u>0</u>	<u>0</u>	<u>1,475,000</u>
17,779	0	19,361
111,653	35,045	11,719,871
<u>\$ 129,432</u>	<u>\$ 35,045</u>	<u>\$ 11,739,232</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 8,367,265	\$ 7,915,265	\$ 8,465,611	\$ 550,346
Municipal Income Taxes	29,322,560	29,275,855	34,107,381	4,831,526
Charges for Services	7,841,089	7,825,250	7,887,851	62,601
Licenses, Permits and Fees	2,141,086	2,141,086	2,241,867	100,781
Fines and Forfeitures	1,630,000	1,630,000	1,369,193	(260,807)
Intergovernmental Revenues	4,099,006	2,785,383	3,584,019	798,636
Investment Earnings	229,868	229,868	1,124,074	894,206
Franchise Taxes	505,540	490,000	463,163	(26,837)
All Other Revenues	1,102,937	646,937	1,025,169	378,232
Total Revenues	<u>55,239,351</u>	<u>52,939,644</u>	<u>60,268,328</u>	<u>7,328,684</u>
Expenditures:				
General Government:				
City Council:				
Personal Services	77,883	122,513	96,268	26,245
Other than Personal Services	5,644	41,802	23,714	18,088
Capital Outlay	0	6,000	6,000	0
Mayor:				
Personal Services	686,068	647,729	527,539	120,190
Other than Personal Services	13,729	35,854	30,579	5,275
Management Information Systems:				
Personal Services	289,756	289,756	275,560	14,196
Other than Personal Services	228,512	228,512	155,092	73,420
Capital Outlay	1,400	1,400	653	747
Civil Service Commission:				
Personal Services	2,280	2,280	387	1,893
Other than Personal Services	32,410	32,410	15,680	16,730
Finance Department:				
Personal Services	512,505	443,511	385,694	57,817
Other than Personal Services	120,847	153,027	140,445	12,582
Non-Governmental	200	24,140	23,940	200
Capital Outlay	16,345	15,000	23,130	(8,130)
Income Tax Department:				
Other than Personal Services	1,221,117	1,221,117	1,068,667	152,450

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Department:				
Personal Services	698,399	641,075	491,095	149,980
Other than Personal Services	474,829	535,442	510,496	24,946
Service Administration:				
Personal Services	303,373	303,373	236,840	66,533
Other than Personal Services	6,196	6,196	3,779	2,417
Capital Outlay	311	311	0	311
Capital Projects:				
Other than Personal Services	16,100	16,100	16,100	0
Public Properties and Park Maintenance:				
Personal Services	1,101,519	1,191,519	1,168,313	23,206
Other than Personal Services	1,016,379	1,090,121	1,005,654	84,467
Non-Governmental	49	49	0	49
Community Service Administration:				
Other than Personal Services	4,620	4,620	2,101	2,519
County Auditor:				
Other than Personal Services	266,989	325,331	302,441	22,890
Municipal Court:				
Personal Services	1,047,890	1,047,890	855,226	192,664
Other than Personal Services	169,122	168,536	126,336	42,200
Hospitalization:				
Personal Services	7,290,839	7,290,839	7,268,101	22,738
General Operations:				
Personal Services	662,365	710,221	693,589	16,632
Other than Personal Services	1,473,658	1,562,106	1,543,240	18,866
Hospitalization Insurance:				
Personal Services	5,883,747	5,578,867	5,160,551	418,316
Water Administration:				
Other than Personal Services	600	600	363	237
Non-Governmental	10,000	10,000	0	10,000
Capital Outlay	1,939,150	939,150	508,009	431,141
Unclaimed Monies:				
Non-Governmental	20,000	5,000	4,877	123
Total General Government	<u>25,594,831</u>	<u>24,692,397</u>	<u>22,670,459</u>	<u>2,021,938</u>

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Safety:				
Police Department:				
Personal Services	9,381,544	9,392,813	8,226,298	1,166,515
Other than Personal Services	754,292	784,481	756,756	27,725
Non-Governmental	140	140	20	120
Capital Outlay	54,124	54,124	53,424	700
Police Academy:				
Personal Services	4,565	62,085	46,626	15,459
Other than Personal Services	64,875	64,875	51,290	13,585
Traffic Signs and Signals:				
Personal Services	61,208	69,208	63,337	5,871
Other than Personal Services	172,286	189,190	184,391	4,799
Animal Protection Unit:				
Personal Services	80,636	0	0	0
Other than Personal Services	28,526	28,526	25,217	3,309
Fire Department:				
Personal Services	7,011,065	7,071,065	7,044,214	26,851
Other than Personal Services	219,190	224,009	187,026	36,983
Fire Department Dispatch:				
Other than Personal Services	1,885,522	1,676,667	1,590,692	85,975
Fire Prevention Bureau:				
Personal Services	99,535	116,535	114,769	1,766
Other than Personal Services	3,525	3,825	1,870	1,955
Capital Outlay	800	500	0	500
Total Public Safety	<u>19,821,833</u>	<u>19,738,043</u>	<u>18,345,930</u>	<u>1,392,113</u>
Public Health Services:				
Health and Vital Statistics:				
Other than Personal Services	357,852	357,852	277,822	80,030
Office on Aging:				
Personal Services	135,215	135,215	99,162	36,053
Other than Personal Services	18,801	19,801	10,824	8,977
Non-Governmental	210	210	30	180
Total Public Health Services	<u>512,078</u>	<u>513,078</u>	<u>387,838</u>	<u>125,240</u>

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Transportation:				
Vehicle Maintenance:				
Personal Services	852,887	760,307	735,681	24,626
Other than Personal Services	1,233,792	1,732,198	1,697,155	35,043
Capital Outlay	58,588	55,088	51,255	3,833
Street Maintenance:				
Personal Services	1,313,587	1,223,587	1,133,913	89,674
Other than Personal Services	321,916	341,711	318,876	22,835
Capital Outlay	4,200	4,200	3,374	826
Total Transportation	3,784,970	4,117,091	3,940,254	176,837
Community Development:				
Community Relations:				
Personal Services	59,103	0	0	0
Other than Personal Services	9,000	9,000	4,148	4,852
Capital Outlay	1,000	1,000	0	1,000
Public Relations:				
Personal Services	181,362	181,362	135,698	45,664
Other than Personal Services	92,807	92,808	26,545	66,263
Planning Department:				
Personal Services	512,533	512,533	384,531	128,002
Other than Personal Services	23,100	51,150	44,022	7,128
Planning Commission:				
Personal Services	8,139	8,139	4,553	3,586
Other than Personal Services	2,730	2,730	1,724	1,006
Board of Zoning Appeals:				
Personal Services	5,813	5,812	4,591	1,221
Other than Personal Services	2,083	2,083	1,267	816
Architectural Board of Review:				
Personal Services	11,627	11,627	6,949	4,678
Other than Personal Services	350	350	0	350
Special Improvement Districts:				
Other than Personal Services	402,260	402,260	375,750	26,510

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Building Department:				
Other than Personal Services	698,318	654,831	639,671	15,160
Housing Inspections:				
Personal Services	669,733	669,733	424,725	245,008
Other than Personal Services	91,560	115,560	97,767	17,793
Capital Outlay	2,072	1,660	1,660	0
Landmark Commission:				
Other than Personal Services	10,920	10,920	2,977	7,943
Local Programming:				
Personal Services	136,158	168,667	166,434	2,233
Other than Personal Services	293,056	300,444	178,642	121,802
Capital Outlay	121,574	107,837	70,501	37,336
Total Community Development	3,335,298	3,310,506	2,572,155	738,351
Sanitation:				
Refuse Collection and Transfer Station:				
Other than Personal Services	15	15	0	15
Total Sanitation	15	15	0	15
Culture and Recreation:				
Recreation Administration:				
Personal Services	332,596	358,410	342,347	16,063
Other than Personal Services	31,401	26,240	15,777	10,463
Swimming Pools:				
Personal Services	242,540	233,726	232,797	929
Other than Personal Services	165,386	148,386	141,193	7,193
Ice Programs:				
Personal Services	231,683	213,217	145,029	68,188
Other than Personal Services	16,524	23,398	19,405	3,993
General Recreation Programs:				
Personal Services	117,197	72,197	59,975	12,222
Other than Personal Services	22,050	55,516	43,614	11,902
Non-Governmental	200	200	0	200

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sports Programs:				
Personal Services	126,995	127,995	124,737	3,258
Other than Personal Services	68,170	76,170	58,743	17,427
Non-Governmental	200	200	0	200
Community Center:				
Personal Services	625,793	605,793	571,982	33,811
Other than Personal Services	293,338	395,334	381,938	13,396
Non-Governmental	1,400	1,400	1,225	175
Total Culture and Recreation	2,275,473	2,338,182	2,138,762	199,420
Total Expenditures	55,324,498	54,709,312	50,055,398	4,653,914
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(85,147)	(1,769,668)	10,212,930	11,982,598
Other Financing Sources (Uses):				
Sale of Capital Assets	16,889	16,889	34,516	17,627
Transfers In	150,000	150,000	223,641	73,641
Transfers Out	(4,750,000)	(7,049,637)	(7,049,607)	30
Advances In	4,400,000	4,400,000	0	(4,400,000)
Total Other Financing Sources (Uses)	(183,111)	(2,482,748)	(6,791,450)	(4,308,702)
Net Change in Fund Balance	(268,258)	(4,252,416)	3,421,480	7,673,896
Fund Balance at Beginning of Year	21,262,101	21,262,101	21,262,101	0
Prior Year Encumbrances	1,803,083	1,803,083	1,803,083	0
Fund Balance at End of Year	<u>\$ 22,796,926</u>	<u>\$ 18,812,768</u>	<u>\$ 26,486,664</u>	<u>\$ 7,673,896</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund – Local Fiscal Recovery Fund
For the Year Ended December 31, 2022***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 19,408,531	\$ 19,408,531	\$ 19,048,264	\$ (360,267)
Total Revenues	<u>19,408,531</u>	<u>19,408,531</u>	<u>19,048,264</u>	<u>(360,267)</u>
Expenditures:				
General Government:				
Other than Personal Services	20,433,591	4,393,650	280,000	4,113,650
Public Safety:				
Personal Services	205,875	282,147	238,294	43,853
Total Expenditures	<u>20,639,466</u>	<u>4,675,797</u>	<u>518,294</u>	<u>4,157,503</u>
Net Change in Fund Balance	(1,230,935)	14,732,734	18,529,970	3,797,236
Fund Balance at Beginning of Year	19,230,993	19,230,993	19,230,993	0
Fund Balance at End of Year	<u>\$ 18,000,058</u>	<u>\$ 33,963,727</u>	<u>\$ 37,760,963</u>	<u>\$ 3,797,236</u>

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,950,000	\$ 1,950,000	\$ 2,149,187	\$ 199,187
Investment Earnings	0	0	61	61
Total Revenues	<u>1,950,000</u>	<u>1,950,000</u>	<u>2,149,248</u>	<u>199,248</u>
Expenditures:				
Transportation:				
Street Construction, Maintenance and Repair:				
Personal Services	184,120	184,120	144,320	39,800
Capital Outlay	2,817,882	2,817,882	2,035,945	781,937
Debt Service:				
Principal Retirement	241,003	241,003	241,001	2
Total Expenditures	<u>3,243,005</u>	<u>3,243,005</u>	<u>2,421,266</u>	<u>821,739</u>
Net Changes in Fund Balance	(1,293,005)	(1,293,005)	(272,018)	1,020,987
Fund Balance at Beginning of Year	1,736,386	1,736,386	1,736,386	0
Prior Year Encumbrances	797,882	797,882	797,882	0
Fund Balance at End of Year	<u>\$ 1,241,263</u>	<u>\$ 1,241,263</u>	<u>\$ 2,262,250</u>	<u>\$ 1,020,987</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

FOUNDATION GRANTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 149,998	\$ 149,997	\$ 174,865	\$ 24,868
Total Revenues	<u>149,998</u>	<u>149,997</u>	<u>174,865</u>	<u>24,868</u>
Expenditures:				
Community Development:				
Foundation Grants:				
Other than Personal Services	0	32,992	30,000	2,992
Capital Outlay	72,519	52,038	25,813	26,225
Total Expenditures	<u>72,519</u>	<u>85,030</u>	<u>55,813</u>	<u>29,217</u>
Net Change in Fund Balance	77,479	64,967	119,052	54,085
Fund Balance at Beginning of Year	(47,755)	(47,755)	(47,755)	0
Prior Year Encumbrances	22,519	22,519	22,519	0
Fund Balance at End of Year	<u>\$ 52,243</u>	<u>\$ 39,731</u>	<u>\$ 93,816</u>	<u>\$ 54,085</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

PUBLIC BUILDING MAINTENANCE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	423	423	423	0
Fund Balance at End of Year	<u>\$ 423</u>	<u>\$ 423</u>	<u>\$ 423</u>	<u>\$ 0</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

LAW ENFORCEMENT TRUST FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 30,000	\$ 50,000	\$ 55,146	\$ 5,146
Intergovernmental Revenues	0	0	1,988	1,988
Total Revenues	<u>30,000</u>	<u>50,000</u>	<u>57,134</u>	<u>7,134</u>
Expenditures:				
Public Safety:				
Law-Enforcement:				
Other than Personal Services	134,647	78,648	46,891	31,757
Total Expenditures	<u>134,647</u>	<u>78,648</u>	<u>46,891</u>	<u>31,757</u>
Net Changes in Fund Balance	(104,647)	(28,648)	10,243	38,891
Fund Balance at Beginning of Year	147,331	147,331	147,331	0
Prior Year Encumbrances	11,647	11,647	11,647	0
Fund Balance at End of Year	<u>\$ 54,331</u>	<u>\$ 130,330</u>	<u>\$ 169,221</u>	<u>\$ 38,891</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

DRUG LAW ENFORCEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 200,000	\$ 205,444	\$ 5,444
All Other Revenues	77,000	0	0	0
Total Revenues	<u>77,000</u>	<u>200,000</u>	<u>205,444</u>	<u>5,444</u>
Expenditures:				
Public Safety:				
Drug Law Enforcement:				
Personal Services	65,943	41,943	21,472	20,471
Other than Personal Services	79,010	140,510	109,632	30,878
Capital Outlay	0	50,000	50,000	0
Total Expenditures	<u>144,953</u>	<u>232,453</u>	<u>181,104</u>	<u>51,349</u>
Net Change in Fund Balance	(67,953)	(32,453)	24,340	56,793
Fund Balance at Beginning of Year	195,572	195,572	195,572	0
Prior Year Encumbrances	2,010	2,010	2,010	0
Fund Balance at End of Year	<u>\$ 129,629</u>	<u>\$ 165,129</u>	<u>\$ 221,922</u>	<u>\$ 56,793</u>

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

COMMUNITY DEVELOPMENT BLOCK GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 38,578	\$ 38,578
Intergovernmental Revenues	3,905,789	2,555,789	1,449,097	(1,106,692)
All Other Revenues	150,000	150,000	140,684	(9,316)
Total Revenues	4,055,789	2,705,789	1,628,359	(1,077,430)
Expenditures:				
Community Development:				
Financial Administration:				
Personal Services	13,582	13,582	13,570	12
Administrative Contracts:				
Other than Personal Services	283,790	486,846	309,940	176,906
Commercial Area Improvements:				
Capital Outlay	104,858	51,532	43,868	7,664
CDBG - Office on Aging:				
Personal Services	35,461	37,111	9,019	28,092
LDC - Economic Development:				
Personal Services	123,614	132,823	49,731	83,092
Other than Personal Services	1,215,509	174,113	99,680	74,433
Capital Outlay	1,200	1,200	0	1,200
CDBG - Administration:				
Personal Services	145,529	145,529	84,628	60,901
Other than Personal Services	25,800	124,255	46,746	77,509
Capital Outlay	4,500	4,500	4,500	0
CDBG - Public Works:				
Other than Personal Services	92,681	287,681	287,681	0
Capital Outlay	81,583	81,583	81,583	0
CDBG - Home Repair Resources Center:				
Other than Personal Services	167,588	363,031	237,323	125,708

(Continued)

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

COMMUNITY DEVELOPMENT BLOCK GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Housing Preservation:				
Personal Services	401,951	373,030	343,871	29,159
Other than Personal Services	179,848	216,704	192,581	24,123
Capital Outlay	2,000	2,000	2,000	0
CDBG - Code Enforcement:				
Personal Services	68,683	59,871	48,501	11,370
CDBG - GIS:				
Personal Services	35,864	41,211	38,534	2,677
Capital Outlay	6,500	6,500	6,500	0
Summer Recreation Programs:				
Other than Personal Services	0	16,564	13,911	2,653
Total Expenditures	2,990,541	2,619,666	1,914,167	705,499
Net Change in Fund Balance	1,065,248	86,123	(285,808)	(371,931)
Fund Balance at Beginning of Year	575,055	575,055	575,055	0
Prior Year Encumbrances	202,280	202,280	202,280	0
Fund Balance at End of Year	\$ 1,842,583	\$ 863,458	\$ 491,527	\$ (371,931)

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

COMMUNITY DEVELOPMENT BLOCK GRANT - COVID RELIEF GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 250,000	\$ 97,000	\$ 82,804	\$ (14,196)
Total Revenues	250,000	97,000	82,804	(14,196)
Expenditures:				
Community Development:				
CDBG - Office on Aging:				
Personal Services	0	18,142	0	18,142
CDBG - Administration:				
Personal Services	0	28,000	24,872	3,128
Other than Personal Services	426,318	72,469	25,000	47,469
Total Expenditures	426,318	118,611	49,872	68,739
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,318)	(21,611)	32,932	54,543
Other Financing Sources (Uses):				
Transfers In	250,000	100,000	51,000	(49,000)
Total Other Financing Sources (Uses)	250,000	100,000	51,000	(49,000)
Net Change in Fund Balance	73,682	78,389	83,932	5,543
Fund Balance at Beginning of Year	(78,305)	(78,305)	(78,305)	0
Fund Balance at End of Year	\$ (4,623)	\$ 84	\$ 5,627	\$ 5,543

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

	HOME PROGRAM FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 400,000	\$ 0	\$ 3,065	\$ 3,065
All Other Revenues	150,000	150,000	167,222	17,222
Total Revenues	550,000	150,000	170,287	20,287
Expenditures:				
Community Development:				
Home Administration:				
Other than Personal Services	400,000	99,474	99,474	0
Home Program Income:				
Other than Personal Services	150,000	100,000	94,008	5,992
Total Expenditures	550,000	199,474	193,482	5,992
Net Change in Fund Balance	0	(49,474)	(23,195)	26,279
Fund Balance at Beginning of Year	199,681	199,681	199,681	0
Fund Balance at End of Year	\$ 199,681	\$ 150,207	\$ 176,486	\$ 26,279

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 75,000	\$ 77,388	\$ 2,388
Total Revenues	0	75,000	77,388	2,388
Expenditures:				
Public Safety:				
FEMA:				
Other than Personal Services	0	3,467	3,456	11
Capital Outlay	52,423	73,953	73,953	0
Total Expenditures	52,423	77,420	77,409	11
Net Change in Fund Balance	(52,423)	(2,420)	(21)	2,399
Fund Balance at Beginning of Year	107,124	107,124	107,124	0
Prior Year Encumbrances	52,423	52,423	52,423	0
Fund Balance at End of Year	\$ 107,124	\$ 157,127	\$ 159,526	\$ 2,399

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

	CAIN PARK OPERATING FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 634,500	\$ 973,509	\$ 939,920	\$ (33,589)
Intergovernmental Revenues	0	15,991	18,042	2,051
Contributions and Donations	0	3,500	3,500	0
All Other Revenues	0	0	4,684	4,684
Total Revenues	634,500	993,000	966,146	(26,854)
Expenditures:				
Culture and Recreation:				
Cain Park Recreation:				
Personal Services	173,175	173,175	173,175	0
Other than Personal Services	395,230	853,299	829,405	23,894
Cain Park Arts Festival:				
Other than Personal Services	25,620	25,620	24,291	1,329
Cain Park Arts Theater:				
Other than Personal Services	36,050	40,285	38,776	1,509
Total Expenditures	630,075	1,092,379	1,065,647	26,732
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,425	(99,379)	(99,501)	(122)
Other Financing Sources (Uses):				
Transfers In	0	100,000	100,000	0
Total Other Financing Sources (Uses)	0	100,000	100,000	0
Net Change in Fund Balance	4,425	621	499	(122)
Fund Balance at Beginning of Year	1,770	1,770	1,770	0
Fund Balance at End of Year	\$ 6,195	\$ 2,391	\$ 2,269	\$ (122)

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

PUBLIC RIGHT OF WAY FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, Permits and Fees	\$ 0	\$ 0	\$ 600	\$ 600
Total Revenues	0	0	600	600
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	600	600
Fund Balance at Beginning of Year	164,932	164,932	164,932	0
Fund Balance at End of Year	<u>\$ 164,932</u>	<u>\$ 164,932</u>	<u>\$ 165,532</u>	<u>\$ 600</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

INDIGENT DRIVER'S ALCOHOL TREATMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 0	\$ 10,000	\$ 12,705	\$ 2,705
Total Revenues	0	10,000	12,705	2,705
Expenditures:				
General Government:				
Indigent DUI Treatment:				
Other than Personal Services	0	0	1,912	(1,912)
Total Expenditures	0	0	1,912	(1,912)
Net Change in Fund Balance	0	10,000	10,793	793
Fund Balance at Beginning of Year	289,020	289,020	289,020	0
Fund Balance at End of Year	\$ 289,020	\$ 299,020	\$ 299,813	\$ 793

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

MUNICIPAL COURT CLERK COMPUTERIZATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 40,000	\$ 46,872	\$ 6,872
Total Revenues	0	40,000	46,872	6,872
Expenditures:				
General Government:				
Court Computer:				
Personal Services	0	9,813	0	9,813
Other than Personal Services	0	49,187	0	49,187
Total Expenditures	0	59,000	0	59,000
Net Change in Fund Balance	0	(19,000)	46,872	65,872
Fund Balance at Beginning of Year	96,568	96,568	96,568	0
Fund Balance at End of Year	\$ 96,568	\$ 77,568	\$ 143,440	\$ 65,872

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

DUI ENFORCEMENT AND EDUCATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 2,000	\$ 3,196	\$ 1,196
Total Revenues	<u>0</u>	<u>2,000</u>	<u>3,196</u>	<u>1,196</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	2,000	3,196	1,196
Fund Balance at Beginning of Year	125,614	125,614	125,614	0
Fund Balance at End of Year	<u>\$ 125,614</u>	<u>\$ 127,614</u>	<u>\$ 128,810</u>	<u>\$ 1,196</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

MUNICIPAL COURT SPECIAL PROJECTS FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 70,000	\$ 78,241	\$ 8,241
Total Revenues	0	70,000	78,241	8,241
Expenditures:				
General Government:				
Court Special Projects:				
Personal Services	0	33,128	8,755	24,373
Other than Personal Services	0	85,501	26,505	58,996
Capital Outlay	29,178	29,178	29,178	0
Total Expenditures	29,178	147,807	64,438	83,369
Net Change in Fund Balance	(29,178)	(77,807)	13,803	91,610
Fund Balance at Beginning of Year	2,164,618	2,164,618	2,164,618	0
Prior Year Encumbrances	29,178	29,178	29,178	0
Fund Balance at End of Year	<u>\$ 2,164,618</u>	<u>\$ 2,115,989</u>	<u>\$ 2,207,599</u>	<u>\$ 91,610</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

LEAD SAFE CUYAHOGA FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 650,000	\$ 604,000	\$ 214,762	\$ (389,238)
Total Revenues	650,000	604,000	214,762	(389,238)
Expenditures:				
Community Development:				
LEAD Safe Cuyahoga				
Other than Personal Services	600,000	600,000	214,685	385,315
Total Expenditures	600,000	600,000	214,685	385,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	4,000	77	(3,923)
Other Financing Sources (Uses):				
Transfers In	0	31,000	31,000	0
Total Other Financing Sources (Uses)	0	31,000	31,000	0
Net Change in Fund Balance	50,000	35,000	31,077	(3,923)
Fund Balance at Beginning of Year	(31,032)	(31,032)	(31,032)	0
Fund Balance at End of Year	\$ 18,968	\$ 3,968	\$ 45	\$ (3,923)

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

NEIGHBORHOOD STABILIZATION PROGRAM FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	123,584	123,584	123,584	0
Fund Balance at End of Year	<u>\$ 123,584</u>	<u>\$ 123,584</u>	<u>\$ 123,584</u>	<u>\$ 0</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

STREET LIGHTING FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 990,000	\$ 990,000	\$ 984,199	\$ (5,801)
Total Revenues	<u>990,000</u>	<u>990,000</u>	<u>984,199</u>	<u>(5,801)</u>
Expenditures:				
Public Safety:				
Street Lighting:				
Other than Personal Services	733,215	898,215	856,397	41,818
Total Expenditures	<u>733,215</u>	<u>898,215</u>	<u>856,397</u>	<u>41,818</u>
Net Change in Fund Balance	256,785	91,785	127,802	36,017
Fund Balance at Beginning of Year	1,428,185	1,428,185	1,428,185	0
Fund Balance at End of Year	<u>\$ 1,684,970</u>	<u>\$ 1,519,970</u>	<u>\$ 1,555,987</u>	<u>\$ 36,017</u>

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

	TREE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 28,520	\$ 28,520
Licenses, Permits and Fees	0	0	60	60
Special Assessments	1,075,000	1,075,000	1,099,852	24,852
All Other Revenues	0	0	7,363	7,363
Total Revenues	1,075,000	1,075,000	1,135,795	60,795
Expenditures:				
Community Development:				
Tree:				
Personal Services	811,479	811,485	443,909	367,576
Other than Personal Services	377,978	377,972	293,876	84,096
Capital Outlay	93,971	125,221	115,998	9,223
Total Expenditures	1,283,428	1,314,678	853,783	460,895
Excess (Deficiency) of Revenues Over (Under) Expenditures	(208,428)	(239,678)	282,012	521,690
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	31,350	31,350
Transfers Out	(17,455)	(17,455)	(17,455)	0
Total Other Financing Sources (Uses)	(17,455)	(17,455)	13,895	31,350
Net Change in Fund Balance	(225,883)	(257,133)	295,907	553,040
Fund Balance at Beginning of Year	781,475	781,475	781,475	0
Prior Year Encumbrances	22,153	22,153	22,153	0
Fund Balance at End of Year	\$ 577,745	\$ 546,495	\$ 1,099,535	\$ 553,040

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

	POLICE PENSION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 232,750	\$ 232,750	\$ 248,743	\$ 15,993
Intergovernmental Revenues	52,832	32,832	34,563	1,731
Total Revenues	285,582	265,582	283,306	17,724
Expenditures:				
Public Safety:				
Police Pension:				
Personal Services	1,482,592	1,482,592	1,438,678	43,914
Total Expenditures	1,482,592	1,482,592	1,438,678	43,914
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,197,010)	(1,217,010)	(1,155,372)	61,638
Other Financing Sources (Uses):				
Transfers In	1,200,000	1,200,000	1,200,000	0
Total Other Financing Sources (Uses)	1,200,000	1,200,000	1,200,000	0
Net Change in Fund Balance	2,990	(17,010)	44,628	61,638
Fund Balance at Beginning of Year	109,710	109,710	109,710	0
Fund Balance at End of Year	\$ 112,700	\$ 92,700	\$ 154,338	\$ 61,638

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

FIRE PENSION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 232,750	\$ 232,750	\$ 248,743	\$ 15,993
Intergovernmental Revenues	32,832	32,832	34,563	1,731
Total Revenues	265,582	265,582	283,306	17,724
Expenditures:				
Public Safety:				
Fire Pension:				
Personal Services	1,730,062	1,820,062	1,804,049	16,013
Total Expenditures	1,730,062	1,820,062	1,804,049	16,013
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,464,480)	(1,554,480)	(1,520,743)	33,737
Other Financing Sources (Uses):				
Transfers In	1,500,000	1,500,000	1,600,000	100,000
Total Other Financing Sources (Uses)	1,500,000	1,500,000	1,600,000	100,000
Net Change in Fund Balance	35,520	(54,480)	79,257	133,737
Fund Balance at Beginning of Year	184,001	184,001	184,001	0
Fund Balance at End of Year	\$ 219,521	\$ 129,521	\$ 263,258	\$ 133,737

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

FIRST SUBURBS DEVELOPMENT COUNCIL FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	60,254	60,254	60,254	0
Fund Balance at End of Year	<u>\$ 60,254</u>	<u>\$ 60,254</u>	<u>\$ 60,254</u>	<u>\$ 0</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

CORONAVIRUS RELIEF FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Public Health Services:				
Other than Personal Services	24,393	24,393	24,393	0
Total Expenditures	24,393	24,393	24,393	0
Net Change in Fund Balance	(24,393)	(24,393)	(24,393)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	24,393	24,393	24,393	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

MISCELLANEOUS GRANTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 99,004	\$ 98,824	\$ (180)
Total Revenues	0	99,004	98,824	(180)
Expenditures:				
General Government:				
Other than Personal Services	0	4,996	1,598	3,398
Public Safety:				
Personal Services	0	61,421	61,421	0
Other than Personal Services	0	33,705	33,705	0
Culture and Recreation:				
Other than Personal Services	0	235,130	219,479	15,651
Total Expenditures	0	335,252	316,203	19,049
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(236,248)	(217,379)	18,869
Other Financing Sources (Uses):				
Transfers In	0	18,996	18,966	(30)
Total Other Financing Sources (Uses)	0	18,996	18,966	(30)
Net Change in Fund Balance	0	(217,252)	(198,413)	18,839
Fund Balance at Beginning of Year	198,242	198,242	198,242	0
Prior Year Encumbrances	1,000	1,000	1,000	0
Fund Balance at End of Year	\$ 199,242	\$ (18,010)	\$ 829	\$ 18,839

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

ONE OHIO OPIOID SETTLEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 7,000	\$ 7,445	\$ 445
Total Revenues	<u>0</u>	<u>7,000</u>	<u>7,445</u>	<u>445</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	7,000	7,445	445
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 7,000</u>	<u>\$ 7,445</u>	<u>\$ 445</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

	PARKING FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 1,000,000	\$ 245,000	\$ 429,560	\$ 184,560
Investment Earnings	0	0	15	15
All Other Revenues	25,000	5,000	12,000	7,000
Total Revenues	1,025,000	250,000	441,575	191,575
Expenditures:				
General Government:				
Off-Street Parking:				
Personal Services	151,691	60	60	0
Other than Personal Services	1,137,081	748,431	654,056	94,375
Non-Governmental	0	1,500	1,382	118
Capital Outlay	5,000	0	0	0
Total Expenditures	1,293,772	749,991	655,498	94,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	(268,772)	(499,991)	(213,923)	286,068
Other Financing Sources (Uses):				
Transfers In	300,000	800,000	800,000	0
Transfers Out	(65,562)	(65,562)	0	65,562
Total Other Financing Sources (Uses)	234,438	734,438	800,000	65,562
Net Change in Fund Balance	(34,334)	234,447	586,077	351,630
Fund Balance at Beginning of Year	5	5	5	0
Prior Year Encumbrances	4,289	4,289	4,289	0
Fund Balance at End of Year	\$ (30,040)	\$ 238,741	\$ 590,371	\$ 351,630

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

AMBULANCE SERVICES FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 900,000	\$ 1,300,000	\$ 1,098,041	\$ (201,959)
Intergovernmental Revenues	0	0	19,788	19,788
Investment Earnings	0	0	6,710	6,710
Total Revenues	<u>900,000</u>	<u>1,300,000</u>	<u>1,124,539</u>	<u>(175,461)</u>
Expenditures:				
Public Safety:				
Ambulance Services:				
Personal Services	504,173	519,173	505,407	13,766
Other than Personal Services	315,305	340,055	314,099	25,956
Non-Governmental	0	19,788	19,788	0
Capital Outlay	675,367	630,829	400,066	230,763
Total Expenditures	<u>1,494,845</u>	<u>1,509,845</u>	<u>1,239,360</u>	<u>270,485</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(594,845)	(209,845)	(114,821)	95,024
Other Financing Sources (Uses):				
Transfers Out	0	(100,000)	(100,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Net Change in Fund Balance	(594,845)	(309,845)	(214,821)	95,024
Fund Balance at Beginning of Year	1,177,705	1,177,705	1,177,705	0
Prior Year Encumbrances	86,743	86,743	86,743	0
Fund Balance at End of Year	<u>\$ 669,603</u>	<u>\$ 954,603</u>	<u>\$ 1,049,627</u>	<u>\$ 95,024</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

OFFICE ON AGING DONATIONS FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Contributions and Donations	\$ 3,000	\$ 3,000	\$ 6,458	\$ 3,458
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>6,458</u>	<u>3,458</u>
Expenditures:				
Public Health Services:				
Office on Aging:				
Other than Personal Services	12,430	5,430	3,489	1,941
Capital Outlay	3,000	0	0	0
Total Expenditures	<u>15,430</u>	<u>5,430</u>	<u>3,489</u>	<u>1,941</u>
Net Change in Fund Balance	(12,430)	(2,430)	2,969	5,399
Fund Balance at Beginning of Year	20,050	20,050	20,050	0
Fund Balance at End of Year	<u>\$ 7,620</u>	<u>\$ 17,620</u>	<u>\$ 23,019</u>	<u>\$ 5,399</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

YOUTH RECREATION DONATION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Contributions and Donations	\$ 2,500	\$ 2,500	\$ 15,640	\$ 13,140
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>15,640</u>	<u>13,140</u>
Expenditures:				
General Government:				
Youth Donations:				
Non-Governmental	5,000	1,001	1,001	0
Total Expenditures	<u>5,000</u>	<u>1,001</u>	<u>1,001</u>	<u>0</u>
Net Change in Fund Balance	(2,500)	1,499	14,639	13,140
Fund Balance at Beginning of Year	60,065	60,065	60,065	0
Fund Balance at End of Year	<u>\$ 57,565</u>	<u>\$ 61,564</u>	<u>\$ 74,704</u>	<u>\$ 13,140</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

POLICE MEMORIAL TRUST FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Public Safety:				
Police Memorial Trust:				
Other than Personal Services	10,000	0	0	0
Total Expenditures	10,000	0	0	0
Net Change in Fund Balance	(10,000)	0	0	0
Fund Balance at Beginning of Year	11,808	11,808	11,808	0
Fund Balance at End of Year	\$ 1,808	\$ 11,808	\$ 11,808	\$ 0

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

YOUTH ADVISORY COMMISSION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	71	71	71	0
Fund Balance at End of Year	<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 and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

JUVENILE DIVERSION PROGRAM FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Public Safety:				
Juvenile Diversion Program:				
Other than Personal Services	10,000	100	70	30
Total Expenditures	10,000	100	70	30
Net Change in Fund Balance	(10,000)	(100)	(70)	30
Fund Balance at Beginning of Year	10,762	10,762	10,762	0
Fund Balance at End of Year	\$ 762	\$ 10,662	\$ 10,692	\$ 30

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

	FIRE DAMAGE DEPOSITS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 0	\$ 179,575	\$ 224,052	\$ 44,477
Total Revenues	0	179,575	224,052	44,477
Expenditures:				
Public Safety:				
Fire Damage Deposits:				
Other than Personal Services	0	149,730	136,717	13,013
Total Expenditures	0	149,730	136,717	13,013
Net Change in Fund Balance	0	29,845	87,335	57,490
Fund Balance at Beginning of Year	220,091	220,091	220,091	0
Fund Balance at End of Year	\$ 220,091	\$ 249,936	\$ 307,426	\$ 57,490

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022***

EARNED BENEFITS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Personal Services	400,000	445,000	455,473	(10,473)
Total Expenditures	400,000	445,000	455,473	(10,473)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400,000)	(445,000)	(455,473)	(10,473)
Other Financing Sources (Uses):				
Transfers In	465,562	465,562	400,000	(65,562)
Total Other Financing Sources (Uses)	465,562	465,562	400,000	(65,562)
Net Change in Fund Balance	65,562	20,562	(55,473)	(76,035)
Fund Balance at Beginning of Year	444,726	444,726	444,726	0
Fund Balance at End of Year	\$ 510,288	\$ 465,288	\$ 389,253	\$ (76,035)

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2022***

	GENERAL BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 1,187,500	\$ 1,237,500	\$ 1,243,626	\$ 6,126
Intergovernmental Revenues	0	62,045	172,807	110,762
Special Assessments	0	123,000	123,119	119
Total Revenues	<u>1,187,500</u>	<u>1,422,545</u>	<u>1,539,552</u>	<u>117,007</u>
Expenditures:				
General Government:				
Other than Personal Services	1,200	1,219	1,219	0
Debt Service:				
Principal Retirement	2,899,125	3,007,851	2,689,487	318,364
Interest and Fiscal Charges	456,961	540,016	466,082	73,934
Total Expenditures	<u>3,357,286</u>	<u>3,549,086</u>	<u>3,156,788</u>	<u>392,298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,169,786)	(2,126,541)	(1,617,236)	509,305
Other Financing Sources (Uses):				
General Obligation Bonds Issued	1,440,410	1,743,000	1,344,000	(399,000)
Refunding Bonds Issued	0	3,067,000	3,067,000	0
Payment to Refunded Debt Escrow	0	(3,024,932)	(3,024,932)	0
Transfers In	740,750	167,455	167,455	0
Total Other Financing Sources (Uses)	<u>2,181,160</u>	<u>1,952,523</u>	<u>1,553,523</u>	<u>(399,000)</u>
Net Change in Fund Balance	11,374	(174,018)	(63,713)	110,305
Fund Balance at Beginning of Year	435,450	435,450	435,450	0
Fund Balance at End of Year	<u>\$ 446,824</u>	<u>\$ 261,432</u>	<u>\$ 371,737</u>	<u>\$ 110,305</u>

CITY OF CLEVELAND HEIGHTS, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022***

POLICE FACILITY IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, Permits and Fees	\$ 31,000	\$ 1,000	\$ 985	\$ (15)
Total Revenues	31,000	1,000	985	(15)
Expenditures:				
Public Safety:				
Police Facility Improvement:				
Other than Personal Services	22,553	13,053	6,272	6,781
Capital Outlay	15,000	15,000	14,902	98
Total Expenditures	37,553	28,053	21,174	6,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,553)	(27,053)	(20,189)	6,864
Other Financing Sources (Uses):				
Transfers In	0	35,000	35,000	0
Total Other Financing Sources (Uses)	0	35,000	35,000	0
Net Change in Fund Balance	(6,553)	7,947	14,811	6,864
Fund Balance at Beginning of Year	1,422	1,422	1,422	0
Prior Year Encumbrances	6,553	6,553	6,553	0
Fund Balance at End of Year	\$ 1,422	\$ 15,922	\$ 22,786	\$ 6,864

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022***

RECREATION FACILITY IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 619,691	\$ 546,250	\$ 580,366	\$ 34,116
Intergovernmental Revenues	0	73,441	80,644	7,203
Total Revenues	619,691	619,691	661,010	41,319
Expenditures:				
Culture and Recreation:				
Recreation Facility Improvement:				
Other than Personal Services	173,903	228,903	219,323	9,580
Capital Outlay	304,000	263,500	259,796	3,704
Total Expenditures	477,903	492,403	479,119	13,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	141,788	127,288	181,891	54,603
Other Financing Sources (Uses):				
Transfers In	0	500,000	500,000	0
Transfers Out	(23,295)	(23,295)	0	23,295
Total Other Financing Sources (Uses)	(23,295)	476,705	500,000	23,295
Net Change in Fund Balance	118,493	603,993	681,891	77,898
Fund Balance at Beginning of Year	467,571	467,571	467,571	0
Prior Year Encumbrances	6,903	6,903	6,903	0
Fund Balance at End of Year	\$ 592,967	\$ 1,078,467	\$ 1,156,365	\$ 77,898

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022***

CAPITAL IMPROVEMENTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 13,016	\$ 13,016
Total Revenues	0	0	13,016	13,016
Expenditures:				
Capital Outlay	780,024	1,083,074	634,496	448,578
Total Expenditures	780,024	1,083,074	634,496	448,578
Excess (Deficiency) of Revenues Over (Under) Expenditures	(780,024)	(1,083,074)	(621,480)	461,594
Other Financing Sources (Uses):				
Transfers In	500,000	500,000	500,000	0
Total Other Financing Sources (Uses)	500,000	500,000	500,000	0
Net Change in Fund Balance	(280,024)	(583,074)	(121,480)	461,594
Fund Balance at Beginning of Year	1,477,688	1,477,688	1,477,688	0
Prior Year Encumbrances	280,024	280,024	280,024	0
Fund Balance at End of Year	<u>\$ 1,477,688</u>	<u>\$ 1,174,638</u>	<u>\$ 1,636,232</u>	<u>\$ 461,594</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022***

ECONOMIC DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 4,182	\$ 4,182	\$ 1,978	\$ (2,204)
Total Revenues	4,182	4,182	1,978	(2,204)
Expenditures:				
Community Development:				
Economic Development:				
Other than Personal Services	409,578	450,578	388,068	62,510
Capital Outlay	0	1,085,000	1,031,603	53,397
Total Expenditures	409,578	1,535,578	1,419,671	115,907
Excess (Deficiency) of Revenues Over (Under) Expenditures	(405,396)	(1,531,396)	(1,417,693)	113,703
Other Financing Sources (Uses):				
Transfers In	0	440,000	440,000	0
Total Other Financing Sources (Uses)	0	440,000	440,000	0
Net Change in Fund Balance	(405,396)	(1,091,396)	(977,693)	113,703
Fund Balance at Beginning of Year	1,163,672	1,163,672	1,163,672	0
Prior Year Encumbrances	110,078	110,078	110,078	0
Fund Balance at End of Year	\$ 868,354	\$ 182,354	\$ 296,057	\$ 113,703

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022***

CITY HALL MAINTENANCE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Lease Revenue	\$ 25,800	\$ 25,800	\$ 28,083	\$ 2,283
Total Revenues	25,800	25,800	28,083	2,283
Expenditures:				
General Government:				
City Hall Maintenance:				
Other than Personal Services	15,000	15,000	14,911	89
Total Expenditures	15,000	15,000	14,911	89
Net Change in Fund Balance	10,800	10,800	13,172	2,372
Fund Balance at Beginning of Year	111,653	111,653	111,653	0
Fund Balance at End of Year	\$ 122,453	\$ 122,453	\$ 124,825	\$ 2,372

CITY OF CLEVELAND HEIGHTS, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022***

RING ROAD CONSTRUCTION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	35,045	35,045	35,045	0
Fund Balance at End of Year	<u>\$ 35,045</u>	<u>\$ 35,045</u>	<u>\$ 35,045</u>	<u>\$ 0</u>

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Custodial Funds

Municipal Court Fund

To account for funds that flow through the municipal court office.

Evidence Room Fund

To account for monies held in evidence for the benefit of individuals to be released upon court order.

CITY OF CLEVELAND HEIGHTS, OHIO

**Combining Statement of Net Position
Custodial Funds
December 31, 2022**

	Municipal Court	Evidence Room	Total Custodial Funds
Assets:			
Cash and Cash Equivalents	\$ 0	\$ 801,298	\$ 801,298
Cash and Cash Equivalents in Segregated Accounts	169,017	0	169,017
Total Assets	<u>169,017</u>	<u>801,298</u>	<u>970,315</u>
Liabilities:			
Due to Others	169,017	0	169,017
Total Liabilities	<u>169,017</u>	<u>0</u>	<u>169,017</u>
Net Position:			
Restricted For:			
Individuals, Organizations, and Other Governments	0	801,298	801,298
Total Net Position	<u>\$ 0</u>	<u>\$ 801,298</u>	<u>\$ 801,298</u>

CITY OF CLEVELAND HEIGHTS, OHIO

***Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended December 31, 2022***

	Municipal Court	Evidence Room	Total Custodial Funds
Additions:			
Fines and Forfeiture Collections for Others	\$ 992,307	\$ 145,368	\$ 1,137,675
Total Additions	<u>992,307</u>	<u>145,368</u>	<u>1,137,675</u>
Deductions:			
Distribution of Fines and Forfeitures to Others	992,307	55,000	1,047,307
Total Deductions	<u>992,307</u>	<u>55,000</u>	<u>1,047,307</u>
Change in Net Position	0	90,368	90,368
Net Position at Beginning of Year	<u>0</u>	<u>710,930</u>	<u>710,930</u>
Net Position End of Year	<u>\$ 0</u>	<u>\$ 801,298</u>	<u>\$ 801,298</u>



STATISTICAL SECTION



STATISTICAL TABLES

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
Revenue Capacity	S 14 – S 16
These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source, the income tax.	
Debt Capacity	S 18 – S 25
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.	
Economic and Demographic Information	S 26 – S 29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 30 – S 37
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 Note:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Cleveland Heights, Ohio

Net Position by Component Last Ten Years (accrual basis of accounting)

	*			
	2013	2014	2015	2016
Governmental Activities:				
Net Investment in Capital Assets	\$64,402,234	\$63,242,503	\$63,355,613	\$65,331,766
Restricted	16,261,342	15,988,947	16,344,332	14,526,578
Unrestricted (Deficit)	13,108,074	(20,086,683)	(14,732,685)	(17,475,658)
Total Governmental Activities Net Position	<u>\$93,771,650</u>	<u>\$59,144,767</u>	<u>\$64,967,260</u>	<u>\$62,382,686</u>
Business-type Activities:				
Net Investment in Capital Assets	\$20,927,544	\$20,507,524	\$20,428,734	\$20,305,226
Restricted	0	0	0	0
Unrestricted (Deficit)	2,028,666	(43,529)	2,464,954	3,178,139
Total Business-type Activities Net Position	<u>\$22,956,210</u>	<u>\$20,463,995</u>	<u>\$22,893,688</u>	<u>\$23,483,365</u>
Primary Government:				
Net Investment in Capital Assets	\$85,329,778	\$83,750,027	\$83,784,347	\$85,636,992
Restricted	16,261,342	15,988,947	16,344,332	14,526,578
Unrestricted (Deficit)	15,136,740	(20,130,212)	(12,267,731)	(14,297,519)
Total Primary Government Net Position	<u>\$116,727,860</u>	<u>\$79,608,762</u>	<u>\$87,860,948</u>	<u>\$85,866,051</u>

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

** In 2018, the City implemented GASB 75 and restated for transfer of operations which affected Unrestricted Net Position for 2017.

*** The City implemented GASB Statement 84 in 2019 causing the classification of net position to change beginning in 2018.

**** Restated to correct errors in accounting for Economic Development Properties.

City of Cleveland Heights, Ohio

**		***		****	
2017	2018	2019	2020	2021	2022
\$66,649,264	\$65,914,958	\$62,050,520	\$60,220,712	\$54,826,985	\$51,511,504
15,323,423	17,585,894	17,550,132	22,049,045	23,996,474	27,072,029
(53,358,107)	(57,431,301)	(35,400,132)	(31,733,090)	(10,026,799)	8,216,027
<u>\$28,614,580</u>	<u>\$26,069,551</u>	<u>\$44,200,520</u>	<u>\$50,536,667</u>	<u>\$68,796,660</u>	<u>\$86,799,560</u>
\$6,363,409	\$6,712,319	\$6,311,315	\$6,367,876	\$6,735,816	\$7,471,373
0	0	0	0	0	0
646,273	2,390,480	3,236,495	5,474,380	8,309,261	13,681,381
<u>\$7,009,682</u>	<u>\$9,102,799</u>	<u>\$9,547,810</u>	<u>\$11,842,256</u>	<u>\$15,045,077</u>	<u>\$21,152,754</u>
\$73,012,673	\$72,627,277	\$68,361,835	\$66,588,588	\$61,562,801	\$58,982,877
15,323,423	17,585,894	17,550,132	22,049,045	23,996,474	27,072,029
(52,711,834)	(55,040,821)	(32,163,637)	(26,258,710)	(1,717,538)	21,897,408
<u>\$35,624,262</u>	<u>\$35,172,350</u>	<u>\$53,748,330</u>	<u>\$62,378,923</u>	<u>\$83,841,737</u>	<u>\$107,952,314</u>

City of Cleveland Heights, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2013	2014	2015
Expenses			
Governmental Activities:			
General Government	\$14,369,538	\$14,768,680	\$12,914,350
Public Safety	20,891,754	21,856,257	21,488,717
Public Health Services	360,462	363,067	332,708
Transportation	10,621,023	8,330,208	7,123,967
Community Development	5,164,372	6,147,040	5,009,520
Sanitation	2,511,148	1,829,229	2,531,508
Culture and Recreation	3,565,494	3,117,836	3,007,590
Interest and Fiscal Charges	748,771	668,496	498,182
<i>Total Governmental Activities Expenses</i>	<u>58,232,562</u>	<u>57,080,813</u>	<u>52,906,542</u>
Business-type Activities:			
Water	12,743,834	14,023,023	12,225,265
Sewer	1,790,551	2,045,581	1,539,528
Refuse	0	0	0
<i>Total Business-type Activities Expenses</i>	<u>14,534,385</u>	<u>16,068,604</u>	<u>13,764,793</u>
<i>Total Primary Government Expenses</i>	<u><u>\$72,766,947</u></u>	<u><u>\$73,149,417</u></u>	<u><u>\$66,671,335</u></u>
Program Revenues			
Governmental Activities:			
Charges for Services and Operating Assessments:			
General Government	\$4,287,936	\$4,406,803	\$4,368,875
Public Safety	5,903,861	5,625,274	5,614,727
Public Health Services	70,591	74,658	75,245
Transportation	695,236	757,961	660,114
Community Development	1,667,890	1,684,767	508,653
Sanitation	460,342	468,649	1,037,224
Culture and Recreation	614,650	955,160	1,486,855
Operating Grants and Contributions	4,337,755	6,296,657	5,136,553
Capital Grants and Contributions	74,496	73,446	37,300
<i>Total Governmental Activities Program Revenues</i>	<u>18,112,757</u>	<u>20,343,375</u>	<u>18,925,546</u>

City of Cleveland Heights, Ohio

*						
2016	2017	2018	2019	2020	2021	2022
\$16,358,242	\$16,331,347	\$17,535,489	\$16,751,225	\$17,507,101	\$20,010,446	\$21,109,697
25,334,587	26,341,709	28,171,172	1,674,058	25,714,162	21,774,363	21,599,504
359,185	360,285	385,738	1,018,905	487,876	235,802	343,096
8,278,949	8,527,689	8,201,178	8,264,796	7,850,483	5,348,697	5,403,603
6,350,784	5,613,479	5,321,819	6,327,473	9,579,628	4,736,225	3,820,227
2,217,216	2,678,313	2,655,695	2,473,844	2,528,836	17,323	0
3,220,376	4,381,740	3,732,443	4,963,586	2,115,133	2,749,311	3,030,873
583,113	451,277	624,516	550,743	409,601	490,071	560,845
<u>62,702,452</u>	<u>64,685,839</u>	<u>66,628,050</u>	<u>42,024,630</u>	<u>66,192,820</u>	<u>55,362,238</u>	<u>55,867,845</u>
13,422,399	15,810,884	0	0	0	0	0
1,649,888	2,646,476	2,501,275	4,940,749	3,906,723	3,856,708	1,870,935
0	0	0	0	0	3,820,913	4,282,630
<u>15,072,287</u>	<u>18,457,360</u>	<u>2,501,275</u>	<u>4,940,749</u>	<u>3,906,723</u>	<u>7,677,621</u>	<u>6,153,565</u>
<u>\$77,774,739</u>	<u>\$83,143,199</u>	<u>\$69,129,325</u>	<u>\$46,965,379</u>	<u>\$70,099,543</u>	<u>\$63,039,859</u>	<u>\$62,021,410</u>
\$4,172,508	\$4,005,958	\$4,218,129	\$4,216,412	\$3,863,163	\$5,519,177	\$6,657,768
5,833,368	5,291,173	5,621,987	4,535,659	5,604,225	6,771,130	6,021,374
69,414	65,406	74,153	73,717	68,392	84,115	300
536,527	433,538	682,738	575,016	750,080	716,505	1,692,801
1,411,096	1,547,919	1,709,836	1,916,154	1,948,828	1,913,882	1,006,552
407,540	450,884	435,889	499,630	475,691	0	0
856,391	1,133,852	1,121,306	1,285,929	262,558	808,375	1,574,187
6,276,236	9,116,678	5,614,681	4,767,431	9,605,946	8,531,800	5,559,254
72,096	87,378	71,438	76,250	2,269,849	222,036	0
<u>19,635,176</u>	<u>22,132,786</u>	<u>19,550,157</u>	<u>17,946,198</u>	<u>24,848,732</u>	<u>24,567,020</u>	<u>22,512,236</u>

(Continued)

City of Cleveland Heights, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2013	2014	2015
Business-type Activities:			
Charges for Services			
Water (*)	12,424,417	13,045,233	14,282,892
Sewer	1,663,242	1,553,903	1,622,110
Refuse	0	0	0
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>14,087,659</u>	<u>14,599,136</u>	<u>15,905,002</u>
<i>Total Primary Government Program Revenues</i>	<u>32,200,416</u>	<u>34,942,511</u>	<u>34,830,548</u>
Net (Expense)/Revenue			
Governmental Activities	(40,119,805)	(36,737,438)	(33,980,996)
Business-type Activities	(446,726)	(1,469,468)	2,140,209
<i>Total Primary Government Net (Expense)/Revenue</i>	<u><u>(\$40,566,531)</u></u>	<u><u>(\$38,206,906)</u></u>	<u><u>(\$31,840,787)</u></u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes	\$9,751,801	\$9,280,067	\$10,343,183
Municipal Income Taxes	21,620,891	24,035,692	24,221,436
Admission Taxes	101,414	158,849	94,087
Intergovernmental, Unrestricted	3,793,292	3,297,881	2,938,207
Franchise Taxes	551,694	490,496	560,558
Investment Earnings	43,610	70,034	77,437
Gain on Sale of Capital Assets	0	0	15,219
Miscellaneous	1,244,120	1,259,270	1,838,614
Transfer of Refuse Operations	0	0	0
Transfers	22,925	16,421	(285,252)
<i>Total Governmental Activities</i>	<u>37,129,747</u>	<u>38,608,710</u>	<u>39,803,489</u>
Business-type Activities:			
Miscellaneous	21,872	19,361	4,232
Transfers of Refuse Operations	0	0	0
Transfers	(22,925)	(16,421)	285,252
<i>Total Business-type Activities</i>	<u>(1,053)</u>	<u>2,940</u>	<u>289,484</u>
<i>Total Primary Government</i>	<u><u>\$37,128,694</u></u>	<u><u>\$38,611,650</u></u>	<u><u>\$40,092,973</u></u>
Change in Net Position			
Governmental Activities	(\$2,990,058)	\$1,871,272	\$5,822,493
Business-type Activities (*)	(447,779)	(1,466,528)	2,429,693
<i>Total Primary Government Change in Net Position</i>	<u><u>(\$3,437,837)</u></u>	<u><u>\$404,744</u></u>	<u><u>\$8,252,186</u></u>

* During 2017, the City signed a direct service agreement with the City of Cleveland for water distribution, resulting in a transfer of operations, effective in 2017.

City of Cleveland Heights, Ohio

*						
2016	2017	2018	2019	2020	2021	2022
14,242,180	594,071	0	0	0	0	0
1,398,962	2,883,863	4,502,792	5,126,352	6,098,216	4,880,773	5,564,849
0	0	0	0	0	2,709,366	3,311,426
0	915,719	0	0	0	0	438,024
0	0	0	0	0	126,717	1,732,530
15,641,142	4,393,653	4,502,792	5,126,352	6,098,216	7,716,856	11,046,829
35,276,318	26,526,439	24,052,949	23,072,550	30,946,948	32,283,876	33,559,065
(43,067,276)	(42,553,053)	(47,077,893)	(24,078,432)	(41,344,088)	(30,795,218)	(33,355,609)
568,855	(14,063,707)	2,001,517	185,603	2,191,493	39,235	4,893,264
<u>(\$42,498,421)</u>	<u>(\$56,616,760)</u>	<u>(\$45,076,376)</u>	<u>(\$23,892,829)</u>	<u>(\$39,152,595)</u>	<u>(\$30,755,983)</u>	<u>(\$28,462,345)</u>
\$9,910,246	\$9,680,033	\$8,512,315	\$8,759,596	\$9,553,391	\$9,738,559	\$10,878,082
25,911,464	28,288,722	29,088,986	25,858,382	29,612,738	32,534,589	35,123,309
83,402	53,976	51,930	49,873	7,875	49	0
2,973,822	3,311,536	2,783,621	3,185,196	6,775,791	3,622,919	3,886,748
606,056	502,577	545,814	519,245	502,937	393,663	545,788
133,571	222,634	391,208	556,379	240,858	54,133	753,947
11,751	0	0	0	27,789	0	0
1,202,894	945,402	1,333,977	717,849	1,039,095	1,285,301	1,385,048
0	0	0	0	0	(1,828,378)	0
(20,666)	(48,445)	(85,884)	(94,219)	(80,239)	(356,624)	(1,214,413)
40,812,540	42,956,435	42,621,967	39,552,301	47,680,235	45,444,211	51,358,509
156	391,198	5,500	165,189	22,714	978,584	0
0	0	0	0	0	1,828,378	0
20,666	48,445	85,884	94,219	80,239	356,624	1,214,413
20,822	439,643	91,384	259,408	102,953	3,163,586	1,214,413
<u>\$40,833,362</u>	<u>\$43,396,078</u>	<u>\$42,713,351</u>	<u>\$39,811,709</u>	<u>\$47,783,188</u>	<u>\$48,607,797</u>	<u>\$52,572,922</u>
(\$2,254,736)	\$403,382	(\$4,455,926)	\$15,473,869	\$6,336,147	\$14,648,993	\$18,002,900
589,677	(13,624,064)	2,092,901	445,011	2,294,446	3,202,821	6,107,677
<u>(\$1,665,059)</u>	<u>(\$13,220,682)</u>	<u>(\$2,363,025)</u>	<u>\$15,918,880</u>	<u>\$8,630,593</u>	<u>\$17,851,814</u>	<u>\$24,110,577</u>

City of Cleveland Heights, Ohio

Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

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

* During 2017, the City signed a direct service agreement with the City of Cleveland for water distribution, resulting in a transfer of operations and change to fund balance, effective in 2017.

** During 2019, the City implemented GASB 84, which restated 2018 and caused the classification of fund balance to change.

*** Restated to correct errors in accounting for Economic Development Properties.

City of Cleveland Heights, Ohio

*	**			***	
2017	2018	2019	2020	2021	2022
\$527,700	\$838,744	\$785,196	\$1,315,769	\$1,537,469	\$6,777,329
927,845	67,126	2,682,558	5,820,581	1,112,658	1,131,412
15,538,835	16,691,897	18,381,013	23,577,730	31,540,342	32,204,914
<u>16,994,380</u>	<u>17,597,767</u>	<u>21,848,767</u>	<u>30,714,080</u>	<u>34,190,469</u>	<u>40,113,655</u>
\$70,442	\$57,855	\$57,855	\$62,144	\$59,100	\$59,100
9,375,697	11,208,049	11,543,945	13,060,503	14,381,852	15,572,499
1,699,509	1,813,440	2,003,869	2,038,980	2,673,037	2,558,777
1,946,707	1,688,722	2,406,233	1,977,758	11,211,836	11,326,897
(667,990)	(905,412)	(504,547)	(683,265)	(300,527)	(14,464)
<u>12,424,365</u>	<u>13,862,654</u>	<u>15,507,355</u>	<u>16,456,120</u>	<u>28,025,298</u>	<u>29,502,809</u>
<u>\$29,418,745</u>	<u>\$31,460,421</u>	<u>\$37,356,122</u>	<u>\$47,170,200</u>	<u>\$62,215,767</u>	<u>\$69,616,464</u>

City of Cleveland Heights, Ohio

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

	2013	2014	2015
Revenues:			
Property Taxes	\$9,476,596	\$9,329,219	\$10,154,350
Municipal Income Taxes	21,676,288	23,281,969	24,797,290
Admission Taxes	101,414	158,849	94,087
Charges for Services	5,541,130	3,819,341	3,831,395
Licenses, Permits and Fees	2,042,386	4,941,868	5,083,144
Fines and Forfeitures	3,215,569	2,596,790	2,437,592
Intergovernmental Revenues	7,900,584	9,891,209	8,052,404
Special Assessments	1,944,755	2,158,785	2,207,781
Investment Earnings	43,610	70,034	77,437
Lease Revenue	27,932	50,198	22,200
Contributions and Donations	12,336	21,902	30,999
Franchise Taxes	551,694	490,496	560,558
All Other Revenue	1,244,120	1,259,270	1,838,614
Total Revenues	53,778,414	58,069,930	59,187,851
Expenditures:			
Current:			
General Government	15,394,711	14,836,528	14,994,218
Public Safety	21,216,050	22,462,442	21,499,555
Public Health Services	362,178	366,334	382,879
Transportation	5,877,513	6,014,505	4,912,147
Community Development	5,065,872	6,138,590	5,204,623
Sanitation	2,350,856	2,258,106	2,272,075
Culture and Recreation	2,489,045	2,642,396	2,853,367
Capital Outlay	1,778,253	2,630,003	1,887,039
Debt Service:			
Principal Retirement	1,964,862	2,045,393	2,404,860
Interest and Fiscal Charges	693,272	599,873	397,428
Bond Issuance Costs	0	95,463	117,332
Principal Retirement - Current Refunding	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	0
Total Expenditures	57,192,612	60,089,633	56,925,523
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,414,198)	(2,019,703)	2,262,328

City of Cleveland Heights, Ohio

2016	2017	2018	2019	2020	2021	2022
\$9,767,040	\$9,520,699	\$8,668,862	\$8,891,758	\$9,587,649	\$9,732,721	\$10,787,089
26,552,239	28,725,003	27,664,058	29,553,138	28,679,829	31,984,999	34,526,469
83,402	53,976	51,930	49,873	7,875	49	0
3,620,781	4,196,025	6,505,988	6,483,852	4,479,868	7,819,146	10,366,521
4,841,715	3,994,350	2,191,529	2,115,227	2,952,778	2,792,336	2,235,442
2,113,387	2,376,533	2,238,932	2,189,634	2,455,371	2,492,946	2,335,620
9,334,689	12,505,221	8,523,205	7,435,430	15,693,150	10,582,081	8,909,054
2,134,257	2,115,997	2,182,996	2,165,003	2,198,294	2,183,856	2,207,170
133,571	222,634	391,208	556,379	240,858	49,742	750,752
25,200	326,808	263,921	280,601	26,030	23,403	23,942
40,492	19,446	24,621	25,444	438,919	40,640	24,768
606,056	502,577	545,814	429,596	500,480	485,769	545,788
1,202,894	945,402	1,333,977	717,849	1,039,095	1,285,301	1,363,406
60,455,723	65,504,671	60,587,041	60,893,784	68,300,196	69,472,989	74,076,021
16,212,345	15,026,725	16,631,354	14,630,371	16,550,210	22,530,719	23,456,200
21,375,902	21,430,864	22,754,779	21,264,582	23,429,350	23,790,251	23,362,242
355,707	351,307	385,212	391,688	376,682	403,162	414,448
7,703,370	5,751,208	5,571,795	5,091,084	5,127,676	4,283,497	5,531,963
6,246,063	5,391,557	5,651,512	5,925,595	9,365,328	6,522,269	5,267,089
2,122,964	2,216,257	2,304,250	2,184,685	2,322,803	17,323	0
3,052,494	3,719,148	2,981,156	3,585,276	1,391,536	2,769,278	3,649,867
1,820,801	9,325,850	2,599,053	478,783	355,316	977,501	1,610,915
4,009,532	4,320,888	2,381,617	2,451,291	893,876	3,870,793	3,122,483
469,202	321,081	595,403	518,702	354,500	413,694	497,638
41,347	144,976	0	0	263,433	66,186	0
0	0	0	0	53,611	0	0
0	0	0	0	42,659	0	0
63,409,727	67,999,861	61,856,131	56,522,057	60,526,980	65,644,673	66,912,845
(2,954,004)	(2,495,190)	(1,269,090)	4,371,727	7,773,216	3,828,316	7,163,176

(Continued)

City of Cleveland Heights, Ohio

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

	2013	2014	2015
Other Financing Sources (Uses):			
Loans Issued	482,601	0	0
Issuance of General Obligation Bonds and Notes	1,590,000	5,635,000	8,477,000
Premium on General Obligation Bonds and Notes	9,185	0	0
Discount on General Obligation Bonds Issued	0	0	0
Special Assessment Refunding Bonds Issued	0	0	0
Capital Lease Issued	0	730,133	0
Sale of Capital Assets	0	26,477	15,219
Current Refunding	0	0	0
Payment to Refunded Bond Escrow Agent	(1,513,662)	(2,464,988)	(4,728,842)
Transfers In	3,998,494	3,325,327	2,550,316
Transfers Out	(3,975,069)	(3,308,906)	(2,550,316)
Total Other Financing Sources (Uses)	591,549	3,943,043	3,763,377
Special Items:			
Transfer of Refuse Operations	0	0	0
Net Change in Fund Balance	(\$2,822,649)	\$1,923,340	\$6,025,705
Debt Service as a Percentage of Noncapital Expenditures	5.00%	4.80%	5.40%

City of Cleveland Heights, Ohio

2016	2017	2018	2019	2020	2021	2022
0	0	0	766,582	45,396	0	0
3,115,000	8,017,000	582,000	851,611	14,198,000	2,249,000	1,344,000
11,211	214,216	0	0	7,916	15,556	0
0	(91,758)	0	0	0	0	0
0	0	0	0	0	1,682,000	3,067,000
0	0	447,201	0	550,000	1,200,000	0
17,358	0	0	0	27,789	0	65,866
0	0	0	0	(798,000)	0	0
0	0	0	0	(11,910,000)	(1,653,879)	(3,024,932)
3,104,993	3,263,213	4,910,911	3,271,354	2,913,865	4,328,591	5,443,421
(3,125,659)	(3,311,658)	(4,996,795)	(3,365,573)	(2,994,104)	(4,685,215)	(6,657,834)
3,122,903	8,091,013	943,317	1,523,974	2,040,862	3,136,053	237,521
0	0	0	0	0	115,298	0
\$168,899	\$5,595,823	(\$325,773)	\$5,895,701	\$9,814,078	\$7,079,667	\$7,400,697
7.90%	8.10%	5.10%	5.40%	2.10%	6.60%	5.68%

City of Cleveland Heights, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	2013	2014	2015	2016
Income Tax Rate (1)	2.00%	2.00%	2.00%	2.25%
Estimated Personal Income	\$1,135,749,650	\$1,158,059,550	\$1,201,987,400	\$1,165,205,511
Total Tax Collected (net of refunds)	\$22,714,993	\$23,161,191	\$24,039,748	\$26,217,124
Income Tax Receipts				
Withholding	6,961,230	7,870,984	7,471,065	8,651,651
Percentage	31%	34%	31%	33%
Net Profits Corporate	673,668	928,582	805,444	786,514
Percentage	3%	4%	3%	3%
Individuals	15,080,095	14,361,625	15,763,239	16,778,959
Percentage	66%	62%	66%	64%

Source: Regional Income Tax Agency Data

- (1) 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

2017	2018	2019	2020	2021	2022
2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
\$1,212,866,933	\$1,229,362,222	\$1,297,821,956	\$1,258,782,222	\$1,413,928,711	\$1,500,470,311
\$27,289,506	\$27,660,650	\$29,200,994	\$28,322,600	\$31,813,396	\$33,760,582
8,603,124	9,291,416	9,928,338	9,753,329	11,914,926	12,153,810
31%	33%	34%	34%	37%	36%
1,000,026	997,935	876,030	1,334,907	1,279,380	1,012,817
4%	4%	3%	5%	4%	3%
17,686,356	17,371,299	18,396,626	17,234,364	18,619,090	20,593,955
65%	63%	63%	61%	59%	61%

City of Cleveland Heights, Ohio

Income Tax Statistics Current Year and Nine Years Ago

Tax Year 2022				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$24,999	1,929	24.94%	\$411,916,910	62.70%
25,000 - 49,999	869	11.24%	75,004,871	11.42%
50,000 - 74,999	1,403	18.14%	86,884,456	13.23%
75,000 - 99,999	1,673	21.63%	62,806,720	9.56%
Over 100,000	1,860	24.05%	20,305,167	3.09%
Total	7,734	100.00%	\$656,918,124	100.00%

Tax Year 2012				
	Number of Filers	Percent of Total	Local Taxable Income	Percent of Income
\$0 - \$19,999	2,586	17.39%	\$571,716,439	55.75%
20,000 - 49,999	1,372	9.23%	118,326,665	11.54%
50,000 - 74,999	2,302	15.49%	140,714,284	13.72%
75,000 - 99,999	3,763	25.32%	138,984,550	13.55%
Over 100,000	4,841	32.57%	55,822,505	5.44%
Total	14,864	100.00%	\$1,025,564,443	100.00%

Source: City Income Tax Department



City of Cleveland Heights, Ohio

Ratios of Outstanding Debt By Type Last Ten Years

	2013	2014	2015	2016
Governmental Activities				
General Obligation Bonds	\$10,830,316	\$12,202,733	\$12,971,816	\$12,342,682
Special Assessment Bonds	2,522,575	2,490,000	2,375,000	2,260,000
Bond Anticipation Notes	0	0	1,515,000	1,526,211
Installment Loans	193,836	816,338	646,918	577,825
OPWC Loans	1,679,271	1,576,509	1,461,069	1,345,630
OWDA Loans	0	0	0	0
State Infrastructure Bank Loan	0	0	0	329,838
Business-type Activities				
General Obligation Bonds	\$0	\$0	\$0	\$0
Bond Anticipation Notes	0	0	185,000	186,369
Ohio Public Works Commission Loans	898,518	801,619	704,720	607,822
Ohio Water Development Authority Loans	517,409	479,178	439,386	397,971
Total Primary Government	\$16,641,925	\$18,366,377	\$20,298,909	\$19,574,348
Population ⁽¹⁾				
City of Cleveland Heights	46,121	46,121	46,121	46,121
Outstanding Debt Per Capita	\$361	\$398	\$440	\$424
Income ⁽²⁾				
Personal	\$2,271,499,300	\$2,316,119,100	\$2,403,974,800	\$2,621,712,400
Percentage of Personal Income	0.73%	0.79%	0.84%	0.75%

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis

City of Cleveland Heights, Ohio

2017	2018	2019	2020	2021	2022
\$17,333,458	\$16,048,278	\$14,716,560	\$15,265,000	\$14,915,000	\$15,395,000
2,140,000	2,015,000	1,890,000	1,760,000	1,663,000	1,516,000
722,000	582,000	851,611	2,295,916	1,505,556	0
507,061	863,421	694,249	1,020,212	2,006,743	1,718,450
1,422,713	1,332,284	1,918,011	1,872,977	1,712,102	1,554,543
205,278	186,435	173,262	159,579	152,540	138,053
278,875	226,371	172,280	116,554	59,144	0
\$0	\$570,000	\$515,000	\$455,000	\$768,000	\$696,000
0	0	253,389	255,903	0	0
212,233	196,491	165,007	149,264	126,300	103,336
171,356	123,566	90,042	55,123	524,302	4,079,475
<u>\$22,992,974</u>	<u>\$22,143,846</u>	<u>\$21,439,411</u>	<u>\$23,405,528</u>	<u>\$23,432,687</u>	<u>\$25,200,857</u>
46,121	46,121	46,121	45,312	44,652	44,201
\$499	\$480	\$465	\$517	\$525	\$570
\$2,728,950,600	\$2,766,065,000	\$2,920,099,400	\$2,832,260,000	\$3,181,339,600	\$3,376,058,200
0.84%	0.80%	0.73%	0.83%	0.74%	0.75%

City of Cleveland Heights, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2013	2014	2015	2016
Population ⁽¹⁾	46,121	46,121	46,121	46,121
Estimated Actual Value ⁽²⁾	\$2,451,180,647	\$2,437,138,015	\$2,403,980,909	\$2,313,888,730
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$10,830,316	\$12,202,733	\$12,971,816	\$12,342,682
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$10,830,316	\$12,202,733	\$12,971,816	\$12,342,682
Ratio of Net Bonded Debt to Estimated Actual Value	0.44%	0.50%	0.54%	0.53%
Net Bonded Debt per Capita	\$234.82	\$264.58	\$281.26	\$267.62

Source:

- (1) U.S. Bureau of Census of Population
- (2) County Auditor
- (3) Includes all general obligation bonded debt
- (4) Includes only Debt Service funds available for general obligation bonded debt

City of Cleveland Heights, Ohio

2017	2018	2019	2020	2021	2022
46,121	46,121	46,121	45,312	44,652	44,201
\$2,205,506,428	\$2,281,027,796	\$2,415,785,903	\$2,389,845,108	\$2,377,784,347	\$2,649,714,469
\$17,333,458	\$16,618,278	\$15,231,560	\$15,720,000	\$15,683,000	\$16,091,000
\$0	\$0	\$0	\$0	\$0	\$0
\$17,333,458	\$16,618,278	\$15,231,560	\$15,720,000	\$15,683,000	\$16,091,000
0.79%	0.73%	0.63%	0.66%	0.66%	0.61%
\$375.83	\$360.32	\$330.25	\$346.93	\$351.23	\$364.04



City of Cleveland Heights, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2022*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Cleveland Heights (1)</u>	<u>Amount Applicable to the City of Cleveland Heights</u>
Direct:			
City of Cleveland Heights	\$20,322,046	100.00%	\$20,322,046
Overlapping:			
Cleveland Heights City Schools	132,638,711	72.87%	96,653,829
Cuyahoga County	240,795,000	2.74%	6,597,783
Cuyahoga Community College	189,980,000	2.74%	5,205,452
		Subtotal	108,457,064
		Total	\$128,779,110

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Cleveland Heights, Ohio

Debt Limitations Last Ten Years

	2013	2014	2015	2016
Total Debt				
Net Assessed Valuation	\$865,300,800	\$861,088,460	\$849,994,610	\$818,671,420
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	90,856,584	90,414,288	89,249,434	85,960,499
City Debt Outstanding (2)	9,373,091	11,602,961	12,624,111	10,862,928
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	9,373,091	11,602,961	12,624,111	10,862,928
Overall Legal Debt Margin	<u>\$81,483,493</u>	<u>\$78,811,327</u>	<u>\$76,625,323</u>	<u>\$75,097,571</u>
Debt Margin as a Percentage of Debt Limit	89.68%	87.17%	85.86%	87.36%
Unvoted Debt				
Net Assessed Valuation	\$865,300,800	\$861,088,460	\$849,994,610	\$818,671,420
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	47,591,544	47,359,865	46,749,704	45,026,928
City Debt Outstanding (2)	9,373,091	11,602,961	12,624,111	10,862,928
Less: Applicable Debt Service Fund Amounts	0	0	0	0
Net Indebtedness Subject to Limitation	9,373,091	11,602,961	12,624,111	10,862,928
Overall Legal Debt Margin	<u>\$38,218,453</u>	<u>\$35,756,904</u>	<u>\$34,125,593</u>	<u>\$34,164,000</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: Finance Director's Office

City of Cleveland Heights, Ohio

2017	2018	2019	2020	2021	2022
\$780,677,640	\$808,469,340	\$856,026,510	\$847,974,420	\$845,464,590	\$941,780,000
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
81,971,152	84,889,281	89,882,784	89,037,314	88,773,782	98,886,900
15,925,521	14,972,740	14,424,870	14,546,681	14,974,144	15,395,000
0	0	0	0	0	0
15,925,521	14,972,740	14,424,870	14,546,681	14,974,144	15,395,000
\$66,045,631	\$69,916,541	\$75,457,914	\$74,490,633	\$73,799,638	\$83,491,900
80.57%	82.36%	83.95%	83.66%	83.13%	84.43%
\$780,677,640	\$808,469,340	\$856,026,510	\$847,974,420	\$845,464,590	\$941,780,000
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
42,937,270	44,465,814	47,081,458	46,638,593	46,500,552	51,797,900
16,130,799	15,159,175	14,598,132	14,706,260	14,691,234	15,395,000
0	0	0	0	0	0
16,130,799	15,159,175	14,598,132	14,706,260	14,691,234	15,395,000
\$26,806,471	\$29,306,639	\$32,483,326	\$31,932,333	\$31,809,318	\$36,402,900

City of Cleveland Heights, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2013	2014	2015	2016
Population ⁽¹⁾				
City of Cleveland Heights	46,121	46,121	46,121	46,121
Cuyahoga County	1,280,122	1,280,122	1,255,921	1,249,352
Income ⁽²⁾				
Total Personal	\$2,271,499,300	\$2,316,119,100	\$2,403,974,800	\$2,621,712,400
Per Capita	49,251	50,218	52,123	56,844
Unemployment Rate ⁽³⁾				
Federal	7.4%	6.2%	5.3%	4.9%
State	7.4%	5.7%	4.9%	4.9%
Cuyahoga County	7.2%	5.3%	5.0%	5.4%

Sources:

- (1) U.S. Bureau of Census of Population
- (2) City Income Tax Department
- (3) State Department of Labor Statistics

City of Cleveland Heights, Ohio

2017	2018	2019	2020	2021	2022
46,121	46,121	46,121	45,312	44,652	44,201
1,248,514	1,243,857	1,235,072	1,227,883	1,249,387	1,236,041
\$2,728,950,600	\$2,766,065,000	\$2,920,099,400	\$2,832,260,000	\$3,181,339,600	\$3,376,058,200
59,169	59,974	63,314	62,506	71,247	76,380
4.4%	3.9%	3.7%	8.1%	5.3%	4.2%
5.0%	4.6%	4.1%	8.1%	5.1%	4.0%
4.9%	5.1%	3.6%	10.4%	4.9%	3.5%



City of Cleveland Heights, Ohio

Principal Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>Number of Employees</u>
Cleveland Heights University School District	984
The Metrohealth System	675
City of Cleveland Heights	578
CAS Health Investors	470
Hebrew Academy of Cleveland	415
Home Depot USA, Inc.	361
Horizon Health Services	324
Cuyahoga County Auditor Payroll	300
Charter Communications Holding	283
Progressive Casualty Insurance	278
Total	4,668
Total Employment within the City (1)	N/A

<u>Employer</u>	<u>Number of Employees</u>
Group Management Services Incorporated	NA
City of Cleveland Heights	783
CAS Health Investors	394
Cuyahoga County Fiscal Office	321
Home Depot	212
Toyota on the Heights	136
Cleveland Heights University Heights Public Library	135
Motorcars	87
Total	2,068
Total Employment within the City (1)	NA

Source: City Income Tax Department

(1) - Total employment within the City is not available.

City of Cleveland Heights, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2013	2014	2015	2016	2017
Governmental Activities					
General Government:					
Council	7.10	7.20	6.00	3.00	3.00
City Management	0.00	0.00	0.00	2.00	2.00
Finance	6.60	6.50	6.00	6.00	6.50
Administrative	0.00	0.00	0.00	0.00	0.00
Municipal Court	25.40	26.30	29.00	26.00	28.00
Security of Persons and Property:					
Police Officers	113.80	114.60	115.80	98.00	100.00
Civilians/Crossing Guards	5.00	4.00	5.00	17.50	16.00
Firefighters and Officers	69.00	78.00	73.00	78.00	73.00
Civilians/Dispatch	8.60	10.30	8.00	11.00	10.00
Traffic Signs and Signals	0.00	0.00	0.00	0.00	0.00
Public Health:	0.00	0.00	0.00	0.00	0.00
Culture and Recreation:	58.60	55.90	55.00	75.00	82.50
Planning/Community:					
Planning and Development	11.90	12.00	12.00	8.00	8.00
Building Inspectional	15.00	16.10	15.00	10.00	11.00
Other	20.20	18.00	14.50	21.00	18.50
Business-Type Activities					
Utilities, Streets, Storm, Sanitation and Parks (Public Works Department)					
	106.00	100.30	99.00	111.50	93.00
<i>Total Employees</i>	<u>447.20</u>	<u>449.20</u>	<u>438.30</u>	<u>467.00</u>	<u>451.50</u>

Method: 1.00 for each full-time, 0.50 for each part-time and seasonal employee

Source: City of Cleveland Heights Payroll/Human Resources Department

City of Cleveland Heights, Ohio

2018	2019	2020	2021	2022
3.00	2.50	3.00	3.50	4.50
2.00	2.00	5.00	5.00	5.00
6.50	5.00	6.00	6.00	8.00
0.00	0.00	35.50	32.50	33.50
27.00	25.00	19.00	17.50	17.50
100.00	97.00	95.00	90.00	92.00
12.00	9.00	3.00	4.00	4.00
75.00	75.00	76.00	78.00	79.00
0.00	0.00	1.00	1.00	1.00
0.00	0.00	1.00	1.00	1.00
0.00	0.00	2.00	3.00	3.00
82.50	82.50	12.50	36.00	36.00
9.00	9.50	9.50	6.00	8.00
11.00	11.00	9.00	7.00	7.00
18.50	18.50	15.50	24.00	24.00
96.00	96.00	71.00	73.00	73.00
442.50	433.00	364.00	387.50	396.50

City of Cleveland Heights, Ohio

Operating Indicators by Function Last Ten Years

	2013	2014	2015
Governmental Activities			
General Government			
Council and Clerk			
Number of ordinances passed	68	36	29
Number of resolutions passed	143	102	115
Number of Planning Commissions docket items	52	34	38
Number of Board of Zoning Appeals docket items	36	22	31
Finance Department			
Number of checks/accounts payable vouchers issued	6,498	5,984	5,881
Amount of checks written	\$29,020,478	\$30,936,718	\$34,186,263
Interest earnings for fiscal year (cash basis)	\$77,695	\$71,505	\$78,721
Number of journal entries issued	501	526	499
Agency Ratings-Moody's Financial Services	Aa2	Aa2	A1
Municipal Court			
Number of civil cases	1,511	1,559	1,075
Number of criminal cases	3,359	3,020	2,642
Security of Persons and Property			
Fire			
EMS calls	4,733	4,559	4,934
Fire calls	1,399	1,387	1,288
Fires with loss	62	50	59
Fire safety inspections/re-inspections	957	980	2,137
Number of times mutual aid given to Fire and EMS	110	99	98
Number of times mutual aid received from Fire and EMS	82	60	78
Culture and Recreation			
Senior activity center receipts	\$0	\$39,914	\$37,829
Swimming pools receipts	\$97,222	\$105,963	\$99,904
Ice program receipts	\$36,356	\$36,747	\$49,129
General recreation program receipts	\$94,312	\$99,785	\$60,356
Sports programs receipts	\$183,743	\$171,016	\$201,040
Community center program receipts	\$587,822	\$640,367	\$655,843
Cain park program receipts	\$564,682	\$603,585	\$644,005

City of Cleveland Heights, Ohio

2016	2017	2018	2019	2020	2021	2022
22	123	40	35	42	58	64
85	135	97	76	98	104	115
27	25	31	31	11	17	21
22	25	29	29	20	28	34
7,948	6,905	5,866	8,970	5,611	4,976	5,245
\$38,756,617	\$22,125,138	\$21,841,704	\$22,826,017	\$27,927,046	\$24,939,419	\$25,284,936
\$140,731	\$242,847	\$379,426	\$128,603	\$237,513	\$49,786	\$1,123,858
606	964	1,814	2,514	3,974	4,125	4,326
A1	A1	A1	A1	A1	A1	A1
1,687	1,718	1,849	1,980	1,766	1,694	1,736
2,849	1,683	2,461	2,206	1,636	1,578	1,634
5,129	5,305	5,654	5,692	5,700	6,239	6,506
1,288	1,294	1,478	1,537	1,371	1,438	1,542
16	62	70	27	62	36	49
1,616	2,066	2,269	857	0	1,237	973
40	129	217	122	128	121	144
34	150	160	65	62	81	62
\$50,298	\$43,209	\$10,981	\$41,352	\$19,102	\$13,063	\$26,539
\$104,225	\$110,138	\$112,203	\$119,884	\$3,154	\$88,444	\$97,220
\$44,621	\$50,066	\$27,038	\$66,732	\$14,084	\$18,025	\$34,492
\$62,773	\$42,758	\$35,885	\$45,358	\$8,424	\$6,532	\$18,475
\$219,884	\$204,299	\$180,583	\$194,913	\$12,272	\$92,631	\$107,752
\$674,170	\$728,019	\$694,500	\$662,642	\$305,054	\$175,920	\$162,552
\$560,335	\$783,820	\$797,374	\$837,388	\$96,135	\$429,360	\$900,274

(Continued)

City of Cleveland Heights, Ohio

Operating Indicators by Function Last Ten Years

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

Source: City of Cleveland Heights departments

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

City of Cleveland Heights, Ohio

2016	2017	2018	2019	2020	2021	2022
464	3,052	5,366	3,296	2,689	2,958	1,374
229	220	413	161	262	187	70
\$16,592,300	\$23,228,320	\$31,470,611	\$18,528,289	\$25,940,072	\$30,081,235	\$33,113,600
\$20,249,000	\$12,682,607	\$14,767,246	\$10,769,357	\$46,023,300	\$39,286,334	\$10,212,400
3,058	3,274	5,779	3,499	2,951	3,145	3,370
\$846,063	\$309,645	\$847,183	\$425,604	\$1,606,592	\$816,570	\$1,554,480
\$245,205	\$196,430	\$299,750	\$167,899	\$195,642	\$175,300	\$591,927
512	1,173	1,100	1,194	1,080	1,119	1,012
3,153	3,414	3,142	3,584	3,159	2,785	1,995
\$2,031,567	\$1,437,209	\$1,577,102	\$1,604,297	\$1,625,378	\$1,605,789	\$1,587,479
\$136,984	\$165,606	\$216,972	\$212,032	\$254,161	\$203,830	\$58,795
6,720	10,000	6,750	3,700	4,500	0	4,500
5,520	6,560	8,000	7,680	4,898	5,850	6,625
N/A	N/A	N/A	N/A	N/A	N/A	N/A
3,080	3,113	3,520	3,000	600	900	950
4,960	5,066	4,420	4,400	3,000	3,250	3,345
4,816	4,200	6,120	6,180	6,032	6,125	6,135
724	645	1,063	1,020	1,008	1,032	1,015
5,716	500	300	300	408	300	300
14,680	16,160	13,780	12,000	10,120	11,300	11,650
16,640	1,800	N/A	N/A	N/A	18,496	17,400
303	369	339	300	408	400	400
5,400	6,232	6,621	5,700	5,598	5,800	5,850
\$214,867	\$182,515	\$422,288	\$406,000	\$0	\$0	\$0
88.0	0.0	0.0	0.0	0.0	0.0	0.0
15,350	0	0	0	0	0	0
\$18,637,752	\$3,131,604	\$0	\$0	\$0	\$0	\$0
\$4,132,247	\$1,893,113	\$0	\$0	\$0	\$0	\$0
11.1	41.0	41.6	43.5	43.5	43.5	43.5
473	519	672	420	164	528	477

City of Cleveland Heights, Ohio

Capital Asset Statistics by Function Last Ten Years

	2013	2014	2015	2016
General Government				
Square Footage Occupied	68,000	68,000	68,000	68,000
Administrative Vehicles	9	9	10	1
Inspectional Vehicles	18	18	15	14
Municipal Court Vehicles	3	3	3	3
Land and Building Vehicles	21	21	5	5
Security of Persons and Property				
Police				
Stations	1	1	1	1
Square Footage of Building	18,877	18,877	18,877	18,877
Vehicles	99	99	92	109
Fire/EMS				
Stations	2	2	2	2
Square Footage of Buildings	24,068	24,068	24,068	24,068
Vehicles	18	18	19	18
Recreation				
Number of Parks	6	6	6	7
Number of Pools	1	1	1	1
Number of Ice Rinks	2	2	2	2
Number of Tennis Courts	18	18	18	18
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	9	9	9	9
Number of Basketball Courts	5	5	5	5
Community Center Square Footage	150,000	150,000	150,000	150,000
Vehicles	7	7	5	11
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	105	105	129	125
Business-Type Activities				
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

City of Cleveland Heights, Ohio

2017	2018	2019	2020	2021	2022
68,000	68,000	68,000	68,000	68,000	68,000
12	12	12	11	3	12
10	10	10	8	9	11
2	2	2	2	1	1
20	20	20	19	0	0
1	1	1	1	1	1
18,877	18,877	18,877	18,877	18,877	18,877
116	101	101	104	111	115
2	2	2	2	2	2
24,068	24,068	24,068	24,068	24,068	24,068
15	16	16	16	15	16
7	7	7	7	7	7
1	1	1	1	1	1
2	2	2	2	2	2
18	18	18	18	18	18
1	1	1	1	1	1
9	9	9	9	9	9
5	5	5	5	5	5
150,000	150,000	150,000	150,000	150,000	150,000
13	13	13	19	15	16
137	137	137	137	137	137
249	249	249	249	249	249
42,244	42,244	42,244	42,244	108,467	108,467
125	125	125	120	82	82
150	150	150	150	150	150
150	150	150	150	150	150

