

**CLEVELAND HEIGHTS
UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT**
UNIVERSITY HEIGHTS, OH

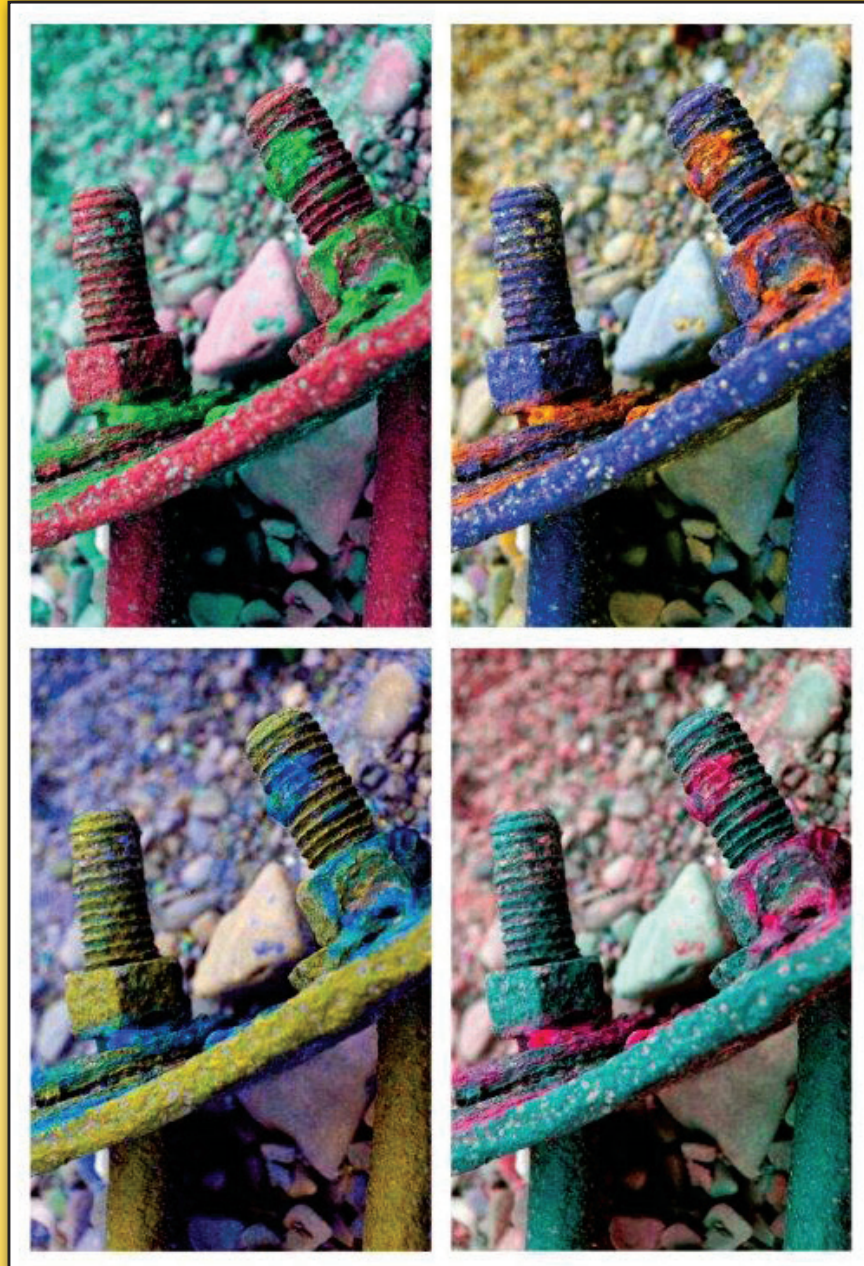
COMPREHENSIVE
ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2016



INTRODUCTORY SECTION



SHANNON BERR
Grade 10 - CHHS

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT



SYLVIE HATTIER
Grade 1 - Roxboro Elementary

For The Fiscal Year Ended June 30, 2016

ISSUED BY:
FINANCE DEPARTMENT,
A SCOTT GAINER,
CHIEF FINANCIAL OFFICER



DISTRICT MISSION VISION AND CORE VALUES

MISSION – Our schools provide a challenging and engaging education to prepare all our students to become responsible citizens and succeed in college and career.

VISION – Preparing **All** Students for **Success** in a **Global** Economy (**P.A.S.S.A.G.E.**)

CORE VALUES – The Cleveland Heights-University Heights School District is deeply committed to **educational equity** and providing an **excellent education** for all of our students in every one of our schools.

WITHIN A CULTURE OF TRUST, RESPECT AND INTEGRITY WE ARE COMMITTED TO OUR:

STUDENTS – They know they are valued and can achieve.

DIVERSITY – It strengthens us.

PARTNERSHIPS – Collaborations that benefit our students are essential.

RESPONSIBILITY – Each of us is accountable for student success.

STEWARDSHIP – Community resources are managed wisely.

EDUCATIONAL EQUITY addresses the policies, practices, programs, personnel and resources required to ensure access to educational opportunity and achievement for all students.

EXCELLENT EDUCATION means students have the academic knowledge, social-emotional skills and extracurricular experiences to succeed as lifelong learners.

HEIGHTS



Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

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A. Scott Gainer
Chief Financial Officer

December 23, 2016

Members of the Board of Education and Residents of the
Cleveland Heights-University Heights City School District

Dear Board Members and Residents:

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all school districts file annual unaudited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within 150 days of the close of each fiscal year unless an extension is received. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that the District has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Auditor of State of Ohio, Dave Yost, has issued an unmodified (“clean”) opinion on the Cleveland Heights-University Heights City School District’s financial statements for the year ended June 30, 2016. The Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the School District

The Cleveland Heights-University Heights City School District is one of 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 5,221 students in grades kindergarten through twelve. Additionally, the District provides preschool, after school, and adult education services. The District covers approximately 9.6 square miles, serving the cities of Cleveland Heights, University Heights and a small portion of South Euclid, and is located approximately ten miles southeast of downtown Cleveland. Highlights of the history of the Cleveland Heights-University Heights City School District are as follows:

- 1901 East Cleveland Township School Board formed (included the hamlet of Cleveland Heights)
- 1902 Passed issue to build Lee Road School
- 1903 Cleveland Heights became a village
- 1904 District renamed Cleveland Heights School District
- 1905 Expansion of Lee Road School
- 1906 Roxboro Elementary School built
- 1907 First graduation at Heights High
- 1916 Fairfax Elementary School built
- 1916 New high school built on Lee Road site
- 1919 Coventry Elementary School built
- 1922 Noble Elementary School built
- 1923 Taylor Elementary School built
- 1924 Boulevard Elementary School built
- 1925 Oxford Elementary School built
- 1926 New high school at Cedar and Lee Roads built
- 1926 Roosevelt Junior High School built
- 1926 Roxboro Junior High School built
- 1927 Canterbury Elementary School built
- 1929 Superior Opportunity School built
- 1930 Monticello Junior High School built
- 1942 District became Cleveland Heights-University Heights City School District
- 1948 Northwood Elementary School built
- 1949 Belvoir Elementary School built
- 1953 Millikin Elementary School built
- 1954 Wiley Junior High School built

- 1964 Board Administration Building opened
- 1972 Bond issue to construct new Coventry, Boulevard, Fairfax, and Taylor school buildings
- 1987 Northwood Elementary School sold
- 1993 Belvoir School renamed Lauree P. Gearity Elementary School
- 2008 Coventry Elementary School closed
- 2013 Wiley Middle School Closed

Local Economy

The District serves approximately 46,000 residents of the City of Cleveland Heights and approximately 13,500 residents of the City of University Heights, both inner-ring suburbs of the City of Cleveland. Both communities are primarily residential in nature, with a diverse base of residents. The proximity and easy access of the cities to major cultural, educational, and medical facilities in northeast Ohio typically contributes to climbing property values, a key indicator of a community's economic health and stability where the primary "industry" is housing, although both communities have experienced a significant number of home foreclosures and flat or decreasing property values consistent with the overall trend in Ohio and nationally.

State funding of schools continues to change with each biennial budget. In the short-term, State funding to the District has been fairly consistent despite changing formulas over the years. In response to decreases in property tax revenue due to foreclosures, the District has engaged in ongoing operating reductions, including the closing of Wiley Middle School as part of a comprehensive facilities plan. The District successfully passed a 6.9 mill operating levy in November, 2011 and a 5.5 mill operating levy in November, 2016.

Economic Condition and Outlook

The cities of Cleveland Heights and University Heights are primarily residential, and with the economic downturn, property tax collections have been affected through foreclosures and delinquencies. It is expected that tax collections will remain relatively constant at the reduced level for the foreseeable future.

Student enrollment for the 2003 school year was 6,821. Enrollment for the 2016 school year was 5,221.

Long-Term Financial Planning

Financial Highlights - Internal Service Funds - The only internal service funds carried on the financial records of the District are related to the self-insurance and the workers' compensation fund. These funds account for the revenues and expenses related to the provision of medical and workers' compensation program. The internal service funds had a net position of \$2,910,318 at June 30, 2016 compared with a net position of \$1,713,485 at June 30, 2015. The District is meeting its claim liability.

The most recent District five-year forecast indicates a positive cash balance through 2019, with a \$10.6 million deficit beginning in 2020. To compensate for declining property tax revenue and reduced interest income, the District is continuing to pursue various cost-containment and cost-savings strategies. The District entered into the Expedited Local Partnership Program with the Ohio School Facilities Commission to have a complete evaluation of facilities done in an effort to streamline operations and enhance delivery of instruction and successfully passed a bond issue in November of 2013. As indicated previously, the District also successfully passed a 6.9 mill operating levy in November 2011 and a 5.5 mill operating levy in November 2016.

Relevant Financial Policies

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational services prescribed by State and/or Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as Chief Financial Officer. A complete organizational chart is included in this Introductory Section.

In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. Excluded from the reporting entity, because they are fiscally independent of the District, are the City of Cleveland Heights, the City of University Heights, the Parent-teacher Organization, and the parochial and private schools operating within the boundaries of the District.

The District is associated with two organizations, the Ohio Schools' Council and the Cleveland Heights-University Heights Public Library. The Ohio Schools' Council is a jointly governed organization whose relationship to the District is described in Note 16 to the accompanying financial statements. The Cleveland Heights-University Heights Public Library is a related organization and is described in Note 20 to the accompanying financial statements.

A complete discussion of the District's reporting entity is provided in Note 1 of the accompanying financial statements.

The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports from governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By statute, permanent appropriations must be adopted upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates. The District adopts the permanent appropriation measure in September.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Fiscal Officer must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates. All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the site administrator or central office administrator and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to the vendors. Those requests, which exceed the available appropriations, are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. On-line inquiry of account balances is available to all budget managers. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy making roles are covered by a separate higher limit bond.

The District has a comprehensive cash management program, which consists of expediting receipt of revenues and prudently depositing and investing available cash balances. The available cash of the District's individual funds is combined into a single cash pool and invested according to cash flow projections. The District invests in Certificates of Deposit, U.S. Treasury Notes, Government Securities, Commercial Paper and STAR Ohio, an investment pool operated by the Treasurer of the State of Ohio. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2016, the District earned \$1,499,671 in investment income of which \$274,471 was credited to the General Fund.

The basis of accounting and the various funds utilized by the District are fully described in Note 1 to the financial statements. Additional information on the District's budgetary accounting can also be found in Notes 1 and 3.

Major Initiatives

The District continues progress on the master facilities plan. The high school is currently being renovated and is expected to reopen for the 2017-2018 school year. Afterwards the two middle schools will be similarly renovated. The District also recently completed a five-year strategic plan, with five goals in the areas of 1) student outcomes, 2) educational approach, 3) parent & community engagement/partnerships/communication, 4) valued professionals & culture of excellence, and 5) operational resources – finances/technology/facilities.

The Board and administration continue to be committed to ongoing fiscal responsibility and accountability, continuing to pursue various cost-containment and cost-savings strategies.

Awards and Acknowledgements

Awards

The District was awarded the Government Finance Officers Association in the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) for its comprehensive annual financial report for the fiscal year ended June 30, 2015.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The District has determined that it will apply for the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year June 30, 2016.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International also awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the year ended June 30, 2015. The Association's Panel of Review judged that the District's report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. This certificate is awarded upon recommendation of the Association's Panel of Review and is valid for a period of one year only.

Acknowledgements

The publication of the Comprehensive Annual Financial Report enhances the District's accountability to the citizens of the District. The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's Office and numerous other District staff members. Our appreciation is also expressed to the firm of Ciuni & Panichi, Inc. for their assistance in preparing and reviewing this financial report.

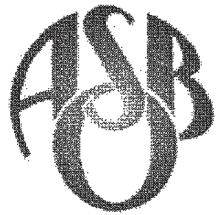
Respectfully submitted,



A. Scott Gainer
Chief Financial Officer



Talisa L. Dixon, Ph.D.
Superintendent



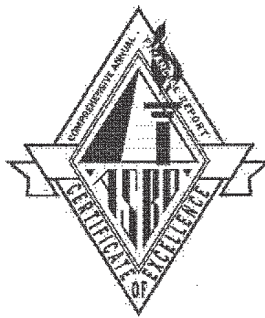
**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting Award
is presented to**

**Cleveland Heights-University Heights City
School District**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda R. Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

**Cleveland Heights-University Heights
City School District, Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

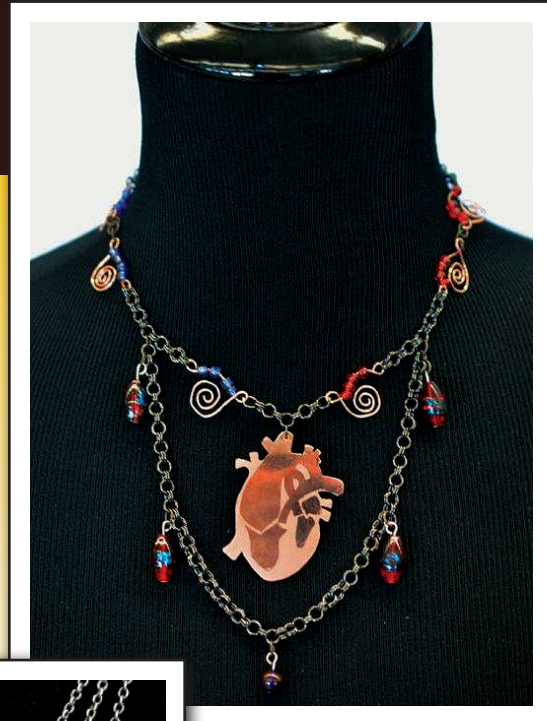
Executive Director/CEO

PRINCIPAL OFFICIALS

As of June 30, 2016



ISABEL MCGAUGH
Grade 12 - CHHS



JACOB BADNAR
Grade 9 - CHHS



KELLY MOORE
Grade 12 - CHHS

BOARD OF EDUCATION

- Mr. Kal Zucker, President
- Mr. Ronald Register, Vice President
- Mr. James Posch, Member
- Mr. Eric J. Silverman, Member
- Ms. Beverly Wright, Member

CHIEF FINANCIAL OFFICER

Mr. A. Scott Gainer

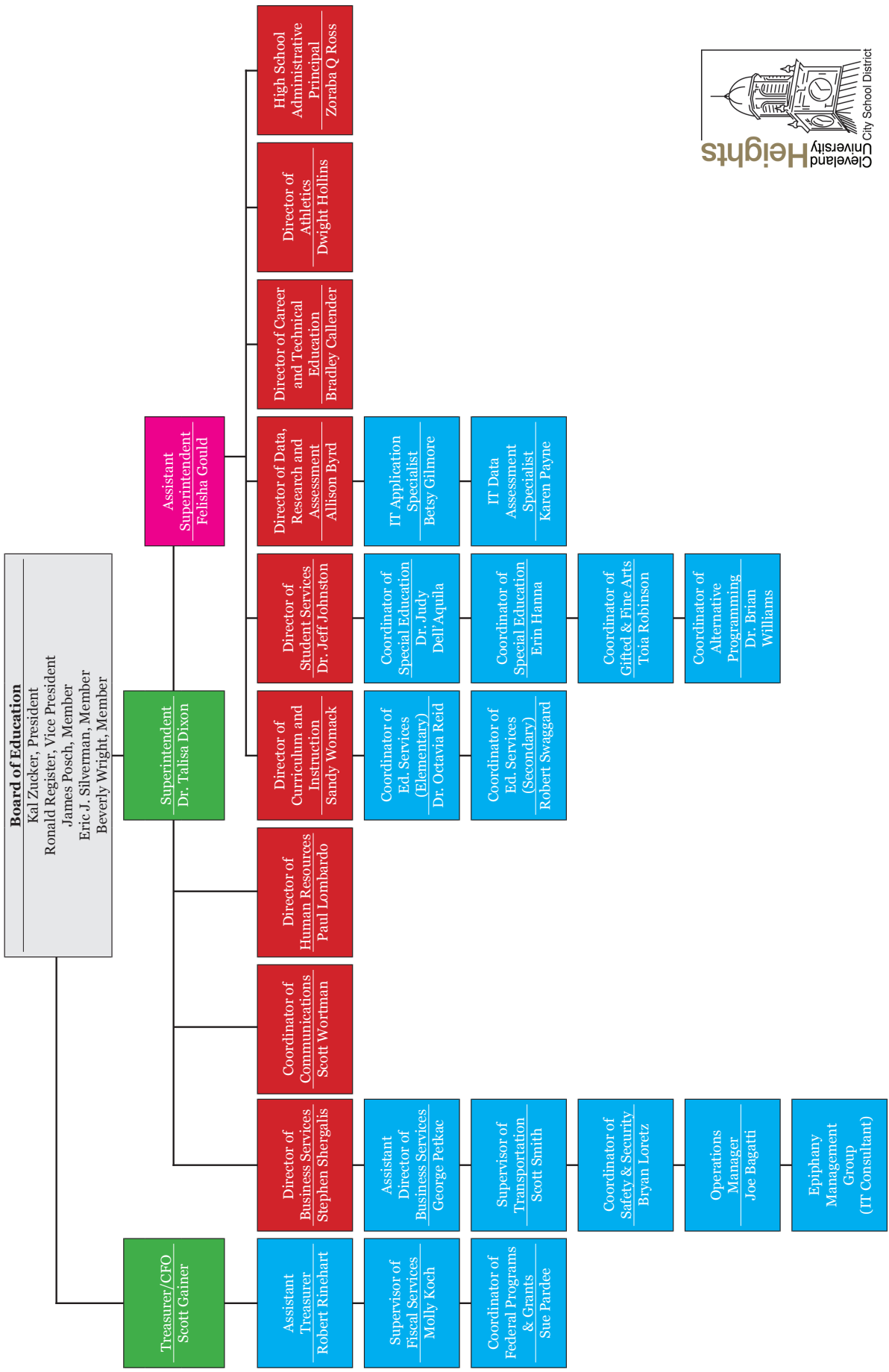
SUPERINTENDENT

Dr. Talisa L. Dixon

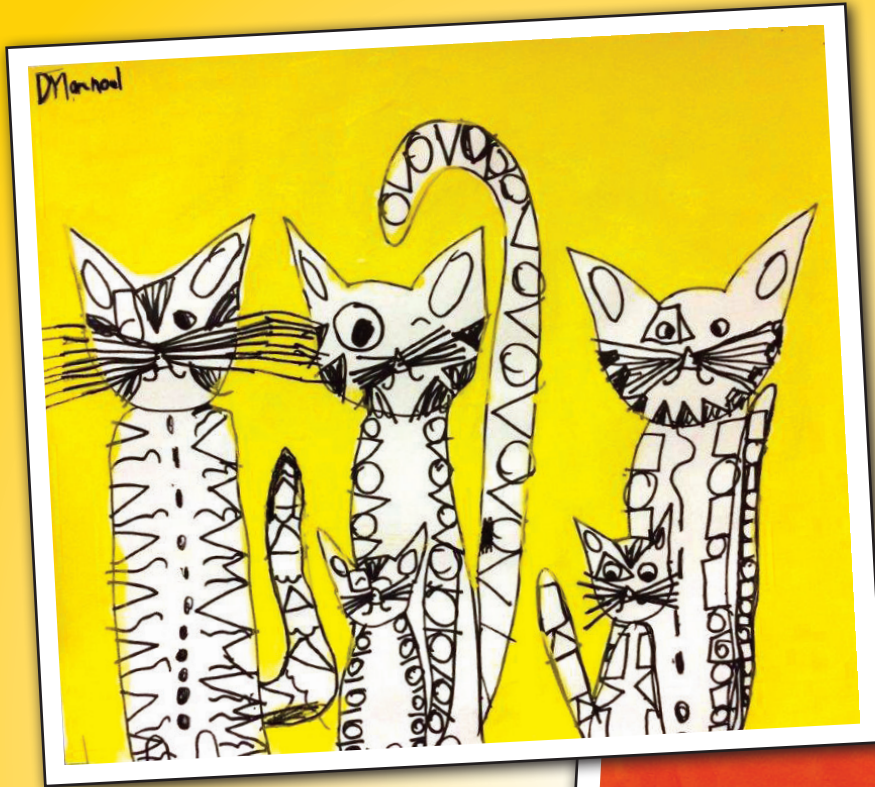


Cleveland Heights-University Heights City School District

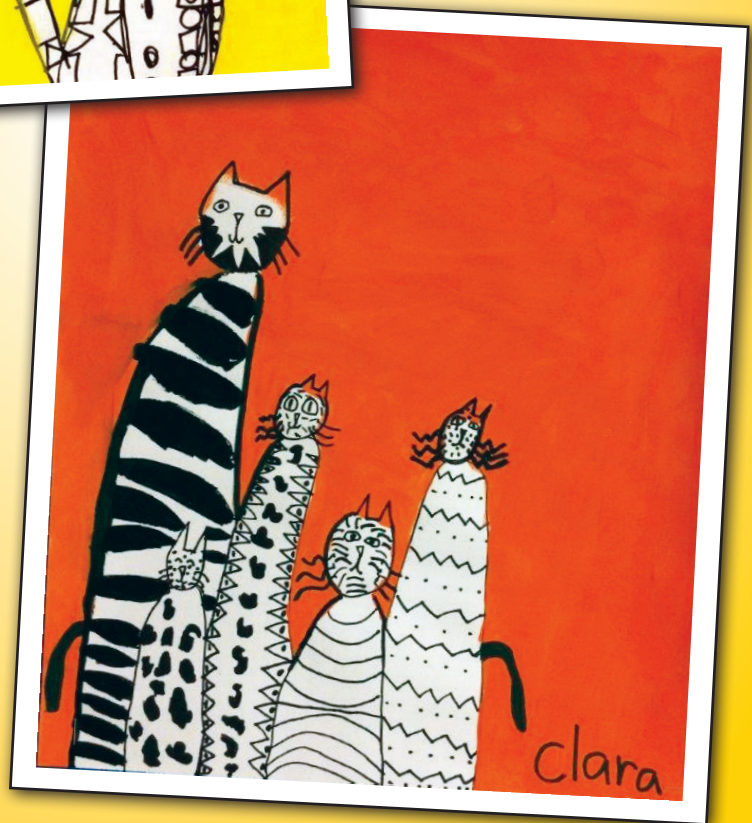
Central Office Organizational Chart • 2015-2016



FINANCIAL SECTION



DYLAN NOEL
Grade 2 - Noble Elementary



CLARA WALKER
Grade 2 - Noble Elementary



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Cleveland Heights-University Heights City School District
Cuyahoga County
2155 Miramar Boulevard
University Heights, Ohio 44118

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801

Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361

www.ohioauditor.gov

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District, Cuyahoga County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not required parts of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2016, on our consideration of the District'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 23, 2016

Cleveland **Heights**
University



City School District

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2016

Our discussion and analysis of the Cleveland Heights-University Heights City School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

In total, net position increased \$8,754,966. Net position of governmental activities increased \$9,614,119 from 2015. Net position of business-type activities decreased \$859,153 from 2015.

For governmental activities, general revenues accounted for \$122,280,111 in revenue or 91% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$12,335,237 or 9% of total revenues of \$134,615,348.

The District had \$125,001,229 in expenses related to governmental activities; only \$12,335,237 of these expenses was offset by program specific charges for services and grants. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$122,280,111 were able to provide for these programs resulting in an increase of net position from \$(64,756,350) to \$(55,142,231).

Governmental activities expenses decreased approximately 2.4 percent from the prior year. Instructional expenses made up 56 percent of total governmental activities expenses while support services account for 35 percent. Other expenses rounded out the remaining 9 percent.

The District had \$3,553,692 in expenses related to business-type activities; a total of \$2,694,539 was offset by program specific charges for services and grants which were inadequate to provide for these programs by \$859,153. This resulted in a decrease of net position from \$(3,563,597) to \$(4,422,750).

The District's major governmental funds are the General Fund and Building Fund. The General Fund had \$112,476,000 in revenues and other financing sources and \$109,147,094 in expenditures and other financing uses. The General Fund balance increased \$3,328,906, from \$30,668,464 to \$33,997,370. The Building Fund had \$1,057,805 in revenues and \$35,221,430 in expenditures and ended the year with a fund balance of \$98,139,588.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the General Fund and Building Fund are by far the most significant funds and are reported as major funds.

Reporting the School District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in it. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors. In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 13. The governmental fund financial statements begin on page 24 and provide detailed information about the major governmental funds and nonmajor governmental funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements. The District's major governmental funds are the General Fund and Building Fund.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

Governmental Funds

Most of the District'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 other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's 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 basic financial statements.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the government-wide statements; therefore the statements will essentially match the business-type activities portion of the government-wide statements.

Fiduciary Funds

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in a separate statement on page 34. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2016 and 2015.

	Net Position			
	Governmental Activities <u>2016</u>	Business-Type Activities <u>2016</u>	Governmental Activities <u>2015</u>	Business-Type Activities <u>2015</u>
Assets:				
Current and other assets	\$ 238,667,770	\$ (2,374,935)	\$ 267,308,437	\$ (1,504,574)
Capital assets, net	<u>92,441,747</u>	<u>375,274</u>	<u>57,851,295</u>	<u>407,689</u>
Total assets	<u>331,109,517</u>	<u>(1,999,661)</u>	<u>325,159,732</u>	<u>(1,096,885)</u>
Deferred outflows of resources:				
Pension	<u>24,395,570</u>	<u>205,191</u>	<u>8,900,489</u>	<u>178,706</u>
Liabilities:				
Current liabilities	21,743,943	127,270	18,617,592	143,793
Long-term liabilities:				
Due within one year	1,468,112	20,281	1,437,664	6,920
Due in more than one year	173,159,558	50,936	174,063,420	62,929
Net pension liability	<u>154,896,310</u>	<u>2,326,915</u>	<u>126,634,128</u>	<u>2,092,205</u>
Total liabilities	<u>351,267,923</u>	<u>2,525,402</u>	<u>320,752,804</u>	<u>2,305,847</u>
Deferred inflows of resources				
Property taxes	48,988,126	-	55,187,531	-
Pension	<u>10,391,269</u>	<u>102,878</u>	<u>22,876,236</u>	<u>339,571</u>
Total deferred inflows of resources	<u>59,379,395</u>	<u>102,878</u>	<u>78,063,767</u>	<u>339,571</u>
Net position:				
Net investment in capital assets	36,665,245	375,274	31,052,012	407,689
Restricted	15,708,406	-	13,730,442	-
Unrestricted (deficit)	<u>(107,515,882)</u>	<u>(4,798,024)</u>	<u>(109,538,804)</u>	<u>(3,971,286)</u>
Total net position (deficit)	<u>\$ (55,142,231)</u>	<u>\$ (4,422,750)</u>	<u>\$ (64,756,350)</u>	<u>\$ (3,563,597)</u>

The net pension liability (NPL) is the largest liability reported by the District at June 30, 2016 and is reported pursuant to Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the District's liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$59,564,981. The main reason for the deficit net position is a result of the District recording the activity related to GASB 68. During fiscal year 2016, the District's net position improved \$8,754,966. As of June 30, 2016, there is no expectation that the District will be required to increase pension funding to cover the net pension liability.

Total assets increased by \$5,047,009 as the increases in capital assets, net and intergovernmental receivable exceeded the decrease in cash and cash equivalents.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

Capital assets, net increased approximately \$34.6 million as a result of the ongoing facilities construction project. This project also explains the decrease in cash of approximately \$33.0 million. Last year's cash balance of \$173,491,948 included restricted assets of \$4,582,819. This year's cash balance of \$140,639,315 includes restricted assets of \$4,768,679.

The increase in intergovernmental receivable is a result of the excess cost revenue from the Ohio Department of Education for fiscal year 2015 being remitted after June 30, 2016, while in prior years, this has been remitted before the subsequent year-end.

Net investment in capital assets for governmental activities reported on the government-wide statements was \$36,665,245 for fiscal year 2016. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's governmental activities net position, \$15,708,406 represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted governmental activities net position, \$8,823,681 is restricted for debt service payments, including the Qualified Zone Academy Bonds, \$6,018,920 is restricted for capital projects, and \$865,805 is restricted for other purposes. The remaining balance of governmental activities net position \$(107,515,882) is an unrestricted amount available to meet the government's ongoing obligations to students and staff. The negative net position is the result of the net pension liability recorded in the current year.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

	Changes in Net Position			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>
Revenues:				
Program revenues:				
Charges for services	\$ 5,116,732	\$ 932,148	\$ 5,177,778	\$ 915,731
Operating grants	7,218,505	1,762,391	6,683,904	1,901,444
Capital grants	-	-	20,000	-
Total program revenues	<u>12,335,237</u>	<u>2,694,539</u>	<u>11,881,682</u>	<u>2,817,175</u>
General revenues:				
Property taxes	86,053,378	-	83,575,585	-
Grants and entitlements	31,775,332	-	32,483,747	-
Investment earnings	1,499,671	-	1,756,112	-
Miscellaneous	2,951,730	-	1,647,511	-
Total general revenues	<u>122,280,111</u>	<u>-</u>	<u>119,462,955</u>	<u>-</u>
Total revenues	<u>134,615,348</u>	<u>2,694,539</u>	<u>131,344,637</u>	<u>2,817,175</u>
Program expenses:				
Instruction:				
Regular	40,814,609	-	41,960,022	-
Special	20,678,670	-	15,630,864	-
Vocational	1,820,465	-	1,729,582	-
Adult/continuing	-	-	214,853	-
Other	6,284,908	-	8,653,671	-
Support services:				
Pupil	7,606,276	-	7,861,619	-
Instructional staff	5,296,223	-	6,740,256	-
Board of education	570,267	-	660,086	-
Administration	6,501,228	-	6,651,527	-
Fiscal	3,081,449	-	3,198,752	-
Business	990,990	-	1,536,059	-
Operation and maintenance of plant	12,299,919	-	13,177,175	-
Pupil transportation	3,767,197	-	4,081,598	-
Central	3,695,810	-	4,044,855	-
Food service operations	5,374	-	6,458	-
Community services	2,743,629	-	2,579,166	-
Other non-instructional services	267	-	2,081	-
Extracurricular activities	1,565,698	-	1,734,080	-
Interest and fiscal charges	7,278,250	-	7,507,361	-
Food services	-	2,624,070	-	2,276,189
Uniform school supplies	-	3,460	-	6,858
Customer services	-	8,858	-	10,565
Community services/early childhood	-	917,304	-	994,837
Total program expenses	<u>125,001,229</u>	<u>3,553,692</u>	<u>127,970,065</u>	<u>3,288,449</u>
Change in net position before transfers	9,614,119	(859,153)	3,374,572	(471,274)
Transfers	-	-	7,743	(7,743)
Change in net position	9,614,119	(859,153)	3,382,315	(479,017)
Net position at beginning of year	(64,756,350)	(3,563,597)	(68,138,665)	(3,084,580)
Net position at end of year	<u>\$ (55,142,231)</u>	<u>\$ (4,422,750)</u>	<u>\$ (64,756,350)</u>	<u>\$ (3,563,597)</u>

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

Effects of GASB 68

Under GASB 68, pension expense represents additional amounts earned based on a proportionate share of the pension fund liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 68, the pension expense for 2016 is \$9,025,474, while in 2015 pension expense was \$6,064,322. The District was required to contribute \$8,771,810 and \$8,796,895 during 2016 and 2015, respectively.

Governmental Activities

The District passed an 8.5 mill levy in March 2004, a 7.2 mill levy in November 2007, a 6.9 mill levy in November 2011 and most recently a \$134.8 bond issue in November 2013. Additionally, the District cut \$6 million from the budget for the 2004-2005 fiscal year, \$1 million from the 2007-2008 fiscal year budget by closing an elementary school, and \$3 million from the 2009-2010 fiscal year budget.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value was increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become 0.5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 64 percent of total governmental activities revenues for the District in fiscal year 2016.

Instruction and support services comprise 56 percent and 35 percent of governmental program expenses, respectively. The operation of non-instructional services made up 3 percent of governmental program expenses. Interest expense was 6 percent. Interest expense was attributable to the outstanding bonds and other borrowings for capital projects. Overall, governmental program expenses decreased approximately \$3.0 million as expenses were down across the board except for special education costs. Special education costs are up \$5 million in fiscal year 2016 as the Education Choice Status scholarships are up.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2016 and 2015. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Governmental Activities			
	<u>Total Cost of</u>	<u>Net Cost of</u>	<u>Total Cost of</u>	<u>Net Cost of</u>
	<u>Services 2016</u>	<u>Services 2016</u>	<u>Services 2015</u>	<u>Services 2015</u>
Program expenses:				
Instruction	\$ 69,598,652	\$ 59,955,209	\$ 68,188,992	\$ 58,831,713
Pupil and instructional staff	12,902,499	12,796,906	14,601,875	14,498,629
Board of education, administration, fiscal and business	11,143,934	10,945,598	12,046,424	11,851,261
Operation and maintenance - plant	12,299,919	12,299,919	13,177,175	13,157,175
Pupil transportation	3,767,197	3,728,805	4,081,598	4,068,300
Central services	3,695,810	3,695,810	4,044,855	4,044,855
Food service operations	5,374	5,374	6,458	6,458
Community services	2,743,629	474,417	2,579,166	498,306
Other non-instructional services	267	267	2,081	2,081
Extracurricular activities	1,565,698	1,485,437	1,734,080	1,622,244
Interest and fiscal charges	<u>7,278,250</u>	<u>7,278,250</u>	<u>7,507,361</u>	<u>7,507,361</u>
Total program expenses	\$ <u>125,001,229</u>	\$ <u>112,665,992</u>	\$ <u>127,970,065</u>	\$ <u>116,088,383</u>

The dependence upon tax revenues during fiscal year 2016 for governmental activities is apparent.

Business-Type Activities

Business-type activities include food service operation, uniform school supplies, customer services and community services/early childhood. These programs had revenues of \$2,694,539 and expenses of \$3,553,692 for fiscal year 2016. This resulted in a decrease to net position for the fiscal year of \$859,153.

The School District's Funds

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$146,604,542, a decrease of \$29,097,308 in comparison with the prior year. Approximately 12 percent of this total amount, \$17,977,467 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is not available for new spending because it is restricted by external parties, \$112,954,576; has already been assigned, \$15,263,935; or is in a nonspendable form, \$408,564.

The General Fund is the chief operating fund of the District. The District's General Fund balance increased by \$3,328,906 in fiscal year 2016 due to an increase in taxes revenue of \$1.7 million in addition to a decrease in support services expenses of \$2.7 million.

<u>Revenues</u>	2016 <u>Amount</u>	2015 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 73,724,293	\$ 72,070,307	2%
Interest earnings	274,471	215,367	27%
Intergovernmental	30,206,584	30,043,052	1%
Other revenue	<u>7,865,237</u>	<u>6,942,436</u>	13%
Total	<u>\$ 112,070,585</u>	<u>\$ 109,271,162</u>	

The increase in other revenue is a result of Medicaid funds received for prior years.

The table that follows assists in illustrating the expenditures of the General Fund.

<u>Expenditures by Function</u>	2016 <u>Amount</u>	2015 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 67,205,943	\$ 65,940,021	2%
Support services	40,428,760	43,149,388	(6)%
Other non-instructional services	11,415	13,536	(16)%
Food service operations	35	351	(90)%
Extracurricular activities	1,133,786	1,258,155	(10)%
Debt service	<u>113,655</u>	<u>117,164</u>	(3)%
Total	<u>\$ 108,893,594</u>	<u>\$ 110,478,615</u>	

Overall, expenses in the General Fund are down 1.4 percent from 2015. The main factors resulting in this fluctuation is a decrease in pupil, instructional staff and operations and maintenance of plant expenses during 2016.

The Building Fund is the District's other major governmental fund. During fiscal year 2016, the major source of revenue in this fund was related to earnings on investments. This was earned on the debt proceeds that have been deposited for the facilities construction projects still ongoing. The total expenses in the Building Fund were \$35,221,430 and were mostly related capital outlay related to the same project referenced above. The fund balance of the Building Fund decreased \$34,163,625 from \$132,303,213 to \$98,139,588 in 2016.

The fund balance of the other governmental funds increased \$1,737,411 to \$14,467,584 during the year ended June 30, 2016. The largest expenditure is for debt services related to payments on the debt taken out to fund the master facilities project.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the District's business-type activities.

General Fund Budget Information

The District'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 fiscal year 2016, the District amended its budget to reflect the fluctuations of actual revenues received/collected. The District uses a modified site-based budgeting technique which is designed to tightly control site budgets but provide flexibility for site management.

The District's General Fund budget was prepared and approved at the fund level for fiscal year 2016. During the course of fiscal year 2016, the total budget was changed multiple times. For the General Fund, final budgeted revenues and other financing sources were \$102,537,253, or \$3,843,757 lower than the original budget. Actual revenues and other financing sources for fiscal year 2016 were \$107,292,349. Actual differed from the final budget mainly due to higher than anticipated collection of taxes revenue. General Fund original appropriations and other financing uses of \$122,919,594 increased to \$122,919,603 in the final budget. The actual expenditures and other financing uses for fiscal year 2016 totaled \$115,625,577, which was \$7,294,026 less than the final budget appropriations. Actual differed from final budget due to lower than anticipated other instruction and operations and maintenance of plant.

Capital Assets

The District had \$92,817,021 invested in capital assets net of depreciation, with \$92,441,747 attributed to government activities. Net acquisition for governmental activities totaled \$36,769,569 and depreciation was \$2,169,633. The majority of the additions were for projects that were still in process at year-end related to building renovations and improvements. Detailed information regarding capital asset activities is included in the notes to the basic financial statements (Note 9).

Debt

At June 30, 2016, the District has \$147,990,128 in outstanding long-term bond debt and of this amount \$485,000 is due within one year. The District paid \$450,000 in principal on bonds outstanding. In addition, the District has \$19,862,147 of certificates of participation outstanding at June 30, 2016 and of this amount \$450,000 is due within one year. The District has capital leases of \$428,477 outstanding at June 30, 2016, with \$91,348 due within one year. The District paid \$105,670 on capital leases outstanding during the fiscal year ended June 30, 2016. Detailed information regarding long-term debt activity and capital lease obligations activity is included in the notes to the basic financial statements (Notes 14 and 15, respectively).

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2016

Economic Factors

The Board of Education and the administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the District is not without its challenges. These challenges stem from issues that are local and at the State level. At the local level, the taxpayers must approve additional levies to pay for unfunded mandates as well as continue the programs they have come to expect as normal operations. The State and local economy is stressed after experiencing a recession. Recovery is anticipated to be slow and drawn out.

The District is dependent on local taxpayers. As discussed earlier, the District passed an 8.5 mill levy in March of 2004. However, as the District lost approximately \$9 million in tax collection due to prior levy defeats, the District was required to make \$6 million in permanent budget reductions. Additionally the District passed a 7.2 mill levy in November of 2007 and a 6.9 mill levy in 2011. The Board of Education and administration of the District continue to exercise careful financial planning and prudent fiscal management in order to preserve the financial stability of the District, including closing an elementary school at the end of fiscal year 2007 to provide more efficient and effective instruction at the elementary level while saving nearly \$1 million annually in operating costs, as well as closing a middle school at the end of fiscal year 2013 saving \$1.5 million in operating costs. The District continues to streamline operations and annually identifies potential budget reductions and opportunities to operate efficiently and effectively.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. A. Scott Gainer, Chief Financial Officer, Cleveland Heights - University Heights City School District by calling (216) 371-7171.

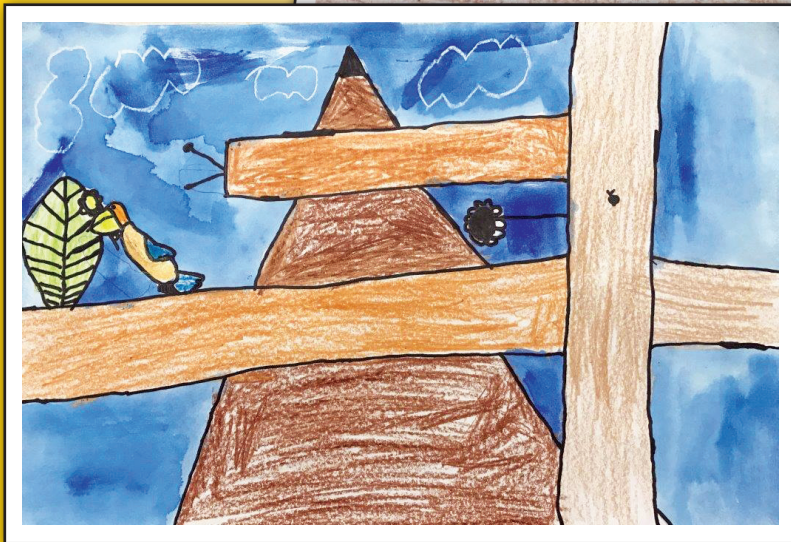
CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio



JOSEPH EFFORD
Grade 3
Fairfax Elementary



ERNEST PACE
Grade 3
Fairfax Elementary



COLEMAN JAMES
Grade 3
Fairfax Elementary



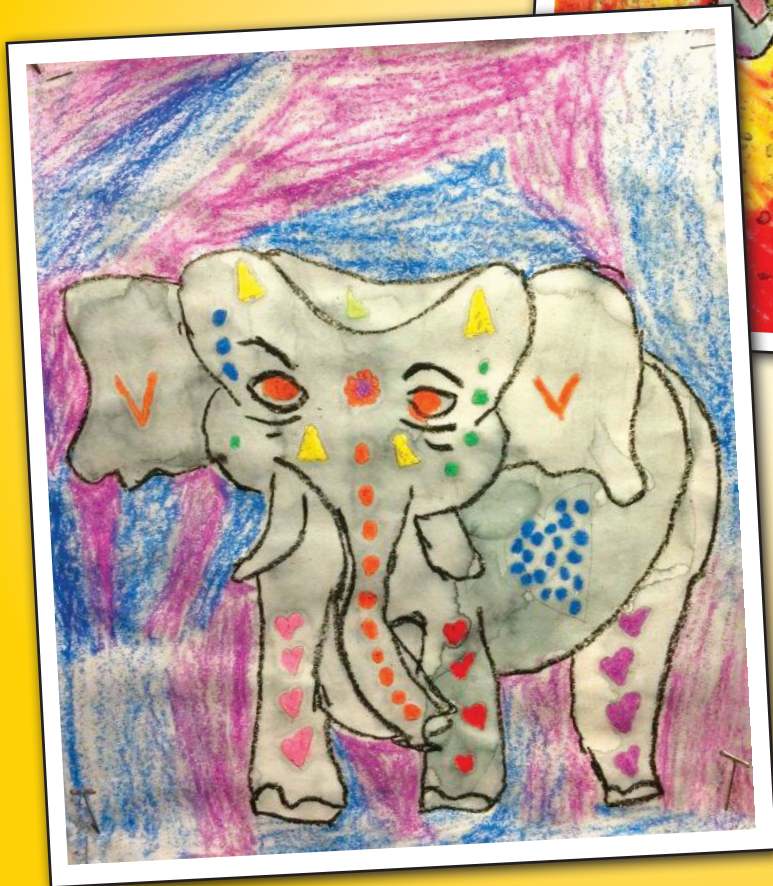
Cleveland
University **Heights**



City School District

BASIC FINANCIAL STATEMENTS

GENESIS TYSON-THOMAS
Grade 3 - Noble Elementary



SANIYA NEAL
Grade 3 - Noble Elementary



Cleveland Heights-University Heights City School District

Statement of Net Position

June 30, 2016

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 135,712,637	\$ 157,999	\$ 135,870,636
Accounts receivable	317,065	-	317,065
Prepaid items	114,577	-	114,577
Intergovernmental receivable	5,623,316	-	5,623,316
Internal balances	2,550,000	(2,550,000)	-
Materials and supplies inventory	408,564	5,185	413,749
Inventory held for resale	-	11,881	11,881
Taxes receivable	89,172,932	-	89,172,932
Restricted cash and investments	4,768,679	-	4,768,679
Nondepreciable capital assets	62,897,078	-	62,897,078
Depreciable capital assets, net	<u>29,544,669</u>	<u>375,274</u>	<u>29,919,943</u>
Total assets	<u>331,109,517</u>	<u>(1,999,661)</u>	<u>329,109,856</u>
Deferred outflows of resources:			
Pensions:			
SERS	2,382,887	205,191	2,588,078
STRS	<u>22,012,683</u>	<u>-</u>	<u>22,012,683</u>
Total deferred outflows of resources	<u>24,395,570</u>	<u>205,191</u>	<u>24,600,761</u>
Liabilities:			
Accounts payable	10,373,283	57,235	10,430,518
Accrued wages and benefits	7,556,176	54,527	7,610,703
Matured compensated absences	147,400	-	147,400
Intergovernmental payable	1,374,661	15,508	1,390,169
Accrued interest payable	689,523	-	689,523
Claims payable	1,602,900	-	1,602,900
Long-term liabilities:			
Due within one year	1,468,112	20,281	1,488,393
Due in more than one year:			
Net pension liability:			
SERS	27,022,342	2,326,915	29,349,257
STRS	127,873,968	-	127,873,968
Other amounts due in more than one year	<u>173,159,558</u>	<u>50,936</u>	<u>173,210,494</u>
Total liabilities	<u>351,267,923</u>	<u>2,525,402</u>	<u>353,793,325</u>

Continued

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Net Position (continued)

June 30, 2016

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	
Deferred inflows of resources:			
Property taxes	48,988,126	-	48,988,126
Pension:			
SERS	1,194,713	102,878	1,297,591
STRS	<u>9,196,556</u>	<u>-</u>	<u>9,196,556</u>
Total deferred inflows of resources	<u>59,379,395</u>	<u>102,878</u>	<u>59,482,273</u>
Net position:			
Net investment in capital assets	36,665,245	375,274	37,040,519
Restricted for:			
Capital projects	6,018,920	-	6,018,920
Debt service	4,055,002	-	4,055,002
State programs	326,655	-	326,655
Federal programs	378,664	-	378,664
Qualified Zone Academy Bond retirement	4,768,679	-	4,768,679
Other	160,486	-	160,486
Unrestricted (deficit)	<u>(107,515,882)</u>	<u>(4,798,024)</u>	<u>(112,313,906)</u>
Total net position (deficit)	<u>\$ (55,142,231)</u>	<u>\$ (4,422,750)</u>	<u>\$ (59,564,981)</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Instruction:			
Regular	\$ 40,814,609	\$ 2,235,640	\$ 892,723
Special	20,678,670	2,559,043	3,713,268
Vocational	1,820,465	5,060	237,709
Other	6,284,908	-	-
Support services:			
Pupil	7,606,276	-	105,593
Instructional staff	5,296,223	-	-
Board of education	570,267	-	-
Administration	6,501,228	198,336	-
Fiscal	3,081,449	-	-
Business	990,990	-	-
Operations and maintenance of plant	12,299,919	-	-
Pupil transportation	3,767,197	38,392	-
Central	3,695,810	-	-
Operation of non-instructional services:			
Food service operations	5,374	-	-
Community services	2,743,629	-	2,269,212
Other operation of non-instructional services	267	-	-
Extracurricular activities	1,565,698	80,261	-
Interest and fiscal charges	7,278,250	-	-
Total governmental activities	<u>125,001,229</u>	<u>5,116,732</u>	<u>7,218,505</u>
Business-type activities:			
Food services	2,624,070	359,710	1,762,391
Uniform school supplies	3,460	9,456	-
Customer services	8,858	8,618	-
Community services/early childhood	917,304	554,364	-
Total business-type activities	<u>3,553,692</u>	<u>932,148</u>	<u>1,762,391</u>
Totals	<u>\$ 128,554,921</u>	<u>\$ 6,048,880</u>	<u>\$ 8,980,896</u>

General revenues:

- Property taxes levied for:
 - General purposes
 - Debt service
 - Capital projects
- Grant and entitlements not restricted to specific programs
- Investment earnings
- Miscellaneous
- Total general revenues and transfers
- Change in net position
- Net position (deficit) at beginning of year
- Net position (deficit) at end of year

The accompanying notes are an integral part of these financial statements.

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
\$ (37,686,246)	\$ -	\$ (37,686,246)
(14,406,359)	-	(14,406,359)
(1,577,696)	-	(1,577,696)
(6,284,908)	-	(6,284,908)
(7,500,683)	-	(7,500,683)
(5,296,223)	-	(5,296,223)
(570,267)	-	(570,267)
(6,302,892)	-	(6,302,892)
(3,081,449)	-	(3,081,449)
(990,990)	-	(990,990)
(12,299,919)	-	(12,299,919)
(3,728,805)	-	(3,728,805)
(3,695,810)	-	(3,695,810)
(5,374)	-	(5,374)
(474,417)	-	(474,417)
(267)	-	(267)
(1,485,437)	-	(1,485,437)
<u>(7,278,250)</u>	<u>-</u>	<u>(7,278,250)</u>
<u>(112,665,992)</u>	<u>-</u>	<u>(112,665,992)</u>
-	(501,969)	(501,969)
-	5,996	5,996
-	(240)	(240)
<u>-</u>	<u>(362,940)</u>	<u>(362,940)</u>
<u>-</u>	<u>(859,153)</u>	<u>(859,153)</u>
<u>(112,665,992)</u>	<u>(859,153)</u>	<u>(113,525,145)</u>
75,153,473	-	75,153,473
7,352,980	-	7,352,980
3,546,925	-	3,546,925
31,775,332	-	31,775,332
1,499,671	-	1,499,671
<u>2,951,730</u>	<u>-</u>	<u>2,951,730</u>
<u>122,280,111</u>	<u>-</u>	<u>122,280,111</u>
9,614,119	(859,153)	8,754,966
<u>(64,756,350)</u>	<u>(3,563,597)</u>	<u>(68,319,947)</u>
\$ <u>(55,142,231)</u>	\$ <u>(4,422,750)</u>	\$ <u>(59,564,981)</u>

Cleveland Heights-University Heights City School District

Balance Sheet – Governmental Funds

June 30, 2016

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 16,204,599	\$ 107,254,244	\$ 7,851,544	\$ 131,310,387
Accounts receivable	143,386	173,679	-	317,065
Intergovernmental receivable	4,660,366	-	962,950	5,623,316
Interfund receivable	3,334,204	-	-	3,334,204
Materials and supplies inventory	408,564	-	-	408,564
Taxes receivable	77,846,071	-	11,326,861	89,172,932
Restricted cash and investments	-	-	4,768,679	4,768,679
Total assets	<u>\$ 102,597,190</u>	<u>\$ 107,427,923</u>	<u>\$ 24,910,034</u>	<u>\$ 234,935,147</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 1,023,581	\$ 9,175,275	\$ 170,818	\$ 10,369,674
Accrued wages and benefits	7,247,945	-	308,231	7,556,176
Interfund payable	-	-	784,204	784,204
Matured compensated absences	147,400	-	-	147,400
Intergovernmental payable	<u>1,317,833</u>	<u>-</u>	<u>56,828</u>	<u>1,374,661</u>
Total liabilities	<u>9,736,759</u>	<u>9,175,275</u>	<u>1,320,081</u>	<u>20,232,115</u>
Deferred inflows of resources:				
Property taxes	42,572,873	-	6,415,253	48,988,126
Unavailable revenue	<u>16,290,188</u>	<u>113,060</u>	<u>2,707,116</u>	<u>19,110,364</u>
Total deferred inflows of resources	<u>58,863,061</u>	<u>113,060</u>	<u>9,122,369</u>	<u>68,098,490</u>
Fund balances:				
Nonspendable	408,564	-	-	408,564
Restricted	-	98,139,588	14,814,988	112,954,576
Assigned	15,263,935	-	-	15,263,935
Unassigned (deficit)	<u>18,324,871</u>	<u>-</u>	<u>(347,404)</u>	<u>17,977,467</u>
Total fund balances	<u>33,997,370</u>	<u>98,139,588</u>	<u>14,467,584</u>	<u>146,604,542</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 102,597,190</u>	<u>\$ 107,427,923</u>	<u>\$ 24,910,034</u>	<u>\$ 234,935,147</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

June 30, 2016

Total governmental funds balances		\$ 146,604,542
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		92,441,747
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.		
Property and other taxes	\$ 15,232,560	
Intergovernmental	234,871	
Accounts receivable	26,734	
Investment earnings	144,477	
Tuition	2,602,976	
Grants	<u>868,746</u>	
Total		19,110,364
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		2,910,318
In the government-wide financial statements, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(689,523)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred outflows – pension	24,395,570	
Deferred inflows – pension	(10,391,269)	
Net pension liability	<u>(154,896,310)</u>	
Total		(140,892,009)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Library improvement refunding bonds	(5,475,000)	
Qualified zone academy bonds	(5,500,000)	
Certificates of participation	(19,890,000)	
General obligation school improvement bonds	(134,689,915)	
Accretion of CABs	(628,212)	
Unamortized charges – premium	(1,697,000)	
Unamortized charges – discount	27,853	
Capital leases	(428,477)	
Early retirement incentive	(36,000)	
Compensated absences	<u>(6,310,919)</u>	
Total		<u>(174,627,670)</u>
Net position of governmental activities		\$ <u><u>(55,142,231)</u></u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Fiscal Year Ended June 30, 2016

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 73,724,293	\$ -	\$ 10,744,271	\$ 84,468,564
Intergovernmental	30,206,584	-	8,012,985	38,219,569
Grants	-	-	95,763	95,763
Tuition and fees	4,870,192	-	-	4,870,192
Earnings on investments	274,471	1,032,805	186,060	1,493,336
Extracurricular activities	66,622	-	152,115	218,737
Classroom materials and fees	7,407	-	-	7,407
Miscellaneous	<u>2,921,016</u>	<u>25,000</u>	<u>22,856</u>	<u>2,968,872</u>
Total revenues	<u>112,070,585</u>	<u>1,057,805</u>	<u>19,214,050</u>	<u>132,342,440</u>
Expenditures:				
Current:				
Instruction:				
Regular	40,721,863	42,657	401,374	41,165,894
Special	18,534,219	-	2,279,545	20,813,764
Vocational	1,669,852	-	140,538	1,810,390
Other	6,280,009	-	1,750	6,281,759
Support services:				
Pupil	7,367,197	-	384,885	7,752,082
Instructional staff	4,304,571	-	1,051,119	5,355,690
Board of education	570,730	-	-	570,730
Administration	6,083,620	-	497,351	6,580,971
Fiscal	2,807,872	67,409	245,151	3,120,432
Business	1,130,867	-	18,000	1,148,867
Operations and maintenance of plant	10,443,265	-	1,504,449	11,947,714
Pupil transportation	3,985,949	-	47,122	4,033,071
Central	3,734,689	-	15,000	3,749,689
Operation of non-instructional services:				
Food service operations	35	-	-	35
Community services	11,148	-	2,724,170	2,735,318
Other non-instructional services	267	-	-	267
Extracurricular activities	1,133,786	-	427,354	1,561,140
Facilities acquisition and construction services	-	35,111,364	-	35,111,364
Debt service:				
Principal	105,670	-	890,000	995,670
Interest and fiscal charges	<u>7,985</u>	<u>-</u>	<u>7,102,331</u>	<u>7,110,316</u>
Total expenditures	<u>108,893,594</u>	<u>35,221,430</u>	<u>17,730,139</u>	<u>161,845,163</u>
Excess of revenues over (under) expenditures	<u>3,176,991</u>	<u>(34,163,625)</u>	<u>1,483,911</u>	<u>(29,502,723)</u>

Continued

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (continued)

For the Fiscal Year Ended June 30, 2016

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):				
Transfers - in	-	-	253,500	253,500
Sale of capital assets	10,307	-	-	10,307
Capital lease	395,108	-	-	395,108
Transfers - out	<u>(253,500)</u>	<u>-</u>	<u>-</u>	<u>(253,500)</u>
Total other financing sources (uses)	<u>151,915</u>	<u>-</u>	<u>253,500</u>	<u>405,415</u>
Net change in fund balance	3,328,906	(34,163,625)	1,737,411	(29,097,308)
Fund balance at beginning of year	<u>30,668,464</u>	<u>132,303,213</u>	<u>12,730,173</u>	<u>175,701,850</u>
Fund balance at end of year	\$ <u>33,997,370</u>	\$ <u>98,139,588</u>	\$ <u>14,467,584</u>	\$ <u>146,604,542</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2016

Net change in fund balances - total governmental funds \$ (29,097,308)

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 capital outlays and deprecation differed in the current period.

Capital outlay	\$ 36,769,569	
Depreciation	<u>(2,169,633)</u>	
Total		34,599,936

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. (9,484)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property and other taxes	1,584,814	
Investment earnings	6,335	
Tuition	(161,593)	
Accounts receivable	26,734	
Intergovernmental	<u>806,311</u>	
Total		2,262,601

Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Position. The source was attributed to the issuance of a capital lease. (395,108)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 995,670

Internal service funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities. 1,196,833

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	259,047	
Early retirement incentive	252,000	
Amortization of premium and discount	56,032	
Accretion on capital appreciation bonds	(294,227)	
Interest expense	<u>70,261</u>	
Total		<u>343,113</u>

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows. 8,604,084

Except for amounts reported as deferred outflows/inflows, changes in net pension liability are reported as pension expense in the Statement of Activities. (8,886,218)

Change in net position of governmental activities \$ 9,614,119

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 68,249,451	\$ 64,905,663	\$ 68,541,562	\$ 3,635,899
Intergovernmental	29,601,855	29,210,654	29,991,623	780,969
Tuition and fees	3,054,679	3,014,310	3,094,901	80,591
Earnings on investments	272,137	268,540	275,720	7,180
Miscellaneous	2,856,375	2,818,628	2,894,161	75,533
Total revenues	<u>104,034,497</u>	<u>100,217,795</u>	<u>104,797,967</u>	<u>4,580,172</u>
Expenditures:				
Current:				
Instruction:				
Regular	42,908,842	42,908,848	42,239,715	669,133
Special	16,660,625	16,660,626	18,363,952	(1,703,326)
Vocational	1,680,352	1,680,352	1,733,480	(53,128)
Other	11,319,087	11,319,087	6,867,668	4,451,419
Support services:				
Pupil	8,297,093	8,297,094	7,416,898	880,196
Instructional staff	6,137,013	6,137,013	4,375,783	1,761,230
Board of education	785,532	785,532	566,282	219,250
Administration	6,793,044	6,793,044	6,178,083	614,961
Fiscal	3,504,045	3,504,045	2,893,789	610,256
Business	1,334,228	1,334,228	1,254,148	80,080
Operation and maintenance of plant	13,119,173	13,119,174	10,835,513	2,283,661
Pupil transportation	4,480,434	4,480,434	4,096,557	383,877
Central	4,184,450	4,184,450	4,059,268	125,182
Operation of non-instructional services:				
Food service operations	1,000	1,000	48	952
Community services	18,250	18,250	11,250	7,000
Other non-instructional services	4,000	4,000	353	3,647
Extracurricular activities:				
Academic and subject oriented	314,815	314,815	246,857	67,958
Occupational oriented	14,000	14,000	3,935	10,065
Sports oriented	1,042,848	1,042,848	760,522	282,326
Co-curricular activities	119,763	119,763	77,709	42,054
Total expenditures	<u>122,718,594</u>	<u>122,718,603</u>	<u>111,981,810</u>	<u>10,736,793</u>
Excess of revenues over (under) expenditures	<u>(18,684,097)</u>	<u>(22,500,808)</u>	<u>(7,183,843)</u>	<u>15,316,965</u>

Continued

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (continued)

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Proceeds from the sale of capital assets	10,183	10,039	10,307	268
Proceeds from the inception of capital lease	-	-	395,108	395,108
Transfers - in	105,750	104,352	106,967	2,615
Transfers - out	(201,000)	(201,000)	(362,767)	(161,767)
Advances - in	2,230,580	2,205,067	1,982,000	(223,067)
Advances - out	-	-	(3,281,000)	(3,281,000)
Total other financing sources (uses)	<u>2,145,503</u>	<u>2,118,458</u>	<u>(1,149,385)</u>	<u>(3,267,843)</u>
Net change in fund balance	(16,538,594)	(20,382,350)	(8,333,228)	12,049,122
Fund balance beginning of year	18,659,160	18,659,160	18,659,160	-
Prior year encumbrances appropriated	<u>2,843,590</u>	<u>2,843,590</u>	<u>2,843,590</u>	-
Fund balance end of year	\$ <u>4,964,156</u>	\$ <u>1,120,400</u>	\$ <u>13,169,522</u>	\$ <u>12,049,122</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Fund Net Position – Proprietary Funds

June 30, 2016

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Funds</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 157,999	\$ 4,402,250
Prepaid items	-	114,577
Materials and supplies inventory	<u>17,066</u>	<u>-</u>
Total current assets	175,065	4,516,827
Non-current assets:		
Capital assets, net of depreciation	<u>375,274</u>	<u>-</u>
Total assets	<u>550,339</u>	<u>4,516,827</u>
Deferred outflows of resources:		
Pension – SERS	<u>205,191</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	57,235	3,609
Accrued wages and benefits	54,527	-
Interfund payable	2,550,000	-
Intergovernmental payable	15,508	-
Claims payable	-	1,602,900
Current portion of accrued compensated absences	<u>20,281</u>	<u>-</u>
Total current liabilities	2,697,551	1,606,509
Non-current liabilities:		
Net pension liability	2,326,915	-
Accrued compensated absences	<u>50,936</u>	<u>-</u>
Total liabilities	<u>5,075,402</u>	<u>1,606,509</u>
Deferred inflows of resources:		
Pension – SERS	<u>102,878</u>	<u>-</u>
Net position:		
Net investment in capital assets	375,274	-
Unrestricted (deficit)	<u>(4,798,024)</u>	<u>2,910,318</u>
Total net position (deficit)	\$ <u>(4,422,750)</u>	\$ <u>2,910,318</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds

For the Fiscal Year Ended June 30, 2016

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:		
Tuition and fees	\$ 554,364	\$ -
Charges for services	-	17,417,383
Classroom materials and fees	9,456	-
Food services	355,425	-
Miscellaneous	12,903	392,006
Total operating revenues	<u>932,148</u>	<u>17,809,389</u>
Operating expenses:		
Salaries and wages	1,245,995	-
Fringe benefits	650,955	16,485,942
Purchased services	1,390,991	126,614
Supplies and materials	216,684	-
Depreciation	32,415	-
Other	16,652	-
Total operating expenses	<u>3,553,692</u>	<u>16,612,556</u>
Operating (loss) income	<u>(2,621,544)</u>	<u>1,196,833</u>
Non-operating revenues:		
Federal donated commodities	172,178	-
Intergovernmental grants	1,590,213	-
Total non-operating revenues	<u>1,762,391</u>	<u>-</u>
Net (loss) income	(859,153)	1,196,833
Total (deficit) net position at beginning of year	<u>(3,563,597)</u>	<u>1,713,485</u>
Total (deficit) net position at end of year	<u>\$ (4,422,750)</u>	<u>\$ 2,910,318</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Cash Flows – Proprietary Funds

For the Fiscal Year Ended June 30, 2016

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Increase in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from customers	\$ 919,245	\$ 17,417,383
Cash received from other operating sources	18,953	-
Cash payments for materials and supplies	(21,865)	-
Cash payments for goods and services	(1,388,581)	(975,148)
Cash payments to employees for services	(1,253,500)	-
Cash payments for employee benefits	(693,244)	-
Cash payments for claims	-	(15,593,814)
Cash payments for other	(12,891)	-
Net cash (used for) provided by operating activities	<u>(2,431,883)</u>	<u>848,421</u>
Cash flows from non-capital financing activities:		
Intergovernmental grants received	1,590,213	-
Advances - in	2,550,000	-
Advances - out	(1,638,968)	-
Net cash provided by non-capital financing activities	<u>2,501,245</u>	<u>-</u>
Net increase in cash and cash equivalents	69,362	848,421
Cash and cash equivalents at beginning of year	<u>88,637</u>	<u>3,553,829</u>
Cash and cash equivalents at end of year	\$ <u>157,999</u>	\$ <u>4,402,250</u>
Non-cash capital and non-capital financing activities:		
Federal donated commodities	\$ 172,178	\$ -
Reconciliation of operating (loss) income to net cash (used for) provided by operating activities:		
Operating (loss) income	\$ (2,621,544)	\$ 1,196,833
Adjustments:		
Depreciation	32,415	-
Federal donated commodities	172,178	-
Changes in assets/liabilities:		
Decrease in accounts receivable	6,050	-
Decrease in prepaid items	-	8,558
Decrease in materials and supplies inventories	4,569	-
Decrease in inventory held for resale	18,072	-
Decrease in deferred outflows – pension	5,387	-
Increase (decrease) in accounts payable	6,171	(64)
Decrease in accrued wages and benefits	(8,873)	-
Decrease in intergovernmental payable	(13,821)	(392,006)
Increase in accrued compensated absences	1,368	-
Increase in claims payable	-	35,100
Increase in net pension liability	14,591	-
Decrease in deferred inflows – pension	(48,446)	-
Total adjustments	<u>189,661</u>	<u>(348,412)</u>
Net cash (used for) provided by operating activities	\$ <u>(2,431,883)</u>	\$ <u>848,421</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Fiduciary Assets and Liabilities – Agency Funds

June 30, 2016

Assets:	
Equity in pooled cash and investments	\$ <u>69,732</u>
Liabilities:	
Due to students	\$ <u>69,732</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies

A. Description of the School District and Reporting Entity

The Cleveland Heights-University Heights City School District (the “District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education (the “Board”) controls the District’s twelve instructional/support facilities staffed by 380 classified employees, 469 certificated full-time teaching personnel and approximately 41 administrators who provide services to 5,221 students and other community members.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities.

The following non-public schools operate within the District’s boundaries: Beaumont High School, GESU School, Hebrew Academy of Cleveland, Lutheran East High School, Monarch School, Mosdos Ohr Hatorah, Ruffing Montessori, and Communion of Saints School. Current State legislation provides funding to these non-public schools. These monies are received and disbursed by the District on behalf of the non-public schools by the Treasurer of the District, as directed by the non-public schools. The activity of these monies by the District is reflected in a special revenue fund for financial reporting purposes.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and:

1. The District is able to significantly influence the programs or services performed or provided by the organization; or
2. The District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District is associated with two organizations which are defined as a jointly governed organization and a related organization. The Ohio School Council Association is a jointly governed organization and the Cleveland Heights-University Heights Library is a related organization. The jointly governed organization is presented in Note 16 and the related organization is presented in Note 20 to the basic financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

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

B. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

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

Building Fund - The Building Fund is a capital projects fund that is used to account for the proceeds from the issuance of School Improvement Bonds and Certificates of Participation to be used for the school facility upgrades.

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

Proprietary Funds Proprietary funds focus on the determination of operating income/loss, changes in net position, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District does not have any major enterprise funds. The other enterprise funds of the District account for food services, uniform school supplies, customer services, and community services.

Internal Service Funds - Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governmental units, on a cost-reimbursement basis. One internal service fund of the District accounts for a self-insurance program that provides medical and dental benefits to employees. The other internal service fund accounted for the claims and premiums paid to the State for workers' compensation insurance.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District maintains two agency funds. The first fund accounts for resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities. The second fund accounts for activities related to high school tournaments held by the District for the Ohio High School Athletic Association.

C. Basis of Presentation

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses. The statements distinguish between governmental and business-type activities of the District.

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 District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are 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 District, 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 District.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

C. Basis of Presentation (continued)

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental and enterprise 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. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. 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, deferred outflows of resources, current liabilities, and deferred 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 funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds and fiduciary funds also use the accrual basis of accounting.

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

Non-exchange transactions, in which the District receives value without directly giving equal value to the resource provider in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, student fees and rentals.

Unearned Revenue Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned. The District does not have any unearned revenue at June 30, 2016.

Deferred Outflows/Inflows of Resources In addition to assets, the financial statements that report net position may include a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported for pension in the Statements of Net Position. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements that report net position may include a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, unavailable revenue, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes delinquent property taxes, intergovernmental grants, intergovernmental receivables, tax settlement and investment income. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported in the Statements of Net Position (Note 11).

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

E. Budgets

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

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

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control for the fund.

F. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During fiscal year 2016, investments were limited to money market accounts, negotiable certificates of deposits, commercial paper, United States government securities and State Treasury Asset Reserve of Ohio (STAR Ohio).

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

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, but has adopted GASB Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents (continued)

For the fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2016 amounted to \$274,471. The amount allocated from the other funds during fiscal year 2016 amounted to \$71,978.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

G. 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 imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets include the amount for the future repayment of the Qualified Zone Academy Bond ("QZAB") held with a fiscal agent until the debt becomes due. See Note 14 for additional information regarding the QZAB.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, 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 fiscal year in which services are consumed.

I. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated food, purchased food and materials and supplies held for consumption.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000 for individual items. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	20 years	20 years
Buildings and improvements	20 - 99 years	20 - 50 years
Furniture and equipment	4 - 20 years	5 - 20 years
Vehicles	8 years	N/A

K. Interfund Transactions

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable" or "interfund payable." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as "internal balances."

L. Compensated Absences

Vacation benefits are accrued as a liability in the government-wide and proprietary fund financial statements as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability in the government-wide and proprietary fund financial statements for accumulated unused vacation time when earned for all employees with more than one year of service and salary related payments, if applicable. Sick leave benefits are accrued as a liability using the termination payment method. An accrual in the government-wide and proprietary fund financial statements for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current expendable available financial resources. In general, payments made more than sixty days after year end are considered not to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

N. Fund Balance

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board or a District official delegated that authority by the District Board of Education. Through the District's purchasing policy, the Board has given the Treasurer the authority to constrain monies for intended purposes.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

O. Pension

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

P. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred 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 capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. As of June 30, 2016, the District did not have net position restricted by enabling legislation.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 1: Summary of Significant Accounting Policies (continued)

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for adult and special education classes, sales for food service and uniform school supplies, collection of classroom fees and charges for services for self-insurance programs. Operating expenses are necessary costs incurred 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 non-operating.

R. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller's funds and as expenditures/expenses in the purchaser's 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 non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

S. Estimates

The preparation of 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.

T. Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2015 financial statements in order to conform to the 2016 presentation.

Note 2: Change in Accounting Principles

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 2: Change in Accounting Principles (continued)

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68. These changes were incorporated in the District's fiscal year 2016 financial statements; however, there was no effect on beginning net position.

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

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

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

Note 3: Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balances on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
4. Budgetary revenues and expenditures of the Special Trust Fund and Public School Support Fund are classified to the General Fund for GAAP reporting.
5. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 3: Budgetary Basis of Accounting (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

	<u>General</u>
GAAP Basis	\$ 3,328,906
Revenue Accruals	(6,999,138)
Advances - in	1,982,000
Expenditure Accruals	(625,335)
Advances - out	(3,281,000)
Encumbrances	(2,755,224)
To reclassify the net change in fund balance for funds combined with the General Fund	<u>16,563</u>
Budget Basis	\$ <u><u>(8,333,228)</u></u>

Note 4: Fund Balances

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

<u>Fund</u>	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Inventory	\$ <u>408,564</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>408,564</u>
Restricted for:				
Community activities	-	-	63,946	63,946
Athletics	-	-	97,781	97,781
Auxiliary services	-	-	271,311	271,311
Miscellaneous state and federal grants	-	-	59,984	59,984
Debt service payments	-	-	3,989,782	3,989,782
Capital improvements	<u>-</u>	<u>98,139,588</u>	<u>10,332,184</u>	<u>108,471,772</u>
Total restricted	<u>-</u>	<u>98,139,588</u>	<u>14,814,988</u>	<u>112,954,576</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 4: Fund Balances (continued)

Assigned to:

Public school support	217,028	-	-	217,028
Subsequent year's budget:				
Appropriation of fund balance	12,919,000	-	-	12,919,000
Purchases on order:				
Utilities	22,291	-	-	22,291
Instruction services and supplies	940,956	-	-	940,956
Transportation costs	25,090	-	-	25,090
Maintenance services and supplies	487,665	-	-	487,665
Office equipment	44,951	-	-	44,951
Insurance costs	15,000	-	-	15,000
Other	591,954	-	-	591,954
Total assigned	<u>15,263,935</u>	<u>-</u>	<u>-</u>	<u>15,263,935</u>
Unassigned (deficit)	<u>18,324,871</u>	<u>-</u>	<u>(347,404)</u>	<u>17,977,467</u>
Total	\$ <u>33,997,370</u>	\$ <u>98,139,588</u>	\$ <u>14,467,584</u>	\$ <u>146,604,542</u>

Note 5: Deposits and Investments

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District 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 the Board 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 District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as a security for repayment, by surety company bonds deposited with the Treasurer of the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 5: Deposits and Investments (continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that 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 marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held until maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 5: Deposits and Investments (continued)

Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of District funds shall be required to pledge as security for repayment of all public moneys. The District has no deposit policy for custodial risk beyond the requirements of State statute.

At year-end, the carrying amount of the District's deposits was \$4,396,334 and the bank balance was \$5,501,964. Of the bank balance, \$307,777 was covered by Federal depository insurance and \$5,194,187 was uninsured and was collateralized with securities held by the pledging institution's trust department, not in the District's name. At fiscal year-end, the District had \$3,179 undeposited cash on hand, which is included on the balance sheet of the District as part of "equity in pooled cash and investments."

Investments

Investments are reported as fair value. As of June 30, 2016, the District had the following investments:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Federal Home Loan Bank (FHLB)	\$ 10,811,197	\$ 7,774,657	\$ 3,036,540
Federal Farm Credit Bank (FFCB)	1,511,720	-	1,511,720
Federal National Mortgage Association (FNMA)	28,404,418	11,016,750	17,387,668
Federal Home Loan Mortgage Corporation (FHLMC)	18,542,045	4,016,280	14,525,765
U.S. Treasury Notes	19,113,340	14,024,390	5,088,950
Negotiable Certificates of Deposit	12,025,278	5,732,538	6,292,740
Money Market	2,853,018	2,853,018	-
Commercial Paper	20,785,854	20,785,854	-
STAR Ohio	22,262,664	22,262,664	-
Total portfolio	\$ <u>136,309,534</u>	\$ <u>88,466,151</u>	\$ <u>47,843,383</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016:

- STAR Ohio is measured based on net asset value.
- FHLB, FFCB, FNMA, and FHLMC are measured based on Level 2 inputs, using matrix pricing.
- U.S Treasury Notes and Negotiable Certificates of Deposit are measured based on quoted market prices (Level 1).
- Money Market and Commercial Paper are valued at amortized cost, which approximates fair value.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 5: Deposits and Investments (continued)

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The District investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the District must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed by the District's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. The Federal Home Loan Bank bonds, Federal Farm Credit Bank bonds, Federal National Mortgage Association bonds and Federal Home Loan Mortgage Corporation bonds all carry a rating of Aaa by Standard and Poor's. The U.S. Treasury Notes are not rated. The Commercial Paper carries a rating of P1 by Standard and Poor's. STAR Ohio carries a rating AAAM by Standard & Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires that no more than twenty-five percent of the District's interim monies shall be invested in either commercial paper notes or bankers' acceptances. The following is the District's allocation as of June 30, 2016:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank	7.9%
Federal Farm Credit Bank	1.1
Federal National Mortgage Association	20.9
Federal Home Loan Mortgage Corporation	13.7
U.S. Treasury Notes	14.0
Money market	2.1
Certificates of Deposit	8.8
Commercial Paper	15.2
STAR Ohio	16.3

Note 6: Property Taxes

Property taxes are levied and assessed on a calendar year basis while the District's fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 6: Property Taxes (continued)

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Cuyahoga County Fiscal Officer collects property taxes on behalf of the District. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. These tax “advances” are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which became measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2016 was \$21,879,008 for the General Fund, \$2,022,373 in the Bond Retirement Fund, and \$1,050,865 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015		2016	
	<u>Second-Half Collections</u>		<u>First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,057,992,160	98.37%	\$ 1,036,743,190	98.30%
Public utility	<u>17,518,250</u>	<u>1.63%</u>	<u>17,942,510</u>	<u>1.70%</u>
	<u>\$ 1,075,510,410</u>	<u>100.00%</u>	<u>\$ 1,054,685,700</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 149.59		\$ 149.59

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 7: Interfund Transactions

Interfund transactions for the year ended June 30, 2016 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 784,204
General Fund	Nonmajor Enterprise Funds	<u>2,550,000</u>
		\$ <u>3,334,204</u>

All balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2016, all interfund loans outstanding are anticipated to be repaid during fiscal year 2017.

Interfund transfers for the year ended June 30, 2016, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ <u>253,500</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer to nonmajor governmental funds from the General Fund was to cover costs paid out of the General Fund that could be paid out of the nonmajor governmental funds.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 8: Receivables

Receivables at June 30, 2016, consisted of taxes, accounts (rent and student fees), tuition and intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Tuition	\$ 4,378,267
City of University Heights	24,118
Beachwood Board of Education	29,843
Cuyahoga Community College	5,618
Belefaire West Virginia	7,234
Urban Oak School	4,533
Special Education Cluster	271,913
Carl D. Perkins grant	29,891
Title I grant	379,024
Title II-A grant	98,553
Title III grant	9,163
Other federal grants	174,406
State Employees Retirement System refund	<u>210,753</u>
Total intergovernmental receivable	\$ <u>5,623,316</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance at 6/30/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/16</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>25,338,805</u>	<u>35,874,134</u>	<u>(297,484)</u>	<u>60,915,455</u>
Total capital assets, not being depreciated	<u>27,320,428</u>	<u>35,874,134</u>	<u>(297,484)</u>	<u>62,897,078</u>
Capital assets, being depreciated:				
Land improvements	5,428,459	61,264	-	5,489,723
Buildings and improvements	51,497,939	236,220	-	51,734,159
Furniture and equipment	8,165,313	446,542	(437,988)	8,173,867
Vehicles	<u>4,394,519</u>	<u>448,893</u>	<u>(319,939)</u>	<u>4,523,473</u>
Total capital assets, being depreciated	<u>69,486,230</u>	<u>1,192,919</u>	<u>(757,927)</u>	<u>69,921,222</u>
Less accumulated depreciation:				
Land improvements	(2,867,477)	(218,308)	-	(3,085,785)
Buildings and improvements	(26,381,777)	(1,307,576)	-	(27,689,353)
Furniture and equipment	(6,572,055)	(278,973)	428,504	(6,422,524)
Vehicles	<u>(3,134,054)</u>	<u>(364,776)</u>	<u>319,939</u>	<u>(3,178,891)</u>
Total accumulated depreciation	<u>(38,955,363)</u>	<u>(2,169,633)</u>	<u>748,443</u>	<u>(40,376,553)</u>
Total capital assets being depreciated, net	<u>30,530,867</u>	<u>(976,714)</u>	<u>(9,484)</u>	<u>29,544,669</u>
Governmental activities capital assets, net	<u>\$ 57,851,295</u>	<u>\$ 34,897,420</u>	<u>\$ (306,968)</u>	<u>\$ 92,441,747</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 375,001
Vocational	10,803
Support services:	
Instructional staff	3,109
Business	102,104
Operations and maintenance of plant	1,382,587
Pupil transportation	248,230
Central	9,149
Food services	5,339
Community services	8,003
Extracurricular activities	<u>25,308</u>
	<u>\$ 2,169,633</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 9: Capital Assets (continued)

	<u>Balance</u> <u>at 6/30/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>at 6/30/16</u>
Business-type activities:				
Capital assets, being depreciated:				
Land improvements	\$ 6,274	\$ -	\$ -	\$ 6,274
Buildings and improvements	1,250,810	-	-	1,250,810
Furniture and equipment	<u>579,211</u>	<u>-</u>	<u>-</u>	<u>579,211</u>
Total capital assets, being depreciated	<u>1,836,295</u>	<u>-</u>	<u>-</u>	<u>1,836,295</u>
Less accumulated depreciation:				
Land improvements	(6,274)	-	-	(6,274)
Buildings and improvements	(944,499)	(12,143)	-	(956,642)
Furniture and equipment	<u>(477,833)</u>	<u>(20,272)</u>	<u>-</u>	<u>(498,105)</u>
Total accumulated depreciation	<u>(1,428,606)</u>	<u>(32,415)</u>	<u>-</u>	<u>(1,461,021)</u>
Business-type activities capital assets, net	\$ <u>407,689</u>	\$ <u>(32,415)</u>	\$ <u>-</u>	\$ <u>375,274</u>

Note 10: Risk Management

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2016, the District contracted with several companies for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible/Limit of Coverage</u>
Property Liability	\$500 deductible \$236,928,552 limit
Inland Marine – Equipment-type listed with different limits	\$500 deductible \$12,273,299 limit
Flood and Earthquake Limit	\$50,000 deductible \$2,000,000 limit (each)
Crime	\$100,000 limit with excess coverage \$1,000,000
General Liability/Employer’s Liability	\$5,000,000 limit \$7,000,000 aggregate
Employee Benefits Liability	\$-0- deductible \$5,000,000 limit
School Leaders Professional Liability	\$7,000,000 aggregate \$5,000 deductible \$5,000,000 limit/aggregate

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 10: Risk Management (continued)

A. Property and Liability (continued)

Fleet:	\$5,000,000 limit
Vehicles other than buses	\$500 comprehensive deductible \$500 collision deductible
Buses	\$500 comprehensive deductible \$500 collision deductible
Umbrella	\$10,000,000 limit
Property and Inland Marine	\$500 deductible-boilers
Boiler and Machinery	\$500 deductible
	\$50,000,000 limit
Public Official Bonds	\$20,000-\$100,000 limit
Sexual Misconduct and Molestation	\$5,000,000 limit/aggregate
Data Compromise	\$25,000 limit/aggregate
Law Enforcement	\$5,000,000 limit/aggregate

Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Workers Compensation

The State of Ohio provides workers' compensation coverage. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

C. Employee Medical Benefits

The District is self-insured for medical, dental, vision and prescription of District employees and their covered dependents. Under the program, the District is obligated for claim payments. Incurred but not reported claims of \$1,602,900 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2016, based on an estimate from a third-party administrator. Individual funds are charged for medical expenses based on an estimate of total cost for the District as prepared by the plan administrator, and are recorded as revenues of the Self-Insurance Internal Service Fund.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 10: Risk Management (continued)

C. Employee Medical Benefits (continued)

The claims liability of \$1,602,900 reported in the Self-Insurance Internal Service Fund at June 30, 2016, is based on an estimate provided by the third-party administrator and the requirements of GASB No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the Self-Insurance Internal Service Fund’s claims liability amount in 2014, 2015, and 2016 are as follows:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
June 30, 2014	\$ 1,715,400	\$ 12,297,949	\$ 12,388,249	\$ 1,625,100
June 30, 2015	1,625,100	14,296,844	14,354,144	1,567,800
June 30, 2016	1,567,800	15,628,914	15,593,814	1,602,900

Note 11: Pension Plans

A. Net Pension Liability

The net pension liabilities reported on the Statements of Net Position represent 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 District’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 District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 11: Pension Plans (continued)

A. Net Pension Liability (continued)

GASB Statement No. 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.

B. Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 11: Pension Plans (continued)

B. Plan Description - School Employees Retirement System (SERS) (continued)

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The District's contractually required contribution to SERS was \$2,115,504 for fiscal year 2016. The District contributed 100 percent of the required contribution as of June 30, 2016.

C. Plan Description - State Teachers Retirement System (STRS)

Plan Description – District licensed teachers and other faculty members participate in STRS, a cost-sharing, multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 11: Pension Plans (continued)

C. Plan Description - State Teachers Retirement System (STRS) (continued)

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 11 percent of the 12 percent member rate goes to the DC Plan and 1 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. Effective July 1, 2016, the statutory maximum employee contribution rate was increased one percent to 14 percent. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$6,656,306 for fiscal year 2016. Of this amount, \$1,141,176 is reported as intergovernmental payable.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 11: Pension Plans (continued)

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District'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>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of net pension liability prior measurement date	0.52142200%	0.42073562%	
Proportion of net pension liability current measurement date	<u>0.51434910%</u>	<u>0.46268995%</u>	
Change in proportionate share	<u>0.00707290%</u>	<u>0.04195433%</u>	
Proportionate share of the net pension liability	\$ 29,349,257	\$ 127,873,968	\$ 157,223,225
Pension expense	\$ 1,756,437	\$ 7,269,037	\$ 9,025,474

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 472,574	\$ 5,829,439	\$ 6,302,013
Changes in proportionate share and difference between District contributions and proportionate share of contributions	-	9,526,938	9,526,938
District contributions subsequent to the measurement date	<u>2,115,504</u>	<u>6,656,306</u>	<u>8,771,810</u>
Total deferred outflows of resources	\$ <u>2,588,078</u>	\$ <u>22,012,683</u>	\$ <u>24,600,761</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 972,436	\$ 9,196,556	\$ 10,168,992
Changes in proportionate share and difference between District contributions and proportionate share of contributions	<u>325,155</u>	<u>-</u>	<u>325,155</u>
Total deferred inflows of resources	\$ <u>1,297,591</u>	\$ <u>9,196,556</u>	\$ <u>10,494,147</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 11: Pension Plans (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The District reported \$8,771,810 as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2017	\$ (457,027)	\$ 306,376	\$ (150,651)
2018	(457,027)	306,376	(150,651)
2019	(459,265)	306,376	(152,889)
2020	<u>548,302</u>	<u>5,240,693</u>	<u>5,788,995</u>
Total	\$ <u>(825,017)</u>	\$ <u>6,159,821</u>	\$ <u>5,334,804</u>

E. Actuarial Assumptions – SERS

SERS’ total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). 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 calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22.00 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 11: Pension Plans (continued)

E. Actuarial Assumptions – SERS (continued)

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *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. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	<u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 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 long-term assumed investment rate of return (7.75 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, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 11: Pension Plans (continued)

E. Actuarial Assumptions – SERS (continued)

Sensitivity of the District'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 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
District's proportionate share of the net pension liability	\$ 40,696,875	\$ 29,349,257	\$ 19,793,630

F. Actuarial Assumptions – STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u>100.00 %</u>	

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 11: Pension Plans (continued)

F. Actuarial Assumptions – STRS (continued)

Discount Rate The total pension liability was calculated using the discount rate of 7.75 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 long-term assumed investment rate of return (7.75 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, the 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 District’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 7.75 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
District’s proportionate share of the net pension liability	\$ 177,626,589	\$ 127,873,968	\$ 85,800,711

Note 12: Post-Employment Benefits

A. School Employees Retirement System

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other post-employment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians’ fees through several types of plans including HMO’s, PPO’s, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS’ website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS’ Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS’ participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 12: Post-Employment Benefits (continued)

A. School Employees Retirement System (continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, no allocation covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$249,000.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$249,000, \$363,851, and \$274,869, respectively. The full amount has been contributed for fiscal years 2015 and 2014, while \$-0- has been funded for the year ended June 30, 2016. The unfunded amount at June 30, 2016 is included as accrued pension.

B. State Teachers Retirement System

Plan Description – The School District participates in the cost-sharing, multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care. For the fiscal year ended June 30, 2014, one percent of covered payroll was allocated to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$-0-, \$-0-, and \$419,409 respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 13: Employee Benefits

A. Compensated Absences

The criteria for determining vacation, personal leave, sick leave, and compensatory time components are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for one-fourth of the first 360 days of total sick leave accumulation plus one-eighth the next 99 days. The entire compensated absence liability is reported on the government-wide financial statements.

B. Early Retirement Incentive

The District offers employees participation in a Retirement Incentive program. Participation is open to teachers who have been employed by the District for at least ten years and who opt to retire at the end of any school year and have been approved by STRS to receive retirement benefits other than disability retirement with thirty years or fewer of service credit. Eligible employees must notify the Board of their intention to retire in writing, no later than March 1 of the year they intend to retire. Eligible employees who fulfill the above requirements will receive two equal lump sums of \$12,000, each to be paid as soon after June 30 as practicable in the year of retirement and the following year. Certain classified employees are also eligible to receive a retirement incentive.

The last installment of the 2014-2015 and the first installment of the 2015-2016 Retirement Incentive Programs were paid prior to June 30, 2016. These payments of \$492,000 were made from the General Fund.

The last installment of the 2015-2016 and the first installment of the 2016-2017 Retirement Incentive Programs will be paid starting in July 2016. These payments of \$324,000 will be made from the General Fund and are reported as a liability in the fund financial statements.

The last installment of the 2015-2016 Retirement Incentive Programs will be completed in July 2017. The payments of \$36,000 will be made from the General Fund and are reported on the government-wide financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 14: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2016 were as follows:

	Principal Outstanding 6/30/15	Additions	Deletions	Principal Outstanding at 6/30/16	Amounts Due in One Year
Governmental activities:					
2012 \$6,750,000 Library Improvement Refunding Bonds – interest rates of 2.00-2.25%	\$ 5,915,000	\$ -	\$ 440,000	\$ 5,475,000	\$ 450,000
Premium on Library Improvement Refunding Bonds	159,778	-	13,316	146,462	-
2014 \$21,000,000 Certificates of Participation – interest rates of 1.5-5.0%	20,330,000	-	440,000	19,890,000	450,000
Discount on Certificates of Participation	(28,813)	-	(960)	(27,853)	-
2014 \$134,799,915 School Improvement Bonds – interest Rates of 1.50-19.85%	134,699,915	-	10,000	134,689,915	35,000
Premium on School Improvement Bonds	1,594,214	-	43,676	1,550,538	-
Appreciation on Capital Appreciation Bonds	333,985	294,227	-	628,212	-
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital lease obligations	139,039	395,108	105,670	428,477	91,348
Early retirement incentive	288,000	36,000	288,000	36,000	-
Net pension liability:					
SERS	24,296,665	2,725,677	-	27,022,342	-
STRS	102,337,463	25,536,505	-	127,873,968	-
Compensated absences	6,569,966	902,317	1,161,364	6,310,919	441,764
Total governmental long-term liabilities	\$ <u>302,135,212</u>	\$ <u>29,889,834</u>	\$ <u>2,501,066</u>	\$ <u>329,523,980</u>	\$ <u>1,468,112</u>
Business-type activities:					
Net pension liability – SERS	\$ 2,092,205	\$ 234,710	\$ -	\$ 2,326,915	\$ -
Compensated absences	69,849	3,517	2,149	71,217	20,281
Total business-type long-term liabilities	\$ <u>2,162,054</u>	\$ <u>238,227</u>	\$ <u>2,149</u>	\$ <u>2,398,132</u>	\$ <u>20,281</u>

The school improvement bonds will be paid from property taxes. Compensated absences will be paid from the General Fund, various other governmental and enterprise funds as they are paid. The District pays obligations related to employee compensation from the fund benefitting from their service.

During fiscal year 2004, the District was authorized to issue \$5.5 million in Qualified Zone Academy Bonds (QZAB) in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), which was used for the rehabilitation and repair portions of the District's facilities. On April 2, 2004, the District issued the \$5.5 million QZAB that matures on April 25, 2019. The entire principal balance of \$5.5 million is due at maturity and the bonds do not bear interest. To satisfy escrow requirements of the program, the District placed \$2.5 million in an escrow account with a local bank, which is included in the restricted cash and cash equivalents on the Statement of Net Position, as well as the Permanent Improvement Fund.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 14: Long - Term Liabilities (continued)

During fiscal year 2013, the District issued \$6,750,000 in General Obligation (Unlimited Tax) Library Refunding Bonds for the purpose of refunding Library Improvement Bonds outstanding in order to take advantage of lower interest rates. The interest rates range from 2.00 percent to 2.25 percent.

The refunding bonds were sold at a premium of \$199,722. Proceeds and premium of \$6,949,722 and cash reserves of \$170,318 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the certificates of participation. As a result, \$6,825,000 of the Series 2002 bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the District's financial statements. The refunded bonds were called and redeemed in full in December 2012.

On March 4, 2014, the District issued \$134,799,915 in General Obligation (Unlimited Tax) School Improvement Bonds for the purpose of constructing, renovating, remodeling, enlarging, furnishing, equipping and otherwise improving school district buildings and facilities and acquiring, improving and equipping sites for such buildings and facilities. The interest rates range from 1.5 percent to 19.85 percent.

On March 18, 2014 the District entered into a \$21,000,000 lease agreement with the Ohio School Building Leasing Corporation ("Leasing Corporation") for facility upgrades. The lease is an annual lease subject to renewal for 31 years through December 1, 2043. The Leasing Corporation entered into an agreement with a trustee through which it assigned and transferred rights and interest under the lease to the Huntington National Bank as Trustee. The Trustee issued Certificates of Participation in the lease agreement enabling holders of the Certificates to receive a portion of the semi-annual lease payments. Proceeds from the issuance are mainly being used to make facility upgrades.

The obligation of the District under the lease and any subsequent lease renewal is subject to annual appropriation of the rental payments. Legal title of the facilities remains with the Leasing Corporation until all payments required under the lease have been made. At that time, title will transfer to the District. The annual principal and interest requirements are payable from proceeds from the permanent improvement tax levy. The Certificates of Participation are not a general obligation of the District but are payable only from appropriations in the Bond Retirement Fund by the District for annual lease payments.

The legal debt margin of the District as of June 30, 2016, was \$-0- with an unvoted debt margin of \$1,054,686.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 14: Long - Term Liabilities (continued)

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2016, are as follows:

	School Improvement Bonds			Library Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 35,000	\$ 6,190,962	\$ 6,225,962	\$ 450,000	\$ 107,713	\$ 557,713
2018	565,000	6,186,463	6,751,463	455,000	98,662	553,662
2019	575,000	6,177,913	6,752,913	470,000	89,412	559,412
2020	354,207	6,173,600	6,527,807	475,000	79,962	554,962
2021	898,259	6,173,600	7,071,859	490,000	70,312	560,312
2022-2026	4,847,449	30,868,000	35,715,449	2,585,000	198,844	2,783,844
2027-2031	10,685,000	29,547,231	40,232,231	550,000	6,188	556,188
2032-2036	15,860,000	26,128,040	41,988,040	-	-	-
2037-2041	22,185,000	21,377,409	43,562,409	-	-	-
2042-2046	29,850,000	15,358,001	45,208,001	-	-	-
2047-2051	39,545,000	7,416,975	46,961,975	-	-	-
2052	9,290,000	232,250	9,522,250	-	-	-
Total	\$ <u>134,689,915</u>	\$ <u>161,830,444</u>	\$ <u>296,520,359</u>	\$ <u>5,475,000</u>	\$ <u>651,093</u>	\$ <u>6,126,093</u>

	Certificates of Participation			Total		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 450,000	\$ 787,743	\$ 1,237,743	\$ 935,000	\$ 7,086,418	\$ 8,021,418
2018	455,000	780,956	1,235,956	1,475,000	7,066,081	8,541,081
2019	460,000	774,094	1,234,094	1,505,000	7,041,419	8,546,419
2020	470,000	765,944	1,235,944	1,299,207	7,019,506	8,318,713
2021	480,000	754,044	1,234,044	1,868,259	6,997,956	8,866,215
2022-2026	2,605,000	3,540,251	6,145,251	10,037,449	34,607,095	44,644,544
2027-2031	3,090,000	3,041,658	6,131,658	14,325,000	32,595,077	46,920,077
2032-2036	3,755,000	2,355,218	6,110,218	19,615,000	28,483,258	48,098,258
2037-2041	4,720,000	1,355,975	6,075,975	26,905,000	22,733,384	49,638,384
2042-2046	3,405,000	234,338	3,639,338	33,255,000	15,592,339	48,847,339
2047-2051	-	-	-	39,545,000	7,416,975	46,961,975
2052	-	-	-	9,290,000	232,250	9,522,250
Total	\$ <u>19,890,000</u>	\$ <u>14,390,221</u>	\$ <u>34,280,221</u>	\$ <u>160,054,915</u>	\$ <u>176,871,758</u>	\$ <u>336,926,673</u>

Note 15: Lease Obligations

The District has entered into capital leases for copier equipment. These leases meet the criteria of a capital lease. Governmental activities capital assets consisting of copier equipment have capital lease balances at June 30, 2016 in the amounts of \$428,477. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$880,937 less accumulated depreciation, \$481,098. Principal payments for all of capital leases in the 2016 fiscal year totaled \$105,670. These amounts are reported as debt service principal expenditures of the General Fund.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 15: Lease Obligations (continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2016:

	Capital Leases
2017	\$ 107,409
2018	107,409
2019	102,423
2020	87,468
2021	<u>65,601</u>
Total minimum lease payments	470,310
Less: amounts representing interest	<u>(41,833)</u>
Present value minimum capital lease payments	<u>\$ 428,477</u>

The District also has two operating leases to assist with parking requirements during the school facilities construction project that is ongoing.

The first lease is for a period of five years and requires monthly payments of \$2,200. The second lease is for two years with the option to extend the lease for an additional two-year term and requires monthly payments of \$2,000. The following is a schedule of the future minimum lease payments required under the operating leases at year-end:

	Operating Leases
2017	\$ 50,400
2018	26,400
2019	26,400
2020	<u>8,800</u>
Total minimum lease payments	<u>\$ 112,000</u>

Rent expense related to the operating leases totaled \$50,400 for the year ended June 30, 2016.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 16: Jointly Governed Organization

The Ohio Schools' Council Association (the "Council") is a jointly governed organization among 203 school districts, educational service centers, joint vocational districts and Developmental Disabilities boards. The jointly governed organization was created for the purpose of saving money through volume purchases. Each member supports the Council by paying an annual participation fee. Each member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the "Council Board"). The Council Board is the policy making authority of the Council. The Council Board meets monthly September to June. The Council Board appoints the Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Council Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2016, the District paid \$393,364 to the Council. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd, Suite 377, Independence, Ohio 44131.

The School District also participates in the Council's electricity group purchase program. The Council's current program, Power 4 Schools, provided for a fixed per kilowatt-hour for electricity generation until May 2014, and then converted to a new fixed price or percent off the Price to Compare (PTC), whichever provided the greatest savings until December 2019.

The District participates in the Council's prepaid natural gas program. This program allows school districts to purchase natural gas at reduced rates. Compass Energy had been selected as the natural gas supplier and program manager for the period April 1, 2013 through March 31, 2016. There are currently 151 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Note 17: Set-Aside Requirements

The District is required by State statute to annually set aside in the General Fund an amount on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the changes in the year end set-aside amounts for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside reserve balance as of June 30, 2015	\$ -
Current year set-aside requirements	939,998
Qualifying disbursements	<u>(25,750,176)</u>
Total set-aside reserve balance as of June 30, 2016	\$ <u>(24,810,178)</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 17: Set-Aside Requirements (continued)

Although the District had qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, this amount may not be used to reduce the set-aside requirement for future fiscal years. This negative balance is therefore not presented as being carried forward to future fiscal years.

Note 18: Contractual Commitments and Other Significant Commitments

At June 30, 2016, the District's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Facilities construction project	\$ <u>121,476,497</u>	\$ <u>60,892,317</u>	\$ <u>60,584,180</u>

Other significant commitments include the encumbrances outstanding for the General Fund and Nonmajor Funds other than capital projects were as follows:

	<u>Encumbrances</u>
General Fund	\$ 2,131,437
Nonmajor Funds	<u>293,778</u>
Total other significant commitments	\$ <u>2,425,215</u>

The Building Fund commitments are reported above in the contractual commitments.

Note 19: Contingencies

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires 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 adverse effect on the overall financial position of the District at June 30, 2016.

B. Litigation

The District is party to legal proceedings. The District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2016

Note 19: Contingencies (continued)

C. Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year and thereafter, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

Note 20: Related Organization

The Cleveland Heights-University Heights Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Cleveland Heights-University Heights Public Library at 2345 Lee Road, Cleveland Heights, Ohio 44118.

Note 21: Accountability

The following funds had deficit fund balances/net position at June 30, 2016:

Special Revenue Funds:

Alternative School Grant	\$	827
Idea (Flo-Thru)		60,507
Vocational Education		9,794
Title I Improvement		37,624
Title III		5,490
Title I		209,401
Preschool Disabilities Grants		380
Title IIA - Improving Teacher Quality		8,371
Miscellaneous Federal Grants		15,010

Enterprise Funds:

Food Services		2,500,491
Community services/early childhood		1,951,031

The deficits in the special revenue funds are due to timing differences in accruing revenues and expenditures. The deficits in the enterprise funds and internal service funds are due to accrued expenses. The General Fund is liable for any deficit in the funds and provides transfers when cash is required, not when accruals occur.

Cleveland Heights-University Heights City School District

Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio

Last Three Fiscal Years

	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
School district's proportion of the net pension liability	0.514349%	0.521422%	0.521422%
School district's proportionate share of the net pension liability	\$ 29,349,258	\$ 26,388,871	\$ 31,007,293
School district's covered payroll	\$ 15,397,779	\$ 15,100,572	\$ 14,816,958
School district's proportionate share of the net pension liability as a percentage of its covered payroll	190.61%	174.75%	209.27%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available. Amounts presented for each fiscal year were determined as of the District's measurement date which is June 30 of the prior year.

Cleveland Heights-University Heights City School District

Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio

Last Three Fiscal Years

	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
School district's proportion of the net pension liability	0.462690%	0.420736%	0.420736%
School district's proportionate share of the net pension liability	\$ 127,873,968	\$ 102,337,463	\$ 121,903,717
School district's covered payroll	\$ 48,339,057	\$ 47,308,229	\$ 49,081,508
School district's proportionate share of the net pension liability as a percentage of its covered payroll	264.54%	216.32%	248.37%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available. Amounts presented for each fiscal year were determined as of the District's measurement date which is June 30 of the prior year.

Cleveland Heights-University Heights City School District

Required Supplementary Information Schedule of the School District Contributions School Employees Retirement System of Ohio

Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 2,115,504	\$ 2,029,427	\$ 2,092,939	\$ 2,050,667	\$ 2,087,659
Contributions in relation to the contractually required contribution	<u>(2,115,504)</u>	<u>(2,029,427)</u>	<u>(2,092,939)</u>	<u>(2,050,667)</u>	<u>(2,087,659)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School district covered payroll	\$ 15,110,743	\$ 15,397,779	\$ 15,100,571	\$ 14,816,958	\$ 15,521,628
Contributions as a percentage of covered payroll	14.00%	13.18%	13.86%	13.84%	13.45%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	\$ 1,827,770	\$ 1,960,532	\$ 1,185,496	\$ 1,162,039	\$ 1,196,361
Contributions in relation to the contractually required contribution	<u>(1,827,770)</u>	<u>(1,960,532)</u>	<u>(1,185,496)</u>	<u>(1,162,039)</u>	<u>(1,196,361)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School district covered payroll	\$ 14,540,732	\$ 14,479,557	\$ 12,047,724	\$ 11,833,391	\$ 11,201,882
Contributions as a percentage of covered payroll	12.57%	13.54%	9.84%	9.82%	10.68%

Cleveland Heights-University Heights City School District

Required Supplementary Information Schedule of the School District Contributions State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 6,656,306	\$ 6,767,468	\$ 6,150,070	\$ 6,380,596	\$ 6,503,136
Contributions in relation to the contractually required contribution	<u>(6,656,306)</u>	<u>(6,767,468)</u>	<u>(6,150,070)</u>	<u>(6,380,596)</u>	<u>(6,503,136)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School district covered payroll	\$ 47,545,043	\$ 48,339,057	\$ 47,308,229	\$ 49,081,508	\$ 50,024,123
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	13.00%	13.00%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	\$ 6,789,522	\$ 6,243,823	\$ 6,042,362	\$ 5,955,996	\$ 5,753,889
Contributions in relation to the contractually required contribution	<u>(6,789,522)</u>	<u>(6,243,823)</u>	<u>(6,042,362)</u>	<u>(5,955,996)</u>	<u>(5,753,889)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School district covered payroll	\$ 52,227,092	\$ 48,029,408	\$ 46,479,708	\$ 45,815,354	\$ 44,260,685
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%

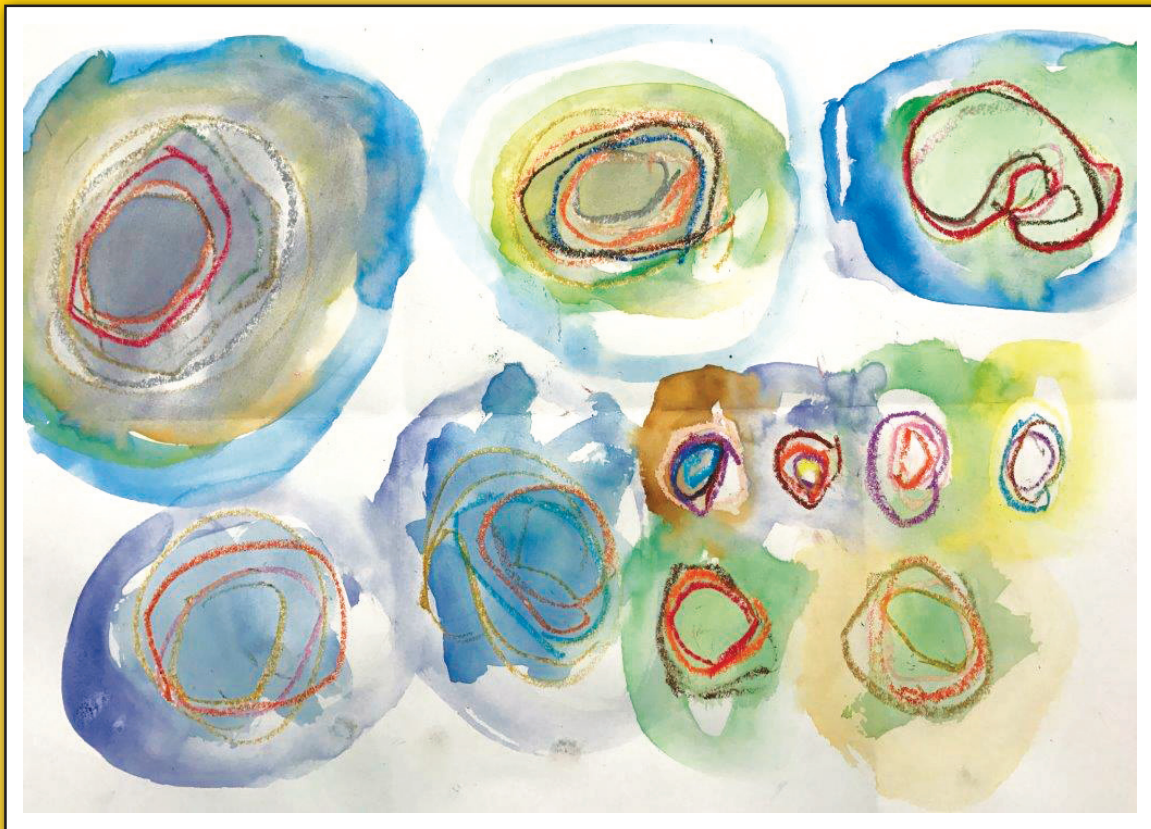
Cleveland **Heights**
University



City School District

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



JE-VINNO ORR
Kindergarten - Fairfax Elementary



Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds

Fund Descriptions

June 30, 2016

Nonmajor Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Following is a description of the District's nonmajor special revenue funds:

Other Grants This fund is used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed Activity This fund is used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services This fund accounts for state funds for the purchase of science and math materials, as well as psychological and other supplemental services at the non-public schools within the District.

Public School Preschool Grant This fund accounts for the state revenues which address the educational needs of 4 year olds who are at risk of being poor achievers.

Data Communication This fund accounts for restricted State grant monies used for classroom wiring for technology.

Straight A This fund is provided to account for restricted State grant monies to help Ohio schools launch creative new ideas and improving education.

Alternative School Grant The Alternative School Grant was established to provide funding for Saturday School for discipline problem students. The funds will be used for intervention programs, support groups for families, homework centers, tutoring programs, and various other programs to aid severe behavior students. The fund will be used for salaries, benefits, supplies, purchased services, and equipment associated with the program.

IDEA (Flo-Thru) The purpose of this federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Vocational Education Provides funds to boards of education, training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including six equity grants.

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2016

Nonmajor Special Revenue Funds (continued)

Race to the Top The purpose of this fund accounts for federal monies that are part of the American Recovery and Reinvestment Act and assist the District in raising student achievement and accelerate their reforms in the future.

Title I Improvement The purpose of this federal program is to improve student achievement in Title I schools identified for improvement.

Title III This fund accounts for funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency. These programs provide structured English language instruction, with respect to the years of study to which the program is applicable, and instruction in the child's native language to the extent necessary to allow a child to achieve competence in English. The instruction incorporates the cultural heritage of these children and of other children in American society. The instruction must, to the extent necessary, be in all courses or subjects of study which will allow a child to meet grade promotion and graduation standards.

Title I The purpose of this federal program is to provide financial assistance to state and local education agencies to meet the special needs of educationally deprived children.

Preschool Disabilities Grant The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Title IIA - Improving Teacher Quality This fund accounts for funds received to achieve academic achievement by improving teacher quality. This will be accomplished by increasing the number of highly qualified teachers in classrooms.

Miscellaneous Federal Grants This fund is used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

Nonmajor Debt Service Fund

Bond Retirement Fund This fund provides for the retirement of serial bonds and short-term loans. All revenue derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on bonds or loans shall be paid into this fund.

Nonmajor Capital Projects Fund

Permanent Improvement This fund accounts for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

Cleveland
University **Heights**



City School District

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2016

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 1,332,739	\$ 1,967,409	\$ 4,551,396	\$ 7,851,544
Intergovernmental receivable	962,950	-	-	962,950
Taxes receivable	-	7,725,053	3,601,808	11,326,861
Restricted cash	-	-	4,768,679	4,768,679
Total assets	<u>\$ 2,295,689</u>	<u>\$ 9,692,462</u>	<u>\$ 12,921,883</u>	<u>\$ 24,910,034</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 132,062	\$ -	\$ 38,756	\$ 170,818
Accrued wages and benefits	308,231	-	-	308,231
Interfund payable	784,204	-	-	784,204
Intergovernmental payable	56,828	-	-	56,828
Total liabilities	<u>1,281,325</u>	<u>-</u>	<u>38,756</u>	<u>1,320,081</u>
Deferred inflows of resources:				
Property taxes	-	4,483,961	1,931,292	6,415,253
Unavailable revenue	868,746	1,218,719	619,651	2,707,116
Deferred inflows of resources	<u>868,746</u>	<u>5,702,680</u>	<u>2,550,943</u>	<u>9,122,369</u>
Fund balances:				
Restricted	493,022	3,989,782	10,332,184	14,814,988
Unassigned	(347,404)	-	-	(347,404)
Total fund balances (deficit)	<u>145,618</u>	<u>3,989,782</u>	<u>10,332,184</u>	<u>14,467,584</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,295,689</u>	<u>\$ 9,692,462</u>	<u>\$ 12,921,883</u>	<u>\$ 24,910,034</u>

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2016

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ -	\$ 7,263,469	\$ 3,480,802	\$ 10,744,271
Intergovernmental	7,377,672	368,454	266,859	8,012,985
Grants	95,763	-	-	95,763
Earnings on investments	200	-	185,860	186,060
Extracurricular activities	152,115	-	-	152,115
Miscellaneous	22,856	-	-	22,856
Total revenues	<u>7,648,606</u>	<u>7,631,923</u>	<u>3,933,521</u>	<u>19,214,050</u>
Expenditures:				
Current:				
Instruction:				
Regular	401,374	-	-	401,374
Special	2,279,545	-	-	2,279,545
Vocational	140,538	-	-	140,538
Other	1,750	-	-	1,750
Support services:				
Pupil	384,885	-	-	384,885
Instructional staff	1,051,119	-	-	1,051,119
Administration	497,351	-	-	497,351
Fiscal	19,528	160,786	64,837	245,151
Business	18,000	-	-	18,000
Operations and maintenance of plant	-	-	1,504,449	1,504,449
Pupil transportation	47,122	-	-	47,122
Central	15,000	-	-	15,000
Operation of non-instructional services:				
Community services	2,724,170	-	-	2,724,170
Extracurricular activities	427,354	-	-	427,354
Debt service:				
Principal	-	450,000	440,000	890,000
Interest and fiscal charges	-	6,307,912	794,419	7,102,331
Total expenditures	<u>8,007,736</u>	<u>6,918,698</u>	<u>2,803,705</u>	<u>17,730,139</u>
Excess of revenues over (under) expenditures	<u>(359,130)</u>	<u>713,225</u>	<u>1,129,816</u>	<u>1,483,911</u>

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds (continued)

For the Fiscal Year Ended June 30, 2016

	Nonmajor Special <u>Revenue</u>	Nonmajor Debt <u>Service</u>	Nonmajor Capital <u>Projects</u>	Total Nonmajor Governmental <u>Funds</u>
Other financing sources (uses):				
Transfers - in	<u>253,500</u>	<u>-</u>	<u>-</u>	<u>253,500</u>
Net change in fund balance	(105,630)	713,225	1,129,816	1,737,411
Fund balance (deficit) at beginning of year	<u>251,248</u>	<u>3,276,557</u>	<u>9,202,368</u>	<u>12,730,173</u>
Fund balance (deficit) at end of year	\$ <u>145,618</u>	\$ <u>3,989,782</u>	\$ <u>10,332,184</u>	\$ <u>14,467,584</u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2016

	<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Public School Preschool Grant</u>
Assets:				
Equity in pooled cash and investments	\$ 67,227	\$ 98,622	\$ 374,086	\$ 60,644
Intergovernmental receivable	-	-	-	-
Total assets	<u>\$ 67,227</u>	<u>\$ 98,622</u>	<u>\$ 374,086</u>	<u>\$ 60,644</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ 841	\$ 101,513	\$ -
Accrued wages and benefits	2,834	-	1,111	-
Interfund payable	-	-	-	-
Intergovernmental payable	447	-	151	660
Total liabilities	<u>3,281</u>	<u>841</u>	<u>102,775</u>	<u>660</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Fund balances:				
Restricted	63,946	97,781	271,311	59,984
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>63,946</u>	<u>97,781</u>	<u>271,311</u>	<u>59,984</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 67,227</u>	<u>\$ 98,622</u>	<u>\$ 374,086</u>	<u>\$ 60,644</u>

<u>Data Communication</u>	<u>Straight A</u>	<u>Alternative School Grant</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>
\$ -	\$ -	\$ -	\$ 676,525	\$ 8,516
<u>-</u>	<u>-</u>	<u>-</u>	<u>271,913</u>	<u>29,891</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 948,438</u>	<u>\$ 38,407</u>
\$ -	\$ -	\$ -	\$ 420	\$ -
-	-	-	33,547	14,675
-	-	-	690,000	-
<u>-</u>	<u>-</u>	<u>827</u>	<u>13,065</u>	<u>3,635</u>
<u>-</u>	<u>-</u>	<u>827</u>	<u>737,032</u>	<u>18,310</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>271,913</u>	<u>29,891</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(827)</u>	<u>(60,507)</u>	<u>(9,794)</u>
<u>-</u>	<u>-</u>	<u>(827)</u>	<u>(60,507)</u>	<u>(9,794)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 948,438</u>	<u>\$ 38,407</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2016

	Race to the Top	Title 1 Improvement	Title III	Title I
Assets:				
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 47,119
Intergovernmental receivable	-	105,974	9,163	273,050
Total assets	<u>\$ -</u>	<u>\$ 105,974</u>	<u>\$ 9,163</u>	<u>\$ 320,169</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 14,820
Accrued wages and benefits	-	33,645	4,994	212,037
Interfund payable	-	50,058	282	-
Intergovernmental payable	-	3,979	496	29,663
Total liabilities	<u>-</u>	<u>87,682</u>	<u>5,772</u>	<u>256,520</u>
Deferred inflows of resources:				
Unavailable revenue	-	55,916	8,881	273,050
Fund balances:				
Restricted	-	-	-	-
Unassigned	-	(37,624)	(5,490)	(209,401)
Total fund balances (deficit)	<u>-</u>	<u>(37,624)</u>	<u>(5,490)</u>	<u>(209,401)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 105,974</u>	<u>\$ 9,163</u>	<u>\$ 320,169</u>

<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ -	\$ -	\$ -	\$ 1,332,739
<u>-</u>	<u>98,553</u>	<u>174,406</u>	<u>962,950</u>
<u>\$ -</u>	<u>\$ 98,553</u>	<u>\$ 174,406</u>	<u>\$ 2,295,689</u>
\$ -	\$ 7,003	\$ 7,465	\$ 132,062
-	-	5,388	308,231
-	17,948	25,916	784,204
<u>380</u>	<u>1,368</u>	<u>2,157</u>	<u>56,828</u>
<u>380</u>	<u>26,319</u>	<u>40,926</u>	<u>1,281,325</u>
<u>-</u>	<u>80,605</u>	<u>148,490</u>	<u>868,746</u>
-	-	-	493,022
<u>(380)</u>	<u>(8,371)</u>	<u>(15,010)</u>	<u>(347,404)</u>
<u>(380)</u>	<u>(8,371)</u>	<u>(15,010)</u>	<u>145,618</u>
<u>\$ -</u>	<u>\$ 98,553</u>	<u>\$ 174,406</u>	<u>\$ 2,295,689</u>

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2016

	Other Grants	District Managed Activity	Auxiliary Services	Public School Preschool Grant
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 2,269,212	\$ 144,644
Grants	95,763	-	-	-
Earnings on investments	-	-	200	-
Extracurricular activities	-	152,115	-	-
Miscellaneous	<u>12,240</u>	<u>10,583</u>	<u>33</u>	<u>-</u>
Total revenues	<u>108,003</u>	<u>162,698</u>	<u>2,269,445</u>	<u>144,644</u>
Expenditures:				
Current:				
Instruction:				
Regular	79,116	-	-	84,040
Special	4,169	-	-	-
Vocational	15,756	-	-	-
Other	-	-	-	-
Support services:				
Pupil	310	268	-	-
Instructional staff	469	-	-	-
Administration	29,984	-	-	-
Fiscal	-	-	-	-
Business	-	-	-	-
Pupil transportation	3,300	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Community services	3,807	-	2,221,321	-
Extracurricular activities	<u>-</u>	<u>427,354</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>136,911</u>	<u>427,622</u>	<u>2,221,321</u>	<u>84,040</u>
Excess of revenues over (under) expenditures	<u>(28,908)</u>	<u>(264,924)</u>	<u>48,124</u>	<u>60,604</u>
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>253,500</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(28,908)	(11,424)	48,124	60,604
Fund balance (deficit) at beginning of year	<u>92,854</u>	<u>109,205</u>	<u>223,187</u>	<u>(620)</u>
Fund balance (deficit) at end of year	\$ <u>63,946</u>	\$ <u>97,781</u>	\$ <u>271,311</u>	\$ <u>59,984</u>

<u>Data Communication</u>	<u>Straight A</u>	<u>Alternative School Grant</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>
\$ 18,000	\$ 33,654	\$ 81,870	\$ 1,459,301	\$ 237,709
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>18,000</u>	<u>33,654</u>	<u>81,870</u>	<u>1,459,301</u>	<u>237,709</u>
-	14,067	70,521	-	-
-	-	-	863,721	-
-	-	-	-	124,782
-	-	-	1,750	-
-	-	137	152,372	-
-	21,437	-	18,491	83,141
-	-	4,734	283,743	13,450
-	-	-	3,189	-
18,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	171,200	-
-	-	-	-	-
<u>18,000</u>	<u>35,504</u>	<u>75,392</u>	<u>1,494,466</u>	<u>221,373</u>
-	(1,850)	6,478	(35,165)	16,336
-	-	-	-	-
-	(1,850)	6,478	(35,165)	16,336
-	<u>1,850</u>	<u>(7,305)</u>	<u>(25,342)</u>	<u>(26,130)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>(827)</u>	\$ <u>(60,507)</u>	\$ <u>(9,794)</u>

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (continued)

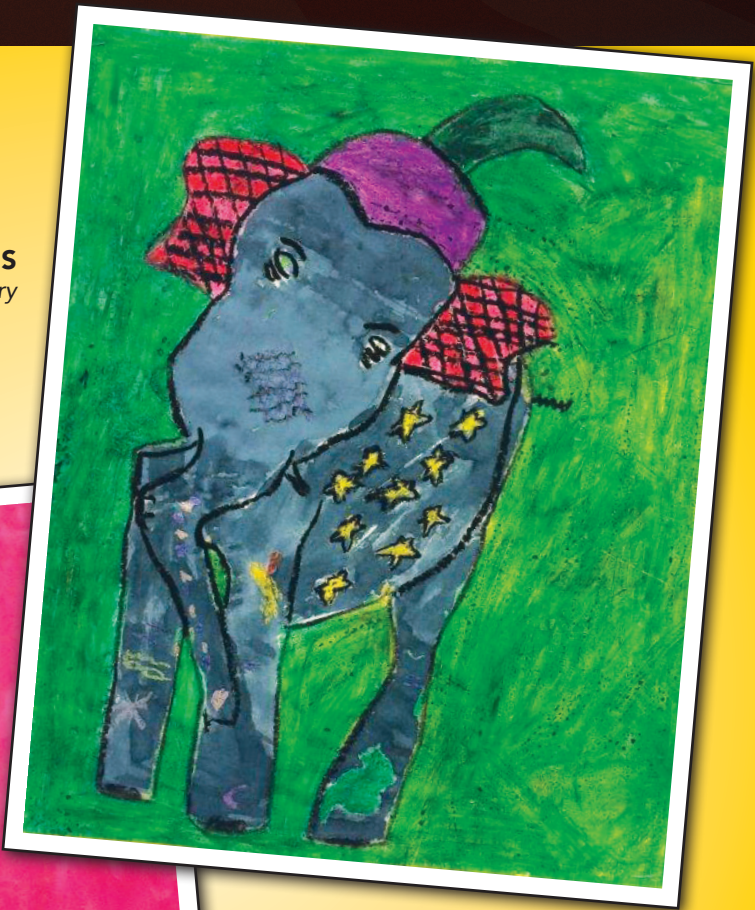
For the Fiscal Year Ended June 30, 2016

	Race to the Top	Title 1 Improvement	Title III	Title I
Revenues:				
Intergovernmental	\$ -	\$ 163,630	\$ 27,376	\$ 2,194,265
Grants	-	-	-	-
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>163,630</u>	<u>27,376</u>	<u>2,194,265</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	33,940	30,946	1,314,063
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	79,455
Instructional staff	344	153,340	17	523,852
Administration	-	-	-	97,134
Fiscal	1,485	-	88	11,550
Business	-	-	-	-
Pupil transportation	-	-	-	1,937
Central	-	-	-	-
Operation of non-instructional services:				
Community services	-	-	2,235	295,682
Extracurricular activities	-	-	-	-
Total expenditures	<u>1,829</u>	<u>187,280</u>	<u>33,288</u>	<u>2,323,673</u>
Excess of revenues over (under) expenditures	<u>(1,829)</u>	<u>(23,650)</u>	<u>(5,912)</u>	<u>(129,408)</u>
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,829)	(23,650)	(5,912)	(129,408)
Fund balance (deficit) at beginning of year	<u>1,829</u>	<u>(13,974)</u>	<u>422</u>	<u>(79,993)</u>
Fund balance (deficit) at end of year	\$ <u>-</u>	\$ <u>(37,624)</u>	\$ <u>(5,490)</u>	\$ <u>(209,401)</u>

<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 32,326	\$ 235,936	\$ 479,749	\$ 7,377,672
-	-	-	95,763
-	-	-	200
-	-	-	152,115
-	-	-	22,856
<u>32,326</u>	<u>235,936</u>	<u>479,749</u>	<u>7,648,606</u>
-	-	153,630	401,374
32,706	-	-	2,279,545
-	-	-	140,538
-	-	-	1,750
-	-	152,341	384,885
-	243,519	6,509	1,051,119
-	-	68,306	497,351
-	2,018	1,198	19,528
-	-	-	18,000
-	-	41,885	47,122
-	-	15,000	15,000
-	29,925	-	2,724,170
-	-	-	427,354
<u>32,706</u>	<u>275,462</u>	<u>438,869</u>	<u>8,007,736</u>
<u>(380)</u>	<u>(39,526)</u>	<u>40,880</u>	<u>(359,130)</u>
-	-	-	253,500
<u>(380)</u>	<u>(39,526)</u>	<u>40,880</u>	<u>(105,630)</u>
-	31,155	(55,890)	251,248
\$ <u>(380)</u>	\$ <u>(8,371)</u>	\$ <u>(15,010)</u>	\$ <u>145,618</u>

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL

SOPHIA NATKEVICIUS
Grade 3 - Noble Elementary



KYLA THOMAS
Grade 4 - Noble Elementary



Cleveland Heights-University Heights City School District

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 68,249,451	\$ 64,905,663	\$ 68,541,562	\$ 3,635,899
Intergovernmental	29,601,855	29,210,654	29,991,623	780,969
Tuition and fees	3,054,679	3,014,310	3,094,901	80,591
Earnings on investments	272,137	268,540	275,720	7,180
Miscellaneous	<u>2,856,375</u>	<u>2,818,628</u>	<u>2,894,161</u>	<u>75,533</u>
Total revenues	<u>104,034,497</u>	<u>100,217,795</u>	<u>104,797,967</u>	<u>4,580,172</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	28,119,918	28,119,922	27,892,841	227,081
Employee benefits	10,394,998	10,395,000	11,476,118	(1,081,118)
Purchased services	1,877,622	1,877,622	704,262	1,173,360
Supplies and materials	2,089,105	2,089,105	1,824,152	264,953
Capital outlay	142,462	142,462	83,792	58,670
Other	<u>284,737</u>	<u>284,737</u>	<u>258,550</u>	<u>26,187</u>
Total regular	<u>42,908,842</u>	<u>42,908,848</u>	<u>42,239,715</u>	<u>669,133</u>
Special:				
Salaries and wages	9,144,999	9,145,000	8,764,733	380,267
Employee benefits	3,954,000	3,954,000	3,990,482	(36,482)
Purchased services	3,418,080	3,418,080	5,502,916	(2,084,836)
Supplies and materials	77,938	77,938	52,486	25,452
Capital outlay	5,500	5,500	1,612	3,888
Other	<u>60,108</u>	<u>60,108</u>	<u>51,723</u>	<u>8,385</u>
Total special	<u>16,660,625</u>	<u>16,660,626</u>	<u>18,363,952</u>	<u>(1,703,326)</u>
Vocational:				
Salaries and wages	1,087,000	1,087,000	1,130,581	(43,581)
Employee benefits	402,000	402,000	414,528	(12,528)
Purchased services	13,075	13,075	12,302	773
Supplies and materials	62,769	62,769	65,934	(3,165)
Capital outlay	107,797	107,797	103,689	4,108
Other	<u>7,711</u>	<u>7,711</u>	<u>6,446</u>	<u>1,265</u>
Total vocational	<u>1,680,352</u>	<u>1,680,352</u>	<u>1,733,480</u>	<u>(53,128)</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other:				
Salaries and wages	166,940	166,940	269,139	(102,199)
Employee benefits	56,000	56,000	50,183	5,817
Purchased services	11,091,585	11,091,585	6,545,115	4,546,470
Supplies and materials	4,457	4,457	3,231	1,226
Other	105	105	-	105
Total other	<u>11,319,087</u>	<u>11,319,087</u>	<u>6,867,668</u>	<u>4,451,419</u>
Total instruction	<u>72,568,906</u>	<u>72,568,913</u>	<u>69,204,815</u>	<u>3,364,098</u>
Support services:				
Pupil:				
Salaries and wages	5,491,409	5,491,410	5,047,027	444,383
Employee benefits	2,228,000	2,228,000	1,972,789	255,211
Purchased services	412,543	412,543	283,436	129,107
Supplies and materials	106,176	106,176	68,910	37,266
Capital outlay	2,102	2,102	1,100	1,002
Other	56,863	56,863	43,636	13,227
Total pupil	<u>8,297,093</u>	<u>8,297,094</u>	<u>7,416,898</u>	<u>880,196</u>
Instructional staff:				
Salaries and wages	2,837,382	2,837,382	2,582,142	255,240
Employee benefits	1,302,000	1,302,000	1,124,234	177,766
Purchased services	1,033,343	1,033,343	242,861	790,482
Supplies and materials	362,016	362,016	183,989	178,027
Capital outlay	531,087	531,087	240,382	290,705
Other	71,185	71,185	2,175	69,010
Total instructional staff	<u>6,137,013</u>	<u>6,137,013</u>	<u>4,375,783</u>	<u>1,761,230</u>
Board of education:				
Salaries and wages	25,000	25,000	18,375	6,625
Employee benefits	7,000	7,000	15,547	(8,547)
Purchased services	733,782	733,782	515,457	218,325
Supplies and materials	900	900	530	370
Other	18,850	18,850	16,373	2,477
Total board of education	<u>785,532</u>	<u>785,532</u>	<u>566,282</u>	<u>219,250</u>
Administration:				
Salaries and wages	3,544,000	3,544,000	3,683,391	(139,391)
Employee benefits	2,309,745	2,309,745	1,833,142	476,603
Purchased services	690,458	690,458	529,464	160,994
Supplies and materials	156,996	156,996	89,237	67,759
Capital outlay	6,473	6,473	2,477	3,996
Other	85,372	85,372	40,372	45,000
Total administration	<u>6,793,044</u>	<u>6,793,044</u>	<u>6,178,083</u>	<u>614,961</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and wages	823,000	823,000	757,818	65,182
Employee benefits	810,000	810,000	449,396	360,604
Purchased services	180,633	180,633	139,929	40,704
Supplies and materials	16,629	16,629	49,143	(32,514)
Capital outlay	8,048	8,048	1,945	6,103
Other	<u>1,665,735</u>	<u>1,665,735</u>	<u>1,495,558</u>	<u>170,177</u>
Total fiscal	<u>3,504,045</u>	<u>3,504,045</u>	<u>2,893,789</u>	<u>610,256</u>
Business:				
Salaries and wages	244,000	244,000	196,488	47,512
Employee benefits	144,000	144,000	106,006	37,994
Purchased services	488,283	488,283	537,543	(49,260)
Supplies and materials	23,324	23,324	19,278	4,046
Capital outlay	2,500	2,500	-	2,500
Other	<u>432,121</u>	<u>432,121</u>	<u>394,833</u>	<u>37,288</u>
Total business	<u>1,334,228</u>	<u>1,334,228</u>	<u>1,254,148</u>	<u>80,080</u>
Operations and maintenance of plant:				
Salaries and wages	5,020,999	5,021,000	4,681,933	339,067
Employee benefits	3,318,000	3,318,000	3,014,150	303,850
Purchased services	3,737,134	3,737,134	2,202,523	1,534,611
Supplies and materials	851,372	851,372	787,849	63,523
Capital outlay	171,976	171,976	137,683	34,293
Other	<u>19,692</u>	<u>19,692</u>	<u>11,375</u>	<u>8,317</u>
Total operations and maintenance of plant	<u>13,119,173</u>	<u>13,119,174</u>	<u>10,835,513</u>	<u>2,283,661</u>
Pupil transportation:				
Salaries and wages	1,739,000	1,739,000	1,947,710	(208,710)
Employee benefits	802,000	802,000	1,078,427	(276,427)
Purchased services	1,317,807	1,317,807	693,375	624,432
Supplies and materials	539,152	539,152	356,165	182,987
Capital outlay	3,000	3,000	855	2,145
Other	<u>79,475</u>	<u>79,475</u>	<u>20,025</u>	<u>59,450</u>
Total pupil transportation	<u>4,480,434</u>	<u>4,480,434</u>	<u>4,096,557</u>	<u>383,877</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	1,333,000	1,333,000	1,257,568	75,432
Employee benefits	752,000	752,000	816,752	(64,752)
Purchased services	1,288,586	1,288,586	1,082,515	206,071
Supplies and materials	451,982	451,982	368,442	83,540
Capital outlay	315,638	315,638	505,547	(189,909)
Other	43,244	43,244	28,444	14,800
Total central	<u>4,184,450</u>	<u>4,184,450</u>	<u>4,059,268</u>	<u>125,182</u>
Total support services	<u>48,635,012</u>	<u>48,635,014</u>	<u>41,676,321</u>	<u>6,958,693</u>
Operation of non-instructional services:				
Food service operations:				
Salaries and wages	1,000	1,000	-	1,000
Employee benefits	-	-	48	(48)
Total food service operations	<u>1,000</u>	<u>1,000</u>	<u>48</u>	<u>952</u>
Community services:				
Salaries and wages	6,000	6,000	-	6,000
Employee benefits	1,000	1,000	-	1,000
Purchased services	<u>11,250</u>	<u>11,250</u>	<u>11,250</u>	<u>-</u>
Total community services	<u>18,250</u>	<u>18,250</u>	<u>11,250</u>	<u>7,000</u>
Other non-instructional services				
Salaries and wages	3,000	3,000	-	3,000
Fringe benefits	<u>1,000</u>	<u>1,000</u>	<u>353</u>	<u>647</u>
Total other non-instructional services	<u>4,000</u>	<u>4,000</u>	<u>353</u>	<u>3,647</u>
Total operation of non-instructional services	<u>23,250</u>	<u>23,250</u>	<u>11,651</u>	<u>11,599</u>
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	231,000	231,000	189,221	41,779
Employee benefits	77,000	77,000	51,642	25,358
Purchased services	2,459	2,459	1,464	995
Supplies and materials	1,976	1,976	1,580	396
Other	<u>2,380</u>	<u>2,380</u>	<u>2,950</u>	<u>(570)</u>
Total academic and subject oriented	<u>314,815</u>	<u>314,815</u>	<u>246,857</u>	<u>67,958</u>
Occupational oriented:				
Salaries and wages	7,000	7,000	3,390	3,610
Fringe benefits	2,000	2,000	545	1,455
Purchased services	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total occupational oriented	<u>14,000</u>	<u>14,000</u>	<u>3,935</u>	<u>10,065</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports oriented:				
Salaries and wages	779,000	779,000	580,328	198,672
Employee benefits	234,000	234,000	160,566	73,434
Purchased services	7,171	7,171	3,357	3,814
Supplies and materials	10,003	10,003	2,676	7,327
Other	<u>12,674</u>	<u>12,674</u>	<u>13,595</u>	<u>(921)</u>
Total sports oriented	<u>1,042,848</u>	<u>1,042,848</u>	<u>760,522</u>	<u>282,326</u>
Co-curricular activities:				
Salaries and wages	88,000	88,000	64,085	23,915
Employee benefits	25,000	25,000	10,727	14,273
Contractual services	6,728	6,728	2,897	3,831
Other	<u>35</u>	<u>35</u>	<u>-</u>	<u>35</u>
Total co-curricular activities	<u>119,763</u>	<u>119,763</u>	<u>77,709</u>	<u>42,054</u>
Total extracurricular activities	<u>1,491,426</u>	<u>1,491,426</u>	<u>1,089,023</u>	<u>402,403</u>
Total expenditures	<u>122,718,594</u>	<u>122,718,603</u>	<u>111,981,810</u>	<u>10,736,793</u>
Excess of revenues over (under) expenditures	<u>(18,684,097)</u>	<u>(22,500,808)</u>	<u>(7,183,843)</u>	<u>15,316,965</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	10,173	10,039	10,307	268
Proceeds from the inception of capital lease	-	-	395,108	395,108
Transfers - in	105,750	104,352	106,967	2,615
Transfers - out	(201,000)	(201,000)	(362,767)	(161,767)
Advances - in	2,230,580	2,205,067	1,982,000	(223,067)
Advances - out	<u>-</u>	<u>-</u>	<u>(3,281,000)</u>	<u>(3,281,000)</u>
Total other financing sources (uses)	<u>2,145,503</u>	<u>2,118,458</u>	<u>(1,149,385)</u>	<u>(3,267,843)</u>
Net change in fund balance	(16,538,594)	(20,382,350)	(8,333,228)	12,049,122
Fund balance at beginning of year	18,659,160	18,659,160	18,659,160	-
Prior year encumbrances appropriated	<u>2,843,590</u>	<u>2,843,590</u>	<u>2,843,590</u>	<u>-</u>
Fund balance at end of year	\$ <u>4,964,156</u>	\$ <u>1,120,400</u>	\$ <u>13,169,522</u>	\$ <u>12,049,122</u>

Cleveland Heights-University Heights City School District

Special Trust Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 50,000	\$ 50,000	\$ 42,733	\$ (7,267)
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	1,040	1,040	1,040	-
Capital outlay	6,146	6,146	6,146	-
Other	73	73	73	-
Total instruction	<u>7,259</u>	<u>7,259</u>	<u>7,259</u>	<u>-</u>
Support services:				
Pupil:				
Purchased services	3,370	3,370	7,270	(3,900)
Instructional staff:				
Purchased services	-	-	7,589	(7,589)
Central:				
Purchased services	<u>103,360</u>	<u>103,360</u>	<u>-</u>	<u>103,360</u>
Total support services	<u>106,730</u>	<u>106,730</u>	<u>14,859</u>	<u>91,871</u>
Extracurricular activities:				
Co-curricular activities:				
Purchased services	-	-	9,955	(9,955)
Other	<u>16,000</u>	<u>16,000</u>	<u>42,330</u>	<u>(26,330)</u>
Total extracurricular activities	<u>16,000</u>	<u>16,000</u>	<u>52,285</u>	<u>(36,285)</u>
Total expenditures	<u>129,989</u>	<u>129,989</u>	<u>74,403</u>	<u>55,586</u>
Net change in fund balance	(79,989)	(79,989)	(31,670)	48,319
Fund balance at beginning of year	108,108	108,108	108,108	-
Prior year encumbrances appropriated	<u>9,989</u>	<u>9,989</u>	<u>9,989</u>	<u>-</u>
Fund balance at end of year	\$ <u>38,748</u>	\$ <u>38,748</u>	\$ <u>102,007</u>	\$ <u>48,319</u>

Note: The above fund is combined with the General Fund for GASB 54 financial reporting purposes.

Cleveland Heights-University Heights City School District

Public School Support Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 49,278	\$ 49,278	\$ 66,622	\$ 17,344
Classroom materials and fees	5,478	5,478	7,407	1,929
Miscellaneous	36,799	36,799	49,751	12,952
Total revenues	<u>91,555</u>	<u>91,555</u>	<u>123,780</u>	<u>32,225</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	169,612	169,613	14,430	155,183
Supplies and materials	826	826	11,201	(10,375)
Other	5	5	1,269	(1,264)
Total regular	<u>170,443</u>	<u>170,444</u>	<u>26,900</u>	<u>143,544</u>
Special:				
Purchased services	-	-	1,260	(1,260)
Supplies and materials	-	-	1,631	(1,631)
Other	-	-	78	(78)
Total special	<u>-</u>	<u>-</u>	<u>2,969</u>	<u>(2,969)</u>
Vocational:				
Professional services	-	-	849	(849)
Supplies and materials	10	10	1,261	(1,251)
Other	-	-	2,800	(2,800)
Total vocational	<u>10</u>	<u>10</u>	<u>4,910</u>	<u>(4,900)</u>
Total instruction	<u>170,453</u>	<u>170,454</u>	<u>34,779</u>	<u>135,675</u>
Support services:				
Pupil:				
Purchased services	27,718	27,718	13,470	14,248
Supplies and materials	-	-	30,112	(30,112)
Other	137	137	8,774	(8,637)
Total pupil	<u>27,855</u>	<u>27,855</u>	<u>52,356</u>	<u>(24,501)</u>
Administration:				
Purchased services	85	85	6,709	(6,624)
Supplies and materials	250	250	5,139	(4,889)
Other	-	-	2,296	(2,296)
Total administration	<u>335</u>	<u>335</u>	<u>14,144</u>	<u>(13,809)</u>
Total support services	<u>28,190</u>	<u>28,190</u>	<u>66,500</u>	<u>(38,310)</u>

Continued

Cleveland Heights-University Heights City School District

Public School Support Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Academic and subject oriented:				
Purchased services	500	500	500	-
Other	-	-	300	(300)
Total academic and subject oriented	<u>500</u>	<u>500</u>	<u>800</u>	<u>(300)</u>
Occupational oriented:				
Supplies and materials	-	-	392	(392)
Other	-	-	16	(16)
Total occupational oriented	<u>-</u>	<u>-</u>	<u>408</u>	<u>(408)</u>
Sports activities:				
Other	-	-	392	(392)
Co-curricular activities:				
Purchased services	20	20	443	(423)
Supplies and materials	1,109	1,109	11,178	(10,069)
Capital outlay	-	-	930	(930)
Other	<u>3,030</u>	<u>3,030</u>	<u>5,865</u>	<u>(2,835)</u>
Total co-curricular activities	<u>4,159</u>	<u>4,159</u>	<u>18,416</u>	<u>(14,257)</u>
Total extracurricular activities	<u>4,659</u>	<u>4,659</u>	<u>20,016</u>	<u>(15,357)</u>
Total expenditures	<u>203,302</u>	<u>203,303</u>	<u>121,295</u>	<u>82,008</u>
Excess of revenues over (under) expenditures	<u>(111,747)</u>	<u>(111,748)</u>	<u>2,485</u>	<u>114,233</u>
Other financing sources (uses):				
Transfers - in	8,443	8,443	11,415	2,972
Transfers - out	-	-	(9,115)	(9,115)
Total other financing sources (uses)	<u>8,443</u>	<u>8,443</u>	<u>2,300</u>	<u>(6,143)</u>
Net change in fund balance	(103,304)	(103,305)	4,785	108,090
Fund balance at beginning of year	205,402	205,402	205,402	-
Prior year encumbrances appropriated	<u>3,303</u>	<u>3,303</u>	<u>3,303</u>	<u>-</u>
Fund balance at end of year	\$ <u>105,401</u>	\$ <u>105,400</u>	\$ <u>213,490</u>	\$ <u>108,090</u>

Note: The above fund is combined with the General Fund for GASB 54 financial reporting purposes.

Cleveland Heights-University Heights City School District

Building Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investment	\$ 194,824	\$ 194,824	\$ 941,069	\$ 746,245
Miscellaneous revenue	5,176	5,176	25,000	19,824
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>966,069</u>	<u>766,069</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	605,454	1,000,000	4,476	995,524
Capital outlay	605,454	1,000,000	38,181	961,819
Total regular	<u>1,210,908</u>	<u>2,000,000</u>	<u>42,657</u>	<u>1,957,343</u>
Support services:				
Fiscal:				
Purchased services	<u>60,545</u>	<u>100,000</u>	<u>67,409</u>	<u>32,591</u>
Facilities acquisition and construction services:				
Architecture and engineering services:				
Purchased services	7,030,139	11,611,348	7,244,939	4,366,409
Supplies and materials	-	-	1,085	(1,085)
Other	<u>3,071,007</u>	<u>5,072,237</u>	<u>759,876</u>	<u>4,312,361</u>
Total architecture and engineering services	<u>10,101,146</u>	<u>16,683,585</u>	<u>8,005,900</u>	<u>8,677,685</u>
Building acquisition and construction services:				
Purchased services	4,244,799	7,010,934	3,743,647	3,267,287
Supplies and materials	605,454	1,000,000	67,900	932,100
Capital outlay	<u>42,940,156</u>	<u>70,922,229</u>	<u>86,442,726</u>	<u>(15,520,497)</u>
Total building acquisition and construction services	<u>47,790,409</u>	<u>78,933,163</u>	<u>90,254,273</u>	<u>(11,321,110)</u>
Building improvement services:				
Capital outlay	<u>17,564,968</u>	<u>29,011,229</u>	<u>292,983</u>	<u>28,718,246</u>

Continued

Cleveland Heights-University Heights City School District

Building Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other facilities acquisition and construction services:				
Supplies and materials	-	-	29,718	(29,718)
Other	-	-	32,742	(32,742)
Total other facilities acquisition and construction services	-	-	62,460	(62,460)
Total facilities acquisition and construction services	<u>75,456,523</u>	<u>124,627,977</u>	<u>98,615,616</u>	<u>26,012,361</u>
Total expenditures	<u>76,727,976</u>	<u>126,727,977</u>	<u>98,725,682</u>	<u>28,002,295</u>
Net change in fund balance	(76,527,976)	(126,527,977)	(97,759,613)	28,768,364
Fund balance at beginning of year	114,618,848	114,618,848	114,618,848	-
Prior year encumbrances appropriated	<u>21,727,977</u>	<u>21,727,977</u>	<u>21,727,977</u>	-
Fund balance at end of year	\$ <u>59,818,849</u>	\$ <u>9,818,848</u>	\$ <u>38,587,212</u>	\$ <u>28,768,364</u>

Cleveland Heights-University Heights City School District

Other Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 106,400	\$ 106,400	\$ 95,763	\$ (10,637)
Miscellaneous	13,600	13,600	12,240	(1,360)
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>108,003</u>	<u>(11,997)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	61,877	61,877	35,000	26,877
Employee benefits	15,131	15,131	17,335	(2,204)
Purchased services	51,338	51,338	14,998	36,340
Supplies and materials	10,509	10,509	20,982	(10,473)
Capital outlay	4,170	4,170	-	4,170
Other	<u>14,052</u>	<u>14,052</u>	<u>790</u>	<u>13,262</u>
Total regular	<u>157,077</u>	<u>157,077</u>	<u>89,105</u>	<u>67,972</u>
Special:				
Purchased services	<u>6,900</u>	<u>6,900</u>	<u>4,169</u>	<u>2,731</u>
Vocational:				
Purchased services	250	250	1,475	(1,225)
Supplies and materials	13,073	13,073	13,496	(423)
Capital outlay	3,481	3,481	2,400	1,081
Other	<u>500</u>	<u>500</u>	<u>185</u>	<u>315</u>
Total vocation	<u>17,304</u>	<u>17,304</u>	<u>17,556</u>	<u>(252)</u>
Total instruction	<u>181,281</u>	<u>181,281</u>	<u>110,830</u>	<u>70,451</u>
Support services:				
Pupil:				
Supplies and materials	<u>-</u>	<u>-</u>	<u>580</u>	<u>(580)</u>
Instructional staff:				
Purchased services	<u>1,000</u>	<u>1,000</u>	<u>2,785</u>	<u>(1,785)</u>
Administration:				
Purchased services	27,750	27,750	33,347	(5,597)
Supplies and materials	-	-	1,042	(1,042)
Other	<u>136</u>	<u>136</u>	<u>110</u>	<u>26</u>
Total administration	<u>27,886</u>	<u>27,886</u>	<u>34,499</u>	<u>(6,613)</u>

Continued

Cleveland Heights-University Heights City School District

Other Grants Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Purchased services	-	-	3,300	(3,300)
Total support services	<u>28,886</u>	<u>28,886</u>	<u>41,164</u>	<u>(12,278)</u>
Community services:				
Purchased services	2,325	2,325	1,531	794
Salaries and wages	-	-	2,276	(2,276)
Total community services	<u>2,325</u>	<u>2,325</u>	<u>3,807</u>	<u>(1,482)</u>
Total expenditures	<u>212,492</u>	<u>212,492</u>	<u>155,801</u>	<u>56,691</u>
Net change in fund balance	(92,492)	(92,492)	(47,798)	44,694
Fund balance at beginning of year	61,898	61,898	61,898	-
Prior year encumbrances appropriated	<u>24,416</u>	<u>24,416</u>	<u>24,416</u>	-
Fund balance at end of year	\$ <u>(6,178)</u>	\$ <u>(6,178)</u>	\$ <u>38,516</u>	\$ <u>44,694</u>

Cleveland Heights-University Heights City School District

District Managed Activity Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 219,293	\$ 219,293	\$ 152,115	\$ (67,178)
Miscellaneous	15,257	15,257	10,583	(4,674)
Total revenues	<u>234,550</u>	<u>234,550</u>	<u>162,698</u>	<u>(71,852)</u>
Expenditures:				
Current:				
Support services:				
Pupil:				
Purchased services	102,321	102,322	-	102,322
Other	-	-	268	(268)
Total pupil	<u>102,321</u>	<u>102,322</u>	<u>268</u>	<u>102,054</u>
Extracurricular activities:				
Fringe benefits	-	-	41	(41)
Purchased services	284,184	284,185	312,995	(28,810)
Supplies and materials	191,756	191,757	123,785	67,972
Capital outlay	-	-	6,595	(6,595)
Other	1,200	1,200	15,824	(14,624)
Total extracurricular activities	<u>477,140</u>	<u>477,142</u>	<u>459,240</u>	<u>17,902</u>
Total expenditures	<u>579,461</u>	<u>579,464</u>	<u>459,508</u>	<u>119,956</u>
Excess of revenues over (under) expenditures	<u>(344,911)</u>	<u>(344,914)</u>	<u>(296,810)</u>	<u>48,104</u>
Other financing sources (uses):				
Transfers - in	<u>365,451</u>	<u>365,451</u>	<u>253,500</u>	<u>(111,951)</u>
Net change in fund balance	20,540	20,537	(43,310)	(63,847)
Fund balance at beginning of year	79,737	79,737	79,737	-
Prior year encumbrances appropriated	<u>29,464</u>	<u>29,464</u>	<u>29,464</u>	<u>-</u>
Fund balance at end of year	\$ <u>129,741</u>	\$ <u>129,738</u>	\$ <u>65,891</u>	\$ <u>(63,847)</u>

Cleveland Heights-University Heights City School District

Auxiliary Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,599,733	\$ 2,599,733	\$ 2,269,212	\$ (330,521)
Earnings on investments	229	229	200	(29)
Miscellaneous	38	38	33	(5)
Total revenues	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,269,445</u>	<u>(330,555)</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	12,417	12,625	11,865	760
Employee benefits	2,483	2,525	3,730	(1,205)
Purchased services	1,401,190	1,424,680	1,370,292	54,388
Supplies and materials	694,555	706,199	650,351	55,848
Capital outlay	447,526	455,029	486,705	(31,676)
Other	52,203	53,078	110,716	(57,638)
Total expenditures	<u>2,610,374</u>	<u>2,654,136</u>	<u>2,633,659</u>	<u>20,477</u>
Excess of revenues over (under) expenditures	<u>(10,374)</u>	<u>(54,136)</u>	<u>(364,214)</u>	<u>(310,078)</u>
Other financing sources (uses):				
Advances out	<u>(372,115)</u>	<u>(378,353)</u>	<u>-</u>	<u>378,353</u>
Net change in fund balance	(382,489)	(432,489)	(364,214)	68,275
Fund balance at beginning of year	(40)	(40)	(40)	-
Prior year encumbrances appropriated	<u>482,490</u>	<u>482,490</u>	<u>482,490</u>	<u>-</u>
Fund balance at end of year	\$ <u>99,961</u>	\$ <u>49,961</u>	\$ <u>118,236</u>	\$ <u>68,275</u>

Cleveland Heights-University Heights City School District

Public School Preschool Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 210,000	\$ 210,000	\$ 144,644	\$ (65,356)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	86,760	86,760	73,387	13,373
Employee benefits	53,240	53,240	10,613	42,627
Total expenditures	140,000	140,000	84,000	56,000
Net change in fund balance	70,000	70,000	60,644	(9,356)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 70,000	\$ 70,000	\$ 60,644	\$ (9,356)

Cleveland Heights-University Heights City School District

Data Communication Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 18,000	\$ (12,000)
Expenditures:				
Current:				
Support services:				
Business:				
Purchased services	18,000	18,000	18,000	-
Net change in fund balance	12,000	12,000	-	(12,000)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)

Cleveland Heights-University Heights City School District

Straight A Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 68,437	\$ (431,563)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	4,755	7,843	7,722	121
Capital outlay	32,187	53,088	53,044	44
Other	342	564	770	(206)
Total regular	<u>37,284</u>	<u>61,495</u>	<u>61,536</u>	<u>(41)</u>
Support services:				
Instructional staff:				
Salaries and wages	6,063	10,000	-	10,000
Purchased services	30,644	50,543	50,448	95
Supplies and materials	705	1,163	1,216	(53)
Other	48,504	80,000	-	80,000
Total instructional staff	<u>85,916</u>	<u>141,706</u>	<u>51,664</u>	<u>90,042</u>
Total expenditures	<u>123,200</u>	<u>203,201</u>	<u>113,200</u>	<u>90,001</u>
Excess of revenues over (under) expenditures	376,800	296,799	(44,763)	(341,562)
Other financing sources (uses):				
Advances - out	-	-	(71,000)	(71,000)
Net change in fund balance	376,800	296,799	(115,763)	(412,562)
Fund balance at beginning of year	2,562	2,562	2,562	-
Prior year encumbrances appropriated	<u>113,201</u>	<u>113,201</u>	<u>113,201</u>	-
Fund balance at end of year	\$ <u>492,563</u>	\$ <u>412,562</u>	\$ -	\$ <u>(412,562)</u>

Cleveland Heights-University Heights City School District

Alternative School Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 87,593	\$ (52,407)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	56,602	56,602	35,830	20,772
Employee benefits	4,735	4,735	5,141	(406)
Purchased services	49,108	49,108	36,000	13,108
Total regular	110,445	110,445	76,971	33,474
Support services:				
Pupil:				
Employee benefits	-	-	137	(137)
Administration:				
Salaries and wages	6,430	6,430	3,215	3,215
Employee benefits	1,125	1,125	1,546	(421)
Total administration	7,555	7,555	4,761	2,794
Total support services	7,555	7,555	4,898	2,657
Total expenditures	118,000	118,000	81,869	36,131
Net change in fund balance	22,000	22,000	5,724	(16,276)
Fund balance at beginning of year	(5,724)	(5,724)	(5,724)	-
Fund balance at end of year	\$ 16,276	\$ 16,276	\$ -	\$ (16,276)

Cleveland Heights-University Heights City School District

Miscellaneous State Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	\$ 25,500	\$ 25,500	\$ -	\$ (25,500)
Net change in fund balance	(25,500)	(25,500)	-	25,500
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ (25,500)	\$ (25,500)	\$ -	\$ 25,500

Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,154,496	\$ 1,154,496	\$ 1,481,467	\$ 326,971
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	556,705	556,705	469,354	87,351
Employee benefits	296,680	296,680	356,944	(60,264)
Purchased services	22,000	22,000	10,709	11,291
Supplies and materials	48,880	48,880	35,656	13,224
Capital outlay	29,621	29,621	26,670	2,951
Other	6,037	6,037	969	5,068
Total special	959,923	959,923	900,302	59,621
Other:				
Purchased services	-	-	1,750	(1,750)
Total instruction	959,923	959,923	902,052	57,871
Support services:				
Pupil:				
Salaries and wages	123,805	123,805	90,707	33,098
Employee benefits	49,450	49,450	34,764	14,686
Purchased services	23,260	23,260	10,770	12,490
Supplies and materials	24,100	24,100	9,561	14,539
Other	2,000	2,000	406	1,594
Total pupil	222,615	222,615	146,208	76,407
Instructional staff:				
Purchased services	37,958	37,958	18,191	19,767
Supplies and materials	2,100	2,100	-	2,100
Other	250	250	-	250
Total instructional staff	40,308	40,308	18,191	22,117

Continued

Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and wages	188,450	188,450	195,106	(6,656)
Employee benefits	94,225	94,225	91,689	2,536
Purchased services	-	-	(1,647)	1,647
Supplies and materials	7,750	7,750	7,750	-
Other	700	700	-	700
Total administration	<u>291,125</u>	<u>291,125</u>	<u>292,898</u>	<u>(1,773)</u>
Fiscal:				
Other	-	-	3,189	(3,189)
Pupil transportation:				
Purchased services	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total support services	<u>574,048</u>	<u>574,048</u>	<u>460,486</u>	<u>113,562</u>
Operation of non-instructional services:				
Community services:				
Purchased services	179,492	179,492	171,200	8,292
Supplies and materials	10,000	10,000	-	10,000
Other	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total operation of non-instructional services	<u>190,492</u>	<u>190,492</u>	<u>171,200</u>	<u>19,292</u>
Total expenditures	<u>1,724,463</u>	<u>1,724,463</u>	<u>1,533,738</u>	<u>190,725</u>
Excess of revenues over (under) expenditures	<u>(569,967)</u>	<u>(569,967)</u>	<u>(52,271)</u>	<u>517,696</u>
Other financing sources (uses):				
Advances - in	545,504	545,504	700,000	154,496
Advances - out	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>545,504</u>	<u>545,504</u>	<u>690,000</u>	<u>144,496</u>
Net change in fund balance	(24,463)	(24,463)	637,729	662,192
Fund balance at beginning of year	12,325	12,325	12,325	-
Prior year encumbrances appropriated	<u>24,464</u>	<u>24,464</u>	<u>24,464</u>	<u>-</u>
Fund balance at end of year	\$ <u>12,326</u>	\$ <u>12,326</u>	\$ <u>674,518</u>	\$ <u>662,192</u>

Cleveland Heights-University Heights City School District

Vocational Education Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 237,709	\$ (162,291)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	99,076	99,076	79,135	19,941
Employee benefits	182,030	182,030	55,550	126,480
Capital outlay	12,638	12,638	-	12,638
Total vocational	293,744	293,744	134,685	159,059
Support services:				
Instructional staff:				
Salaries and wages	42,715	42,715	60,184	(17,469)
Employee benefits	19,041	19,041	21,183	(2,142)
Purchased services	41,500	41,500	256	41,244
Total instructional staff	103,256	103,256	81,623	21,633
Administration:				
Salaries and wages	-	-	9,765	(9,765)
Employee benefits	-	-	3,120	(3,120)
Total administration	-	-	12,885	(12,885)
Central:				
Purchased services	3,000	3,000	-	3,000
Total support services	106,256	106,256	94,508	11,748
Total expenditures	400,000	400,000	229,193	170,807
Net change in fund balance	-	-	8,516	8,516
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 8,516	\$ 8,516

Cleveland Heights-University Heights City School District

Race to the Top Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 330,000	\$ 330,000	\$ 82,400	\$ (247,600)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	300,000	300,000	230	299,770
Employee benefits	-	-	114	(114)
Purchased services	29,150	29,150	-	29,150
Other	4,000	4,000	-	4,000
Total instruction staff	333,150	333,150	344	332,806
Fiscal:				
Other	-	-	1,485	(1,485)
Total expenditures	333,150	333,150	1,829	331,321
Excess of revenues over (under) expenditures	(3,150)	(3,150)	80,571	83,721
Other financing sources (uses):				
Advances - out	-	-	(100,000)	(100,000)
Net change in fund balance	(3,150)	(3,150)	(19,429)	(16,279)
Fund balance at beginning of year	(13,721)	(13,721)	(13,721)	-
Prior year encumbrances appropriated	33,150	33,150	33,150	-
Fund balance at end of year	\$ 16,279	\$ 16,279	\$ -	\$ (16,279)

Cleveland Heights-University Heights City School District

Title I Improvement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 133,360	\$ (266,640)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	34,161	34,161	19,126	15,035
Employee benefits	59,819	59,819	696	59,123
Supplies and materials	840	840	604	236
Total special	<u>94,820</u>	<u>94,820</u>	<u>20,426</u>	<u>74,394</u>
Support services:				
Instructional staff:				
Salaries and wages	125,219	125,219	126,880	(1,661)
Employee benefits	44,961	44,961	37,213	7,748
Total instructional staff	<u>170,180</u>	<u>170,180</u>	<u>164,093</u>	<u>6,087</u>
Total expenditures	<u>265,000</u>	<u>265,000</u>	<u>184,519</u>	<u>80,481</u>
Net change in fund balance	135,000	135,000	(51,159)	(186,159)
Fund balance at beginning of year	<u>1,101</u>	<u>1,101</u>	<u>1,101</u>	<u>-</u>
Fund balance at end of year	\$ <u>136,101</u>	\$ <u>136,101</u>	\$ <u>(50,058)</u>	\$ <u>(186,159)</u>

Cleveland Heights-University Heights City School District

Title III Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 28,745	\$ (31,255)
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Service	39,998	40,000	-	40,000
Special:				
Salaries and wages	(15,223)	(15,224)	20,638	(35,862)
Employee benefits	8,979	8,979	3,459	5,520
Purchased services	743	743	1,220	(477)
Supplies and materials	2,025	2,025	1,290	735
Total special	(3,476)	(3,477)	26,607	(30,084)
Total instruction	36,522	36,523	26,607	9,916
Support services:				
Instructional staff:				
Purchased services	431	431	17	414
Fiscal:				
Other:	225	225	88	137
Total support services	656	656	105	551
Operation of non-instructional services:				
Community services:				
Purchased services	3,869	3,869	2,251	1,618
Supplies and materials	401	401	-	401
Other	140	140	-	140
Total operation of non-instruction services	4,410	4,410	2,251	2,159
Total expenditures	41,588	41,589	28,963	12,626
Net change in fund balance	18,412	18,411	(218)	(18,629)
Fund balance at beginning of year	(1,651)	(1,651)	(1,651)	-
Prior year encumbrances appropriated	1,587	1,587	1,587	-
Fund balance at end of year	\$ 18,348	\$ 18,347	\$ (282)	\$ (18,629)

Cleveland Heights-University Heights City School District

Title I Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,000,000	\$ 3,000,000	\$ 2,338,137	\$ (661,863)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	990,361	1,031,930	856,013	175,917
Employee benefits	345,427	359,926	362,894	(2,968)
Purchased services	3,085	3,215	450	2,765
Supplies and materials	82,707	86,179	84,441	1,738
Capital outlay	-	-	14	(14)
Total special	<u>1,421,580</u>	<u>1,481,250</u>	<u>1,303,812</u>	<u>177,438</u>
Support services:				
Pupil:				
Salaries and wages	48,804	50,852	54,877	(4,025)
Employee benefits	<u>19,968</u>	<u>20,806</u>	<u>15,692</u>	<u>5,114</u>
Total pupil	<u>68,772</u>	<u>71,658</u>	<u>70,569</u>	<u>1,089</u>
Instructional staff:				
Salaries and wages	262,128	273,130	373,321	(100,191)
Employee benefits	124,036	129,242	149,580	(20,338)
Purchased services	<u>2,260</u>	<u>2,355</u>	<u>-</u>	<u>2,355</u>
Total instructional staff	<u>388,424</u>	<u>404,727</u>	<u>522,901</u>	<u>(118,174)</u>
Administration:				
Salaries and wages	47,665	49,666	49,340	326
Employee benefits	27,712	28,875	12,414	16,461
Purchased services	<u>34,118</u>	<u>35,550</u>	<u>35,000</u>	<u>550</u>
Total administration	<u>109,495</u>	<u>114,091</u>	<u>96,754</u>	<u>17,337</u>
Fiscal:				
Other	<u>-</u>	<u>-</u>	<u>11,550</u>	<u>(11,550)</u>
Pupil transportation:				
Purchased services	<u>1,919</u>	<u>2,000</u>	<u>1,937</u>	<u>63</u>
Total support services	<u>568,610</u>	<u>592,476</u>	<u>703,711</u>	<u>(111,235)</u>

Continued

Cleveland Heights-University Heights City School District

Title I Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	10,077	10,500	7,247	3,253
Employee benefits	1,919	2,000	1,210	790
Purchased services	343,890	358,324	266,190	92,134
Supplies and materials	35,363	36,847	14,518	22,329
Other	<u>1,036</u>	<u>1,079</u>	<u>444</u>	<u>635</u>
Total community services	<u>392,285</u>	<u>408,750</u>	<u>289,609</u>	<u>119,141</u>
Total expenditures	<u>2,382,475</u>	<u>2,482,476</u>	<u>2,297,132</u>	<u>185,344</u>
Net change in fund balance	617,525	517,524	41,005	(476,519)
Fund balance at beginning of year	(76,365)	(76,365)	(76,365)	-
Prior year encumbrances appropriated	<u>82,475</u>	<u>82,475</u>	<u>82,475</u>	-
Fund balance at end of year	\$ <u><u>623,635</u></u>	\$ <u><u>523,634</u></u>	\$ <u><u>47,115</u></u>	\$ <u><u>(476,519)</u></u>

Cleveland Heights-University Heights City School District

Preschool Disabilities Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 32,326	\$ (27,674)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	40,798	48,958	21,895	27,063
Employee benefits	9,202	11,042	10,431	611
Total special	50,000	60,000	32,326	27,674
Net change in fund balance	10,000	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 10,000	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

Title IIA - Improving Teacher Quality Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 427,020	\$ 427,020	\$ 263,185	\$ (163,835)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	40,260	40,260	56,734	(16,474)
Employee benefits	7,117	7,117	8,893	(1,776)
Purchased services	226,213	226,213	178,697	47,516
Total instructional staff	273,590	273,590	244,324	29,266
Fiscal:				
Other	-	-	2,018	(2,018)
Total support services	273,590	273,590	246,342	27,248
Operation of non-instructional services:				
Community services:				
Purchased services	75,896	75,896	35,864	40,032
Supplies and material	5,787	5,787	1,200	4,587
Other	30,928	30,928	28	30,900
Total community services	112,611	112,611	37,092	75,519
Total expenditures	386,201	386,201	283,434	102,767
Excess of revenues over (under) expenditures	40,819	40,819	(20,249)	(61,068)
Other financing sources (uses):				
Advances - in	12,980	12,980	8,000	(4,980)
Advances – out	-	-	(60,000)	(60,000)
Total other financing sources (uses)	12,980	12,980	(52,000)	(64,980)
Net change in fund balance	53,799	53,799	(72,249)	(126,048)
Fund balance at beginning of year	(6,396)	(6,396)	(6,396)	-
Prior year encumbrances appropriated	61,202	61,202	61,202	-
Fund balance at end of year	\$ 108,605	\$ 108,605	\$ (17,443)	\$ (126,048)

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 697,113	\$ 697,113	\$ 482,949	\$ (214,164)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	109,666	109,666	56,538	53,128
Employee benefits	34,363	34,363	8,737	25,626
Purchased services	100,170	100,170	71,558	28,612
Supplies and materials	58,384	58,384	18,172	40,212
Capital outlay	7,593	7,593	2,360	5,233
Other	12,482	12,482	7,851	4,631
Total regular	<u>322,658</u>	<u>322,658</u>	<u>165,216</u>	<u>157,442</u>
Support services:				
Pupil:				
Salaries and wages	82,904	82,904	84,008	(1,104)
Employee benefits	31,504	31,504	52,926	(21,422)
Purchased service	10,890	10,890	8,954	1,936
Total pupil	<u>125,298</u>	<u>125,298</u>	<u>145,888</u>	<u>(20,590)</u>
Instructional staff:				
Salaries and wages	1,500	1,500	197	1,303
Employee benefits	262	262	32	230
Purchased services	11,785	11,785	6,443	5,342
Total instructional staff	<u>13,547</u>	<u>13,547</u>	<u>6,672</u>	<u>6,875</u>
Administration:				
Salaries and wages	8,400	8,400	4,283	4,117
Employee benefits	1,719	1,719	831	888
Purchased services	66,260	66,260	63,254	3,006
Total administration	<u>76,379</u>	<u>76,379</u>	<u>68,368</u>	<u>8,011</u>
Fiscal:				
Other	<u>12,415</u>	<u>12,415</u>	<u>1,198</u>	<u>11,217</u>
Pupil transportation:				
Purchased services	<u>27,010</u>	<u>27,010</u>	<u>41,885</u>	<u>(14,875)</u>
Central:				
Purchased services	<u>22,956</u>	<u>22,956</u>	<u>15,000</u>	<u>7,956</u>
Total support services	<u>277,605</u>	<u>277,605</u>	<u>279,011</u>	<u>(1,406)</u>

Continued

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	2,400	2,400	1,746	654
Supplies and materials	500	500	-	500
Total community services	<u>2,900</u>	<u>2,900</u>	<u>1,746</u>	<u>1,154</u>
Total expenditures	<u>603,163</u>	<u>603,163</u>	<u>445,973</u>	<u>157,190</u>
Excess of revenues over (under) expenditures	<u>93,950</u>	<u>93,950</u>	<u>36,976</u>	<u>(56,974)</u>
Other financing sources (uses):				
Advances - in	2,887	2,887	2,000	(887)
Advances - out	-	-	(120,000)	(120,000)
Total other financing sources (uses)	<u>2,887</u>	<u>2,887</u>	<u>(118,000)</u>	<u>(120,887)</u>
Net change in fund balance	96,837	96,837	(81,024)	(177,861)
Fund balance at beginning of year	2,205	2,205	2,205	-
Prior year encumbrances appropriated	<u>53,161</u>	<u>53,161</u>	<u>53,161</u>	-
Fund balance at end of year	\$ <u>152,203</u>	\$ <u>152,203</u>	\$ <u>(25,658)</u>	\$ <u>(177,861)</u>

Cleveland Heights-University Heights City School District

Bond Retirement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,659,484	\$ 6,345,585	\$ 6,759,662	\$ 414,077
Intergovernmental	275,703	262,707	368,454	105,747
Total revenues	<u>6,935,187</u>	<u>6,608,292</u>	<u>7,128,116</u>	<u>519,824</u>
Expenditures:				
Current:				
Support services:				
Fiscal:				
Other	<u>150,000</u>	<u>150,000</u>	<u>160,786</u>	<u>(10,786)</u>
Debt service:				
Principal	4,040,000	4,040,000	450,000	3,590,000
Interest and fiscal charges	<u>3,210,000</u>	<u>3,210,000</u>	<u>6,307,912</u>	<u>(3,097,912)</u>
Total debt service	<u>7,250,000</u>	<u>7,250,000</u>	<u>6,757,912</u>	<u>492,088</u>
Total expenditures	<u>7,400,000</u>	<u>7,400,000</u>	<u>6,918,698</u>	<u>481,302</u>
Net change in fund balance	(464,813)	(791,708)	209,418	1,001,126
Fund balance at beginning of year	<u>1,757,991</u>	<u>1,757,991</u>	<u>1,757,991</u>	<u>-</u>
Fund balance at end of year	\$ <u>1,293,178</u>	\$ <u>966,283</u>	\$ <u>1,967,409</u>	\$ <u>1,001,126</u>

Cleveland Heights-University Heights City School District

Permanent Improvement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,992,428	\$ 3,048,830	\$ 3,203,667	\$ 154,837
Intergovernmental	407,143	414,817	266,859	(147,958)
Total revenues	<u>3,399,571</u>	<u>3,463,647</u>	<u>3,470,526</u>	<u>6,879</u>
Expenditures:				
Current:				
Support services:				
Fiscal:				
Other	<u>60,000</u>	<u>60,000</u>	<u>64,837</u>	<u>(4,837)</u>
Operations and maintenance of plant:				
Purchased services	1,496,839	1,496,839	788,439	708,400
Supplies and materials	25,000	25,000	19,512	5,488
Capital outlay	834,726	834,726	810,797	23,929
Other	<u>4,432</u>	<u>4,432</u>	<u>25,432</u>	<u>(21,000)</u>
Total operations and maintenance of plant	<u>2,360,997</u>	<u>2,360,997</u>	<u>1,644,180</u>	<u>716,817</u>
Total support services	<u>2,420,997</u>	<u>2,420,997</u>	<u>1,709,017</u>	<u>711,980</u>
Debt service:				
Principal	440,000	440,000	794,419	(354,419)
Interest and fiscal charges	<u>850,000</u>	<u>850,000</u>	<u>440,000</u>	<u>410,000</u>
Total debt service	<u>1,290,000</u>	<u>1,290,000</u>	<u>1,234,419</u>	<u>55,581</u>
Total expenditures	<u>3,710,997</u>	<u>3,710,997</u>	<u>2,943,436</u>	<u>767,561</u>
Net change in fund balance	(311,426)	(247,350)	527,090	774,440
Fund balance at beginning of year	3,725,952	3,725,952	3,725,952	-
Prior year encumbrances appropriated	<u>210,998</u>	<u>210,998</u>	<u>210,998</u>	-
Fund balance at end of year	\$ <u>3,625,524</u>	\$ <u>3,689,600</u>	\$ <u>4,464,040</u>	\$ <u>774,440</u>

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2016

Nonmajor Enterprise Funds

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expense (including depreciation) of providing goods or services is primarily or solely to the general public be financed or recovered primarily through user charges.

Food Services This fund accounts for the provision of food services to the District.

Uniform School Supplies This fund accounts for the purchase of necessary supplies, materials, or other school related items above these items provided for general instruction, paid for by students.

Customer Services This fund accounts for services provided primarily to the general public which are financed or recovered through user charges.

Community Services/Early Childhood This fund is provided for monies received and expended in connection with community recreation programs.

Nonmajor Internal Service Funds

Internal service funds are used to account for the financing of services provided by one department to other departments of the government or to other districts on a cost reimbursement basis.

Self-Insurance This fund is to account for the receipt and expenditure of funds for medical and dental claims for employees.

Workers' Compensation This fund is used to account for the claims and premiums paid to the State for workers' compensation insurance.

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Position Nonmajor Enterprise Funds

June 30, 2016

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 97,034	\$ 27,410	\$ 1,362	\$ 32,193	\$ 157,999
Materials and supplies inventories	<u>17,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,066</u>
Total current assets	114,100	27,410	1,362	32,193	175,065
Non-current assets:					
Capital assets, net of depreciation	<u>78,162</u>	<u>-</u>	<u>-</u>	<u>297,112</u>	<u>375,274</u>
Total assets	<u>192,262</u>	<u>27,410</u>	<u>1,362</u>	<u>329,305</u>	<u>550,339</u>
Deferred outflows of resources:					
Pension – SERS	<u>107,904</u>	<u>-</u>	<u>-</u>	<u>97,287</u>	<u>205,191</u>
Liabilities:					
Current liabilities:					
Accounts payable	57,235	-	-	-	57,235
Accrued wages and benefits	22,143	-	-	32,384	54,527
Interfund payable	1,400,000	-	-	1,150,000	2,550,000
Intergovernmental payable	8,498	-	-	7,010	15,508
Current portion of accrued compensated absences	<u>2,451</u>	<u>-</u>	<u>-</u>	<u>17,830</u>	<u>20,281</u>
Total current liabilities	1,490,327	-	-	1,207,224	2,697,551
Non-current liabilities:					
Net Pension Liability	1,223,664	-	-	1,103,251	2,326,915
Accrued compensated absences	<u>32,565</u>	<u>-</u>	<u>-</u>	<u>18,371</u>	<u>50,936</u>
Total liabilities	<u>2,746,556</u>	<u>-</u>	<u>-</u>	<u>2,328,846</u>	<u>5,075,402</u>
Deferred inflows of resources:					
Pension – SERS	<u>54,101</u>	<u>-</u>	<u>-</u>	<u>48,777</u>	<u>102,878</u>
Net position:					
Net investment in capital assets	78,162	-	-	297,112	375,274
Unrestricted (deficit)	<u>(2,578,653)</u>	<u>27,410</u>	<u>1,362</u>	<u>(2,248,143)</u>	<u>(4,798,024)</u>
Total net position (deficit)	<u>\$(2,500,491)</u>	<u>\$ 27,410</u>	<u>\$ 1,362</u>	<u>\$ (1,951,031)</u>	<u>\$ (4,422,750)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2016

	Food Services	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ -	\$ 554,364	\$ 554,364
Classroom materials and fees	-	9,456	-	-	9,456
Food services	355,425	-	-	-	355,425
Miscellaneous	4,285	-	8,618	-	12,903
Total operating revenues	<u>359,710</u>	<u>9,456</u>	<u>8,618</u>	<u>554,364</u>	<u>932,148</u>
Operating expenses:					
Salaries and wages	677,373	-	-	568,622	1,245,995
Fringe benefits	358,663	-	-	292,292	650,955
Purchased services	1,369,718	816	-	20,457	1,390,991
Supplies and materials	194,819	2,501	8,071	11,293	216,684
Depreciation	19,736	-	-	12,679	32,415
Other	3,761	143	787	11,961	16,652
Total operating expenses	<u>2,624,070</u>	<u>3,460</u>	<u>8,858</u>	<u>917,304</u>	<u>3,553,692</u>
Operating (loss) income	<u>(2,264,360)</u>	<u>5,996</u>	<u>(240)</u>	<u>(362,940)</u>	<u>(2,621,544)</u>
Non-operating revenues:					
Federal donated commodities	172,178	-	-	-	172,178
Intergovernmental grants	1,590,213	-	-	-	1,590,213
Total non-operating revenues	<u>1,762,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,762,391</u>
Net (loss) income	(501,969)	5,996	(240)	(362,940)	(859,153)
Net position (deficit) at beginning of year					
	<u>(1,998,522)</u>	<u>21,414</u>	<u>1,602</u>	<u>(1,588,091)</u>	<u>(3,563,597)</u>
Net position (deficit) at end of year					
	\$ <u>(2,500,491)</u>	\$ <u>27,410</u>	\$ <u>1,362</u>	\$ <u>(1,951,031)</u>	\$ <u>(4,422,750)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2016

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 355,425	\$ 9,456	\$ -	\$ 554,364	\$ 919,245
Cash received from other operating sources	10,335	-	8,618	-	18,953
Cash payments for materials and supplies	-	(2,501)	(8,071)	(11,293)	(21,865)
Cash payments for goods and services	(1,367,239)	(816)	-	(20,526)	(1,388,581)
Cash payments to employees for services	(672,258)	-	-	(581,242)	(1,253,500)
Cash payments for employee benefits	(380,474)	-	-	(312,770)	(693,244)
Cash payments for other	-	(143)	(787)	(11,961)	(12,891)
Net cash (used for) provided by operating activities	<u>(2,054,211)</u>	<u>5,996</u>	<u>(240)</u>	<u>(383,428)</u>	<u>(2,431,883)</u>
Cash flows from noncapital financing activities:					
Intergovernmental grants received	1,590,213	-	-	-	1,590,213
Transfers - out	-	-	-	-	-
Advances - in	1,400,000	-	-	1,150,000	2,550,000
Advances - out	(838,968)	-	-	(800,000)	(1,638,968)
Net cash provided by noncapital financing activities	<u>2,151,245</u>	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>2,501,245</u>
Net increase (decrease) in cash and cash equivalents	97,034	5,996	(240)	(33,428)	69,362
Cash and cash equivalents at beginning of year	<u>-</u>	<u>21,414</u>	<u>1,602</u>	<u>65,621</u>	<u>88,637</u>
Cash and cash equivalents at end of year	\$ <u><u>97,034</u></u>	\$ <u><u>27,410</u></u>	\$ <u><u>1,362</u></u>	\$ <u><u>32,193</u></u>	\$ <u><u>157,999</u></u>
Non-cash capital and noncapital financing activities:					
Federal donated commodities	\$ 172,178	\$ -	\$ -	\$ -	\$ 172,178

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended June 30, 2016

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating (loss) income to net cash (used for) provided by operating activities:					
Operating (loss) income	\$ (2,264,360)	\$ 5,996	\$ (240)	\$ (362,940)	\$ (2,621,544)
Adjustments:					
Depreciation	19,736	-	-	12,679	32,415
Federal donated commodities	172,178	-	-	-	172,178
Changes in assets/liabilities:					
Decrease in accounts receivable	6,050	-	-	-	6,050
Decrease in materials and supplies inventories	4,569	-	-	-	4,569
Decrease in inventory held for resale	18,072	-	-	-	18,072
Decrease in deferred outflows – pension	2,833	-	-	2,554	5,387
Increase (decrease) in accounts payable	6,240	-	-	(69)	6,171
Increase (decrease) in accrued wages and benefits	8,554	-	-	(17,427)	(8,873)
Decrease in intergovernmental payable	(6,841)	-	-	(6,980)	(13,821)
(Decrease) increase in accrued compensated absences	(3,439)	-	-	4,807	1,368
Increase in net pension liability	7,673	-	-	6,918	14,591
Decrease in deferred inflows – pension	(25,476)	-	-	(22,970)	(48,446)
Total adjustments	<u>210,149</u>	<u>-</u>	<u>-</u>	<u>(20,488)</u>	<u>189,661</u>
Net cash (used for) provided by operating activities	\$ <u>(2,054,211)</u>	\$ <u>5,996</u>	\$ <u>(240)</u>	\$ <u>(383,428)</u>	\$ <u>(2,431,883)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Position Nonmajor Internal Service Funds

June 30, 2016

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 4,402,250	\$ -	\$ 4,402,250
Prepaid items	<u>114,577</u>	<u>-</u>	<u>114,577</u>
Total assets	<u>4,516,827</u>	<u>-</u>	<u>4,516,827</u>
Liabilities:			
Current liabilities:			
Accounts payable	3,609	-	3,609
Claims payable	<u>1,602,900</u>	<u>-</u>	<u>1,602,900</u>
Total liabilities	<u>1,606,509</u>	<u>-</u>	<u>1,606,509</u>
Net position:			
Unrestricted (deficit)	\$ <u>2,910,318</u>	\$ <u>-</u>	\$ <u>2,910,318</u>

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Internal Service Funds

For the Fiscal Year Ended June 30, 2016

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ 17,417,383	\$ -	\$ 17,417,383
Miscellaneous	-	392,006	392,006
Total operating revenues	<u>17,417,383</u>	<u>392,006</u>	<u>17,809,389</u>
Operating expenses:			
Fringe benefits	16,485,942	-	16,485,942
Purchased services	<u>115,349</u>	<u>11,265</u>	<u>126,614</u>
Total operating expenses	<u>16,601,291</u>	<u>11,265</u>	<u>16,612,556</u>
Net income	816,092	380,741	1,196,833
Net position (deficit) at beginning of year	<u>2,094,226</u>	<u>(380,741)</u>	<u>1,713,485</u>
Net position (deficit) at end of year	\$ <u><u>2,910,318</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,910,318</u></u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Internal Service Funds

For the Fiscal Year Ended June 30, 2016

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers	\$ 17,417,383	\$ -	\$ 17,417,383
Cash payments for goods and services	(963,883)	(11,265)	(975,148)
Cash payments for claims	<u>(15,593,814)</u>	<u>-</u>	<u>(15,593,814)</u>
Net cash provided by (used for) operating activities	<u>859,686</u>	<u>(11,265)</u>	<u>848,421</u>
Net increase (decrease) in cash and cash equivalents	859,686	(11,265)	848,421
Cash and cash equivalents at beginning of year	<u>3,542,564</u>	<u>11,265</u>	<u>3,553,829</u>
Cash and cash equivalents at end of year	\$ <u>4,402,250</u>	\$ <u>-</u>	\$ <u>4,402,250</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income	\$ 816,092	\$ 380,741	\$ 1,196,833
Adjustments:			
Changes in assets/liabilities:			
Decrease in prepaid items	8,558	-	8,558
Decrease in accounts payable	(64)	-	(64)
Decrease in intergovernmental payable	-	(392,006)	(392,006)
Increase in claims payable	<u>35,100</u>	<u>-</u>	<u>35,100</u>
Total adjustments	<u>43,594</u>	<u>(392,006)</u>	<u>(348,412)</u>
Net cash provided by (used for) operating activities	\$ <u>859,686</u>	\$ <u>(11,265)</u>	\$ <u>848,421</u>

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITIES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

JOHN SMITH
Grade 1 - Noble Elementary



NAATAYA TRUITT
Grade 9 - CHHS



Cleveland Heights-University Heights City School District

Food Services Fund

Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 476,588	\$ 476,588	\$ 355,425	\$ (121,163)
Miscellaneous	13,858	13,858	10,335	(3,523)
Intergovernmental	49,554	49,554	36,956	(12,598)
Operating grants	<u>2,082,751</u>	<u>2,082,751</u>	<u>1,553,257</u>	<u>(529,494)</u>
Total revenues	<u>2,622,751</u>	<u>2,622,751</u>	<u>1,955,973</u>	<u>(666,778)</u>
Expenses:				
Food service operations:				
Salaries and wages	2,700,000	2,700,000	684,140	2,015,860
Fringe benefits	-	-	380,474	(380,474)
Purchased services	1,450,000	1,450,000	1,423,241	26,759
Other operating expenses	<u>-</u>	<u>-</u>	<u>4,866</u>	<u>(4,866)</u>
Total expenses	<u>4,150,000</u>	<u>4,150,000</u>	<u>2,492,721</u>	<u>1,657,279</u>
Excess of revenues over (under) expenses	<u>(1,527,249)</u>	<u>(1,527,249)</u>	<u>(536,748)</u>	<u>990,501</u>
Other financing sources (uses):				
Advances - in	1,877,250	1,877,250	1,400,000	(477,250)
Advances - out	<u>-</u>	<u>-</u>	<u>(800,000)</u>	<u>(800,000)</u>
Total other financing sources (uses)	<u>1,877,250</u>	<u>1,877,250</u>	<u>600,000</u>	<u>(1,277,250)</u>
Net change in fund equity	350,001	350,001	63,252	(286,749)
Fund equity at beginning of year	(188,968)	(188,968)	(188,968)	-
Prior year encumbrances appropriated	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Fund equity at end of year	\$ <u>311,033</u>	\$ <u>311,033</u>	\$ <u>24,284</u>	\$ <u>(286,749)</u>

Cleveland Heights-University Heights City School District

Uniform School Supplies Fund

Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 30,000	\$ 30,000	\$ 9,456	\$ (20,544)
Expenses:				
Purchased services:				
Support services - pupil	-	-	816	(816)
Supplies and materials:				
Regular instruction	30,000	30,000	2,005	27,995
Support services - pupil	-	-	496	(496)
Total supplies and materials	<u>30,000</u>	<u>30,000</u>	<u>2,501</u>	<u>27,499</u>
Other operating expenses:				
Regular instruction	-	-	107	(107)
Support services – pupil	-	-	36	(36)
Total other operating expenses	<u>-</u>	<u>-</u>	<u>143</u>	<u>(143)</u>
Total expenses	<u>30,000</u>	<u>30,000</u>	<u>3,460</u>	<u>26,540</u>
Net change in fund equity	-	-	5,996	5,996
Fund equity at beginning of year	<u>21,414</u>	<u>21,414</u>	<u>21,414</u>	<u>-</u>
Fund equity at end of year	\$ <u>21,414</u>	\$ <u>21,414</u>	\$ <u>27,410</u>	\$ <u>5,996</u>

Cleveland Heights-University Heights City School District

Customer Services Fund

Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 8,618	\$ (11,382)
Expenses:				
Supplies and materials:				
Enterprise operations	20,000	20,000	8,071	11,929
Other operating expenses:				
Enterprise operations	-	-	787	(787)
Total expenses	<u>20,000</u>	<u>20,000</u>	<u>8,858</u>	<u>11,142</u>
Net change in fund equity	-	-	(240)	(240)
Fund equity at beginning of year	<u>1,602</u>	<u>1,602</u>	<u>1,602</u>	-
Fund equity at end of year	\$ <u><u>1,602</u></u>	\$ <u><u>1,602</u></u>	\$ <u><u>1,362</u></u>	\$ <u><u>(240)</u></u>

Cleveland Heights-University Heights City School District

Community Services/Early Childhood Fund

Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 422,840	\$ 585,470	\$ 554,364	\$ (31,106)
Expenses:				
Community services:				
Salaries and wages	817,893	1,132,300	581,496	550,804
Fringe benefits	232,662	322,100	317,963	4,137
Purchased services	15,464	21,409	20,526	883
Supplies and materials	19,239	26,635	11,293	15,342
Other	8,381	11,603	16,492	(4,889)
Total expenses	<u>1,093,639</u>	<u>1,514,047</u>	<u>947,770</u>	<u>566,277</u>
Excess of revenues over (under) expenses	<u>(670,799)</u>	<u>(928,577)</u>	<u>(393,406)</u>	<u>535,171</u>
Other financing sources (uses):				
Advances - in	877,160	1,214,529	1,150,000	(64,529)
Advances - out	<u>(207,056)</u>	<u>(286,650)</u>	<u>(800,000)</u>	<u>(513,350)</u>
Total other financing sources (uses)	<u>670,104</u>	<u>927,879</u>	<u>350,000</u>	<u>(577,879)</u>
Net change in fund equity	(695)	(698)	(43,406)	(42,708)
Fund equity at beginning of year	64,924	64,924	64,924	-
Prior year encumbrances appropriated	<u>696</u>	<u>696</u>	<u>696</u>	<u>-</u>
Fund equity at end of year	\$ <u>64,925</u>	\$ <u>64,922</u>	\$ <u>22,214</u>	\$ <u>(42,708)</u>

Cleveland Heights-University Heights City School District

Self-Insurance Fund

Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 17,705,197	\$ 17,705,197	\$ 17,417,383	\$ (287,814)
Expenses:				
Central:				
Fringe benefits	20,000,000	20,000,000	16,442,284	3,557,716
Purchases services	3,448	3,448	166,757	(163,309)
Total expenses	20,003,448	20,003,448	16,609,041	3,394,407
Excess of revenues over (under) expenses	(2,298,251)	(2,298,251)	808,342	3,106,593
Other financing sources (uses):				
Transfers - in	274,803	274,803	-	(274,803)
Net change in fund equity	(2,023,448)	(2,023,448)	808,342	2,831,790
Fund equity at beginning of year	3,539,116	3,539,116	3,539,116	-
Prior year encumbrances appropriated	3,448	3,448	3,448	-
Fund equity at end of year	\$ 1,519,116	\$ 1,519,116	\$ 4,350,906	\$ 2,831,790

Cleveland Heights-University Heights City School District

Workers' Compensation Fund

Schedule of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Expenses:				
Support services:				
Central:				
Purchased services	<u>10,000</u>	<u>12,000</u>	<u>11,265</u>	<u>735</u>
Net change in fund equity	190,000	188,000	(11,265)	(199,265)
Fund equity at beginning of year	<u>11,265</u>	<u>11,265</u>	<u>11,265</u>	<u>-</u>
Fund equity at end of year	\$ <u><u>201,265</u></u>	\$ <u><u>199,265</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(199,265)</u></u>

Cleveland Heights-University Heights City School District

Combining Statement of Changes in Assets and Liabilities – Agency Funds

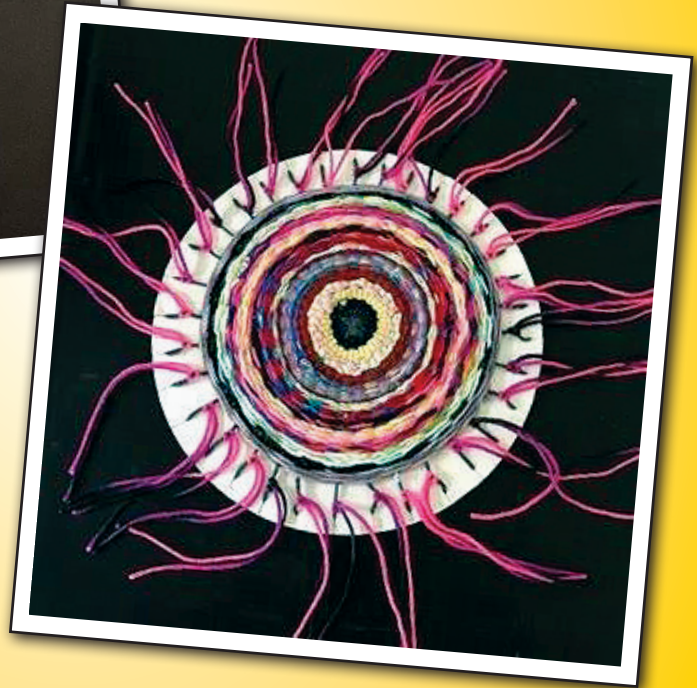
For the Fiscal Year Ended June 30, 2016

	<u>Balance</u> <u>06/30/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/16</u>
Student activities				
Assets:				
Equity in pooled cash and investments	\$ <u>55,010</u>	\$ <u>58,923</u>	\$ <u>44,201</u>	\$ <u>69,732</u>
Liabilities:				
Due to students	\$ <u>55,010</u>	\$ <u>58,923</u>	\$ <u>44,201</u>	\$ <u>69,732</u>
Tournaments				
Assets:				
Equity in pooled cash and investments	\$ <u>-</u>	\$ <u>2,238</u>	\$ <u>2,238</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>-</u>	\$ <u>2,238</u>	\$ <u>2,238</u>	\$ <u>-</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ <u>55,010</u>	\$ <u>61,161</u>	\$ <u>46,439</u>	\$ <u>69,732</u>
Liabilities:				
Due to students	55,010	58,923	44,201	69,732
Due to others	<u>-</u>	<u>2,238</u>	<u>2,238</u>	<u>-</u>
Total liabilities	\$ <u>55,010</u>	\$ <u>61,161</u>	\$ <u>46,439</u>	\$ <u>69,732</u>

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio



AMELIA KING
Grade 5 - Roxboro Elementary



JOEY
Grade 9 - Bellefaire



MICHELLE POSCH
Grade 12 - CHHS

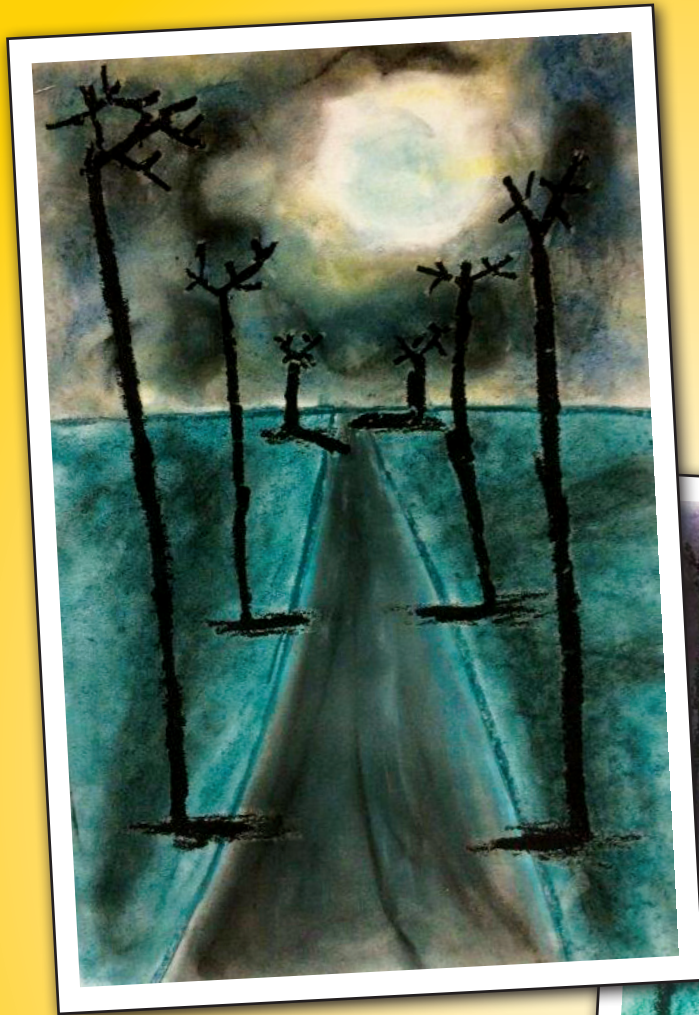


Cleveland
University **Heights**

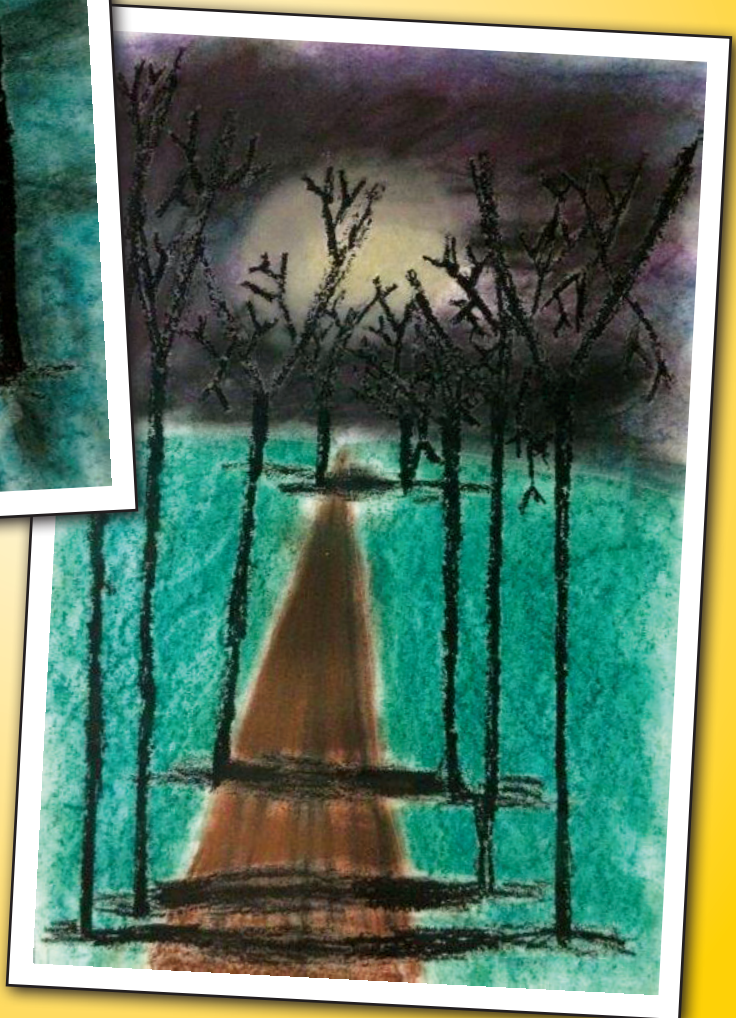


City School District

STATISTICAL SECTION



LEGACY COLLINS
Grade 4 - Noble Elementary



CHEYENNE McCLAIN
Grade 4 - Noble Elementary

Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2016

This part of the Cleveland Heights - University Heights City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	S2-S10
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	S11-S14
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S15-S18
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.	S19-S20
Operating Information These schedules contain service data to help the reader understand how the Information in the District's financial report relates to the services the District provides and the activities it performs.	S21-S26

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Cleveland Heights-University Heights City School District

Net Position by Component

Last Ten Fiscal Years

Table 1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 26,323,176	\$ 27,570,443	\$ 30,310,942	\$ 24,153,304	\$ 26,268,632	\$ 27,342,544	28,594,961	\$ 30,541,659	\$ 31,052,012	\$ 36,665,245
Restricted for:										
Capital projects	1,427,036	1,927,491	2,467,742	2,568,283	1,481,800	1,220,404	1,858,176	3,749,045	4,939,326	6,018,920
Debt service	581,198	617,346	657,395	304,922	656,723	756,981	239,222	2,907,465	3,879,732	4,055,002
Other purposes	4,423	54,665	1,159,654	1,725,730	364,493	461,744	471,046	372,466	328,565	865,805
Qualified Zone Academy Bond retirement	3,247,269	3,424,494	3,592,508	3,741,214	3,897,177	4,057,651	4,226,341	4,401,300	4,582,819	4,768,679
Unrestricted (deficit)	50,779,010	58,669,637	61,051,577	58,524,444	51,903,551	46,627,095	44,601,776	(110,110,600)	(109,538,804)	(107,515,882)
Total net position - governmental activities	82,362,112	92,264,076	99,239,818	91,017,897	84,572,376	80,466,419	79,991,522	(68,138,665)	(64,756,350)	(55,142,231)
Business-type activities:										
Net investment in capital assets	721,008	687,993	655,529	572,056	533,397	505,491	472,519	440,105	407,689	375,274
Unrestricted (deficit)	(2,320,676)	(4,039,596)	(4,205,298)	(5,220,860)	(8,139,020)	(9,642,747)	(12,609,793)	(3,524,685)	(3,971,286)	(4,798,024)
Total net position - business-type activities	(1,599,668)	(3,351,603)	(3,549,769)	(4,648,804)	(7,605,623)	(9,137,256)	(12,137,274)	(3,084,580)	(3,563,597)	(4,422,750)
Primary government:										
Net investment in capital assets	27,044,184	28,258,436	30,966,471	24,725,360	26,802,029	27,848,035	29,067,480	30,981,764	31,459,701	37,040,519
Restricted for:										
Capital projects	1,427,036	1,927,491	2,467,742	2,568,283	1,481,800	1,220,404	1,858,176	3,749,045	4,939,326	6,018,920
Debt service	581,198	617,346	657,395	304,922	656,723	756,981	239,222	2,907,465	3,879,732	4,055,002
Other purposes	4,423	54,665	1,159,654	1,725,730	364,493	461,744	471,046	372,466	328,565	865,805
Qualified zone academy bond retirement	3,247,269	3,424,494	3,592,508	3,741,214	3,897,177	4,057,651	4,226,341	4,401,300	4,582,819	4,768,679
Unrestricted (deficit)	48,458,334	54,630,041	56,846,279	53,303,584	43,764,531	36,984,348	31,991,983	(113,635,285)	(113,510,090)	(112,313,906)
Total net position - primary government	80,762,444	88,912,473	95,690,049	86,369,093	76,966,753	71,329,163	67,854,248	(71,223,245)	(68,319,947)	(59,564,981)

Source: School District financial records
 Note: Information for 2014 adjusted for the implementation of GASB 68.

Cleveland Heights-University Heights City School District

Changes in Net Position

Last Ten Fiscal Years

Table 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
Regular instruction	\$ 35,895,404	\$ 36,794,327	\$ 35,816,557	\$ 37,442,211	\$ 41,334,122	\$ 40,951,163	\$ 43,005,293	\$ 41,223,022	\$ 41,960,022	\$ 40,814,609
Special instruction	9,844,902	9,531,722	10,463,382	12,357,959	13,830,108	12,947,396	12,536,158	15,496,883	15,630,864	20,678,670
Vocational instruction	1,701,696	1,738,386	2,033,266	1,917,084	2,075,152	2,306,559	1,988,214	2,199,170	1,729,582	1,820,465
Adult/continuing instruction	270,336	981,637	620,287	233,715	346,356	335,150	258,202	46	214,853	-
Other instruction	2,728,650	3,152,431	4,018,831	4,424,806	5,341,468	7,154,104	8,257,928	8,817,024	8,653,671	6,284,908
Pupil	9,342,399	8,713,755	8,651,483	9,001,406	8,922,133	9,891,614	9,412,636	7,674,501	7,861,619	7,606,276
Instructional staff	5,271,776	6,024,296	6,464,766	5,149,498	6,158,641	6,445,138	8,004,270	5,838,505	6,740,256	5,296,223
Board of education	484,231	545,385	460,684	482,582	590,673	586,707	584,645	702,812	660,086	570,267
Administration	6,281,020	7,041,253	6,557,021	6,183,059	5,963,161	6,110,464	5,922,772	8,077,153	6,651,527	6,501,228
Fiscal	2,177,550	2,077,340	2,185,544	3,028,623	2,441,386	2,573,478	2,980,897	2,920,898	3,198,752	3,081,449
Business	2,299,809	1,881,251	1,533,645	1,344,500	1,583,775	1,552,317	556,890	1,748,679	1,536,059	990,990
Operation and maintenance of plant	10,444,810	11,149,385	11,392,037	11,722,180	12,471,455	12,510,123	12,391,012	13,286,205	13,177,175	12,299,919
Pupil transportation	3,909,255	4,265,255	4,269,391	4,550,353	4,499,491	5,302,386	4,616,743	4,168,805	4,081,598	3,767,197
Central	2,874,077	2,825,873	3,318,696	3,522,237	3,766,198	5,429,990	4,452,855	3,966,623	4,044,855	3,695,810
Food service operations	2,467,145	2,065,415	2,664,776	2,215,880	2,538,766	1,958,644	2,100,792	2,255,657	2,579,166	2,743,629
Community services	-	-	-	-	5,485	2,981	15,636	20,162	6,458	5,374
Shared services	-	-	-	-	-	-	-	5,149	-	-
Other operation of non-instructional services	-	-	-	-	-	117,942	120,356	926	2,081	267
Extracurricular activities	1,524,317	1,612,459	1,641,907	1,478,856	1,618,758	1,769,909	1,955,860	2,157,104	1,734,080	1,565,698
Interest and fiscal charges	673,878	713,571	736,771	525,075	519,722	461,235	299,445	3,776,729	7,507,361	7,278,250
Total governmental activities expenses	<u>98,191,255</u>	<u>101,113,741</u>	<u>102,829,044</u>	<u>105,585,800</u>	<u>114,006,850</u>	<u>118,407,300</u>	<u>119,460,604</u>	<u>124,336,053</u>	<u>127,970,065</u>	<u>125,001,229</u>
Business-type activities:										
Food services	2,248,241	2,599,332	2,352,105	2,354,293	2,310,751	2,434,896	2,507,990	2,442,610	2,276,189	2,624,070
Uniform school supplies	65,933	92,805	61,717	74,610	31,350	31,824	21,260	31,744	6,858	3,460
Customer services	12,347	15,811	10,805	20,356	9,385	-	34,212	-	10,565	8,858
Community services/early childhood	739,277	616,929	635,218	731,703	746,880	743,185	770,293	821,397	994,837	917,304
Bellefairs General Rotary	2,892,502	2,954,725	3,169,419	3,395,010	3,459,420	3,189,684	3,114,669	2,355	-	-
Total business-type activities expenses	<u>5,958,300</u>	<u>6,279,602</u>	<u>6,229,264</u>	<u>6,575,972</u>	<u>6,557,786</u>	<u>6,399,589</u>	<u>6,448,424</u>	<u>3,298,106</u>	<u>3,288,449</u>	<u>3,553,692</u>
Total primary government expenses	<u>104,149,555</u>	<u>107,393,343</u>	<u>109,058,308</u>	<u>112,161,772</u>	<u>120,564,636</u>	<u>124,806,889</u>	<u>125,909,028</u>	<u>127,634,159</u>	<u>131,258,514</u>	<u>128,554,921</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years Table 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program revenues:										
Governmental activities:										
Charges for services:										
Regular instruction	263,099	293,408	340,704	304,805	343,243	157,440	1,974,958	2,033,784	1,865,301	2,235,640
Special instruction	3,252,614	2,376,298	2,583,786	1,596,975	3,917,868	2,833,543	2,814,090	3,048,640	2,913,068	2,559,043
Vocational instruction	6,482	11,122	4,500	2,500	-	-	402,269	241,934	79,112	5,060
Adult/continuing instruction	9,397	5,465	3,474	930	-	-	-	-	-	-
Administration	10,847	10,075	6,644	13,196	30,575	132,968	26,345	59,783	195,163	198,336
Pupil transportation	75,075	138,450	134,264	183,378	121,733	205,743	25,097	26,165	13,298	38,392
Extracurricular activities	92,616	100,420	91,070	95,025	59,767	115,175	155,691	102,970	111,836	80,261
Operating grants and contributions:										
Regular instruction	4,843,017	4,001,706	3,976,497	861,906	1,842,682	623,151	1,483,338	1,275,340	795,124	892,723
Special instruction	1,698,848	1,810,241	4,057,069	6,880,495	5,590,342	5,259,112	4,268,212	4,164,420	3,439,308	3,713,268
Vocational instruction	276,976	265,483	282,167	288,776	293,148	194,247	328,861	302,953	265,366	237,709
Adult/continuing instruction	290,714	245,318	343,219	269,869	444,629	537,124	432,062	99,484	-	-
Pupil	249,832	173,942	190,688	93,679	93,459	112,257	90,267	107,986	103,246	105,593
Instructional staff	3,300	12,970	12,970	-	-	-	-	-	-	-
Administration	21,633	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant	29,821	-	-	-	-	-	-	-	-	-
Central	42,000	-	185	-	-	-	-	-	-	-
Community services	1,932,606	1,962,731	2,023,367	1,914,708	1,562,377	1,784,599	1,851,027	1,932,315	2,080,860	2,269,212
Capital grants and contributions:										
Pupil	-	43,132	-	-	-	-	-	-	-	-
Operation and maintenance of plant	46,513	19,577	36,294	-	-	-	-	-	20,000	-
Central	-	42,000	36,000	-	27,300	-	-	-	-	-
Total governmental activities program revenues	13,145,390	11,512,338	14,122,898	12,506,242	14,327,123	11,955,359	13,852,217	13,395,774	11,881,682	12,335,237

Continued

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years **Table 2**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Food services	650,639	584,762	543,076	484,176	405,888	384,300	359,057	331,037	323,606	359,710
Uniform school supplies	60,424	65,986	63,943	48,737	30,361	27,468	23,825	28,907	13,402	9,456
Customer services	3,359	2,240	17,980	18,430	1,000	-	11,890	11,890	12,167	8,618
Community services/early childhood	617,183	606,389	695,690	687,621	720,938	620,621	647,205	662,846	566,556	554,364
Bellefaire General Rotary	2,007,314	1,538,587	2,727,969	2,515,584	611,951	2,222,430	283,102	683,844	-	-
Operating grants and contributions:										
Food services	1,457,295	1,584,727	1,632,068	1,804,716	1,661,511	1,613,137	2,123,327	1,868,291	1,901,444	1,762,391
Capital grants and contributions:										
Food services	-	-	-	116,347	-	-	-	-	-	-
Total business-type activities										
program revenues	4,796,214	4,382,691	5,680,726	5,675,611	3,431,649	4,867,956	3,448,406	3,586,815	2,817,175	2,694,539
Total primary government program revenues	17,941,604	15,895,029	19,803,624	18,181,853	17,758,772	16,823,315	17,300,623	16,982,589	14,698,857	15,029,776
Net expense:										
Governmental activities	(85,045,865)	(89,601,403)	(88,706,146)	(93,079,558)	(99,679,727)	(106,451,941)	(105,608,387)	(110,940,279)	(116,088,383)	(112,665,992)
Business-type activities	(1,162,086)	(1,896,911)	(548,538)	(900,361)	(3,126,137)	(1,531,633)	(3,000,018)	288,709	(471,274)	(859,153)
Total primary government net expense	(86,207,951)	(91,498,314)	(89,254,684)	(93,979,919)	(102,805,864)	(107,983,574)	(108,608,405)	(110,651,570)	(116,559,657)	(113,525,145)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for:										
General purpose	57,086,358	66,578,842	62,320,929	55,807,544	57,099,411	65,982,589	69,354,404	74,045,127	73,060,036	75,153,473
Debt service	741,683	648,181	622,174	590,518	604,768	671,452	631,509	5,746,485	7,141,001	7,352,980
Capital projects	3,131,163	3,235,694	3,068,044	2,708,377	2,748,213	3,087,683	3,059,156	3,394,926	3,374,548	3,546,925
Payments in lieu of property taxes	-	178,090	17,774	1,813	-	-	-	-	-	-
Grants and entitlements not restricted to specific programs	23,469,550	25,907,434	27,656,292	32,788,606	31,992,845	31,837,748	30,580,845	31,506,047	32,483,747	31,775,332
Investment earnings	2,322,959	1,900,552	1,200,992	489,176	306,230	273,286	230,870	504,723	1,756,112	1,499,671
Miscellaneous	856,666	1,199,550	1,146,055	1,116,647	652,057	493,226	1,276,706	1,044,771	1,647,511	2,951,730
Transfers	(2,585)	(144,976)	(350,372)	-	(169,318)	-	-	(11,056,420)	7,743	-
Total governmental activities	87,605,794	99,503,367	95,681,888	93,502,681	93,234,206	102,345,984	105,133,490	105,185,659	119,470,698	122,280,111

Continued

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years **Table 2**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Transfers	2,585	144,976	350,372	-	169,318	-	-	11,056,420	(7,743)	-
Total primary government general revenues and other changes in net position	<u>87,608,379</u>	<u>99,648,343</u>	<u>96,032,260</u>	<u>93,502,681</u>	<u>93,403,524</u>	<u>102,345,984</u>	<u>105,133,490</u>	<u>116,242,079</u>	<u>119,462,955</u>	<u>122,280,111</u>
Change in net position:										
Governmental activities	2,559,929	9,901,964	6,975,742	423,123	(6,445,521)	(4,105,957)	(474,897)	(5,754,620)	3,382,315	9,614,119
Business-type activities	(1,159,501)	(1,751,935)	(198,166)	(900,361)	(2,956,819)	(1,531,633)	(3,000,018)	11,345,129	(479,017)	(859,153)
Total primary government change in net position	<u>\$ 1,400,428</u>	<u>\$ 8,150,029</u>	<u>\$ 6,777,576</u>	<u>\$ (477,238)</u>	<u>\$ (9,402,340)</u>	<u>\$ (5,637,590)</u>	<u>\$ (3,474,915)</u>	<u>\$ 5,590,509</u>	<u>\$ 2,903,298</u>	<u>\$ 8,754,966</u>

Source: School District financial records.

Cleveland Heights-University Heights City School District

Program Revenues by Function/Program

Last Ten Fiscal Years **Table 3**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Regular instruction	\$ 5,106,116	\$ 4,295,114	\$ 4,317,201	\$ 1,166,711	\$ 2,185,925	\$ 780,591	\$ 3,458,296	\$ 3,309,124	\$ 2,660,425	\$ 3,128,363
Special instruction	4,951,462	4,186,539	6,640,855	8,477,470	9,508,210	8,092,655	7,082,302	7,213,060	4,309,115	6,272,311
Vocational instruction	283,458	276,605	286,667	291,276	293,148	194,247	731,130	544,887	344,478	242,769
Adult/continuing instruction	300,111	250,783	346,693	270,799	444,629	537,124	432,062	99,484	-	-
Pupil	249,832	217,074	190,688	93,679	93,459	112,257	90,267	107,986	103,246	105,593
Instructional staff	3,300	12,970	12,970	-	-	-	-	-	-	-
Administration	32,480	10,075	6,644	13,196	30,575	132,968	26,345	59,783	195,163	198,336
Operation and maintenance of plant	76,334	19,577	36,294	-	-	-	-	-	20,000	-
Pupil transportation	75,075	138,450	134,264	183,378	121,733	205,743	25,097	26,165	13,298	38,392
Central	42,000	42,000	36,185	-	27,300	-	-	-	-	-
Community services	1,932,606	1,962,731	2,023,367	1,914,708	1,562,377	1,784,599	1,851,027	1,932,315	2,080,860	2,269,212
Extracurricular activities	92,616	100,420	91,070	95,025	59,767	115,175	155,691	102,970	111,836	80,261
Total governmental activities	13,145,390	11,512,338	14,122,898	12,506,242	14,327,123	11,955,359	13,852,217	13,395,774	9,838,421	12,335,237
Business-type activities:										
Food services	2,107,934	2,169,489	2,175,144	2,405,239	2,067,399	1,997,437	2,482,384	2,199,328	2,225,050	2,122,101
Uniform school supplies	60,424	65,986	63,943	48,737	30,361	27,468	23,825	28,907	13,402	9,456
Customer services	3,359	2,240	17,980	18,430	1,000	-	11,890	11,890	12,167	8,618
Community services/early childhood	617,183	606,389	695,690	687,621	720,938	620,621	647,205	662,846	566,556	554,364
Bellefaire General Rotary	2,007,314	1,538,587	2,727,969	2,515,584	611,951	2,222,430	283,102	683,844	-	-
Total business-type activities	4,796,214	4,382,691	5,680,726	5,675,611	3,431,649	4,867,956	3,448,406	3,586,815	2,817,175	2,694,539
Total primary government program revenues	\$ 17,941,604	\$ 15,895,029	\$ 19,803,624	\$ 18,181,853	\$ 17,758,772	\$ 16,823,315	\$ 17,300,623	\$ 16,982,589	\$ 12,655,596	\$ 15,029,776

Source: School District financial records.

Cleveland Heights-University Heights City School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years Table 4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 377,185	\$ 388,565	\$ 421,946	\$ 485,956	\$ 400,634	\$ 408,564
Restricted	-	-	-	-	2,425,675	-	-	-	-	-
Committed	-	-	-	-	-	16,583	169,433	-	249,020	-
Assigned	-	-	-	-	1,587,479	3,008,658	2,855,580	10,942,612	20,777,177	15,263,935
Unassigned	-	-	-	-	49,220,502	42,156,930	39,137,025	19,296,525	9,241,633	18,324,871
Reserved	28,287,616	33,065,009	29,045,094	20,559,439	-	-	-	-	-	-
Unreserved	27,784,974	31,865,555	37,282,074	40,721,484	-	-	-	-	-	-
Total general fund	<u>56,072,590</u>	<u>64,930,564</u>	<u>66,327,168</u>	<u>61,280,923</u>	<u>53,610,841</u>	<u>45,570,736</u>	<u>42,583,984</u>	<u>30,725,093</u>	<u>30,668,464</u>	<u>33,997,370</u>
All other governmental funds:										
Restricted	-	-	-	-	6,242,013	6,146,770	6,472,636	164,189,868	145,242,640	112,954,576
Unassigned (deficit)	-	-	-	-	(1,358,259)	(1,014,561)	(691,665)	(349,436)	(209,254)	(347,404)
Reserved	2,959,452	2,968,533	3,589,646	2,782,844	-	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-
reported in:										
Special revenue funds	(719,527)	(144,420)	(325,719)	10,070	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	2,957,383	3,430,357	3,641,857	3,912,946	-	-	-	-	-	-
Total all other governmental funds	<u>5,197,308</u>	<u>6,254,470</u>	<u>6,905,784</u>	<u>6,705,860</u>	<u>4,883,754</u>	<u>5,132,209</u>	<u>5,780,971</u>	<u>163,840,432</u>	<u>145,033,386</u>	<u>112,607,172</u>
Total governmental funds	\$ <u>61,269,898</u>	\$ <u>71,185,034</u>	\$ <u>73,232,952</u>	\$ <u>67,986,783</u>	\$ <u>58,494,595</u>	\$ <u>50,702,945</u>	\$ <u>48,364,955</u>	\$ <u>194,565,525</u>	\$ <u>175,701,850</u>	\$ <u>146,604,542</u>

Source: School District financial records.
 Note: The District implemented GASB 54 in 2011.

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years **Table 5**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 62,525,139	\$ 70,309,309	\$ 65,374,496	\$ 58,111,449	\$ 59,741,780	\$ 67,893,727	\$ 72,593,187	\$ 81,019,869	\$ 82,427,691	\$ 84,468,564
Payments in lieu of property taxes	-	85,089	110,775	1,813	-	-	-	-	-	-
Intergovernmental	35,909,507	37,665,113	38,219,178	42,481,847	45,195,019	41,721,066	39,293,275	39,705,007	38,533,550	38,219,569
Grants	-	-	-	-	-	-	-	36,147	36,147	95,763
Tuition and fees	1,691,244	718,184	1,084,330	1,132,778	919,510	2,103,521	4,261,340	5,205,135	5,212,754	4,870,192
Earnings on investments	2,322,959	1,900,552	1,200,992	489,176	306,230	229,786	269,926	383,159	1,743,978	1,493,336
Extracurricular activities	221,068	225,465	243,331	247,153	193,720	214,197	249,403	328,105	281,315	218,737
Classroom materials and fees	31,683	26,783	36,870	21,525	7,769	6,628	9,899	10,983	8,210	7,407
Miscellaneous	1,078,839	1,840,138	1,805,193	1,758,554	909,544	590,072	1,288,159	925,607	1,713,082	2,968,872
Total revenues	103,780,439	112,770,633	108,075,165	104,244,295	107,273,572	112,758,997	117,965,189	127,577,865	129,956,727	132,342,440
Expenditures:										
Current:										
Instruction:										
Regular	36,216,029	36,489,302	35,617,232	37,438,613	40,644,644	41,711,646	41,694,037	41,252,792	42,780,196	41,165,894
Special	9,727,158	9,575,382	10,458,889	12,350,826	13,869,106	12,871,556	12,550,247	15,446,175	15,640,475	20,813,764
Vocational	1,681,895	1,718,541	2,006,303	1,917,949	2,133,784	2,253,201	2,025,443	2,202,132	1,790,287	1,810,390
Adult/continuing	263,554	1,019,433	1,097,166	243,510	351,808	359,859	258,355	42	214,853	-
Other	2,728,650	3,152,431	3,552,064	4,424,310	5,341,468	7,119,352	8,260,680	8,852,295	8,661,935	6,281,759
Support services:										
Pupil	9,397,066	8,718,866	8,728,926	9,040,268	9,059,801	9,710,922	9,471,275	7,779,443	7,819,662	7,752,082
Instructional staff	5,175,284	5,992,632	6,445,317	7,798,200	5,929,177	5,744,220	7,360,021	5,579,026	6,655,202	5,355,690
Board of education	484,231	545,385	460,684	482,582	590,673	586,707	584,645	702,812	660,818	570,730
Administration	6,245,179	7,091,960	6,640,220	6,172,891	6,231,154	6,069,379	5,921,173	8,002,595	6,666,267	6,580,971
Fiscal	2,186,609	2,076,801	2,185,469	3,029,193	2,441,153	2,577,403	2,992,173	2,898,090	3,199,810	3,120,432
Business	2,271,198	2,249,394	1,539,458	1,367,110	1,867,829	1,418,638	486,852	1,620,092	1,419,952	1,148,867
Operation and maintenance of plant	10,230,156	10,331,539	11,521,381	13,204,102	13,667,124	13,738,248	13,995,828	13,982,246	11,709,772	11,947,714
Pupil transportation	3,753,311	4,080,869	4,199,497	4,461,495	4,660,456	4,956,598	4,319,901	3,866,048	3,878,073	4,033,071
Central	2,861,101	2,926,115	3,619,618	3,727,743	3,786,451	5,419,739	4,421,726	3,929,804	4,065,836	3,749,689
Operations of non-instructional services:										
Food service	-	-	-	5,776	5,446	2,981	15,636	24,779	1,119	35
Community services	2,359,941	1,965,639	2,528,283	2,126,328	2,356,186	1,963,327	2,146,012	2,241,565	2,572,447	2,735,318
Shared services	-	-	-	-	-	-	-	5,149	-	-
Other	96,664	105,715	115,736	120,946	123,112	117,942	120,356	926	2,081	267
Extracurricular activities	1,526,574	1,518,699	1,591,867	1,482,333	1,586,270	1,731,341	1,940,700	2,132,543	1,733,151	1,561,140
Facilities acquisition and construction services	4,132,268	2,091,645	1,809,386	-	-	-	-	3,209,965	22,081,669	35,111,364
Debt service:										
Principal	1,097,667	1,147,357	1,493,387	2,193,347	1,815,920	1,721,314	1,497,177	1,225,155	1,307,703	995,670
Interest and fiscal charges	676,318	709,119	744,720	503,908	532,226	474,274	328,040	1,661,324	7,293,440	7,110,316
Bond issuance costs	-	-	-	-	-	-	124,721	1,224,233	-	-
Total expenditures	103,110,853	103,506,824	106,355,603	112,091,430	116,993,788	120,550,647	120,514,978	127,839,231	150,154,748	161,845,163

Continued

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years **Table 5**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess of revenues over (under) expenditures	669,586	9,263,809	1,719,562	(7,847,135)	(9,720,216)	(7,791,650)	(2,549,789)	(261,366)	(20,198,021)	(29,502,723)
Other financing sources (uses):										
Inception of capital leases	-	796,303	678,728	2,600,966	397,346	-	87,077	88,483	-	395,108
General obligation Bonds issued	-	-	-	-	-	-	-	134,799,915	-	-
Refunding bonds issued	-	-	-	-	-	-	6,750,000	-	-	-
Premium on bonds issued	-	-	-	-	-	-	199,722	1,659,731	-	-
Certificates of participation issued	-	-	-	-	-	-	-	21,000,000	-	-
Discount on certificates of participation issued	-	-	-	-	-	-	-	(29,773)	-	-
Transfers-in	1,339,411	1,383,323	2,077,014	570,000	1,303,351	914,388	625,321	805,350	1,670,886	253,500
Transfers-out	(1,341,996)	(1,528,299)	(2,427,386)	(570,000)	(1,472,669)	(914,388)	(625,321)	(11,861,770)	(336,540)	(253,500)
Payment to refunded bond escrow agent	-	-	-	-	-	-	(6,825,000)	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	10,307
Total other financing sources (uses)	(2,585)	651,327	328,356	2,600,966	228,028	-	211,799	146,461,936	1,334,346	405,415
Net change in fund balances	\$ 667,001	\$ 9,915,136	\$ 2,047,918	\$ (5,246,169)	\$ (9,492,188)	\$ (7,791,650)	\$ (2,337,990)	\$ 146,200,570	\$ (18,863,675)	\$ (29,097,308)
Debt service as a percentage of noncapital expenditures	1.79%	1.83%	2.16%	2.52%	2.07%	1.86%	1.55%	2.36%	6.72%	6.48%

Source: School District financial records.

Cleveland Heights-University Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years Table 6

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Total Direct Tax Rate	Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2007	\$ 1,218,353,600	\$ 3,481,010,286	\$ 17,706,520	\$ 20,121,046	\$ 11,791,553	\$ 94,332,424	\$ 1,247,851,673	\$ 3,595,463,756	\$ 129.60	34.7%
2008	1,230,715,140	3,516,328,971	11,548,270	13,123,034	9,140,242	73,121,936	1,251,403,652	3,675,695,877	136.70	34.7
2009	1,217,296,300	3,477,989,429	12,095,890	13,745,330	4,791,945	76,671,120	1,234,184,135	3,568,405,879	136.70	34.6
2010	1,131,890,150	3,233,971,857	12,905,470	14,665,307	-	-	1,144,795,620	3,248,637,167	136.80	35.2
2011	1,133,384,720	3,238,242,057	13,289,430	15,101,625	-	-	1,146,674,150	3,253,343,682	136.80	35.2
2012	1,120,618,240	3,201,766,400	13,770,650	15,648,466	-	-	1,134,388,890	3,217,414,866	143.70	35.3
2013	1,068,405,140	3,052,586,114	15,110,130	17,170,602	-	-	1,083,515,270	3,069,756,716	143.70	35.3
2014	1,068,237,550	3,052,107,286	16,523,940	18,777,205	-	-	1,084,761,490	3,070,884,491	149.59	35.3
2015	1,057,992,160	3,022,834,743	17,518,250	19,907,102	-	-	1,075,510,410	3,042,741,845	149.59	35.3
2016	1,036,743,190	2,962,123,400	17,942,510	20,389,216	-	-	1,054,685,700	2,982,512,616	149.59	35.4

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis, consistent with the County Fiscal Officer's method of maintaining the information.

Estimated actual values are calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

Tangible personal property is assessed at 23 percent of actual value for 1999 through 2006; 12.5 percent of actual value for 2007; 6.25 percent of actual value for 2008, 0 percent of actual value for 2009.

Property in Cuyahoga County is reassessed once every three years on average. Tax rates are per \$1,000 of assessed value.

Cleveland Heights-University Heights City School District

Principal Taxpayers – Real Estate Tax

Fiscal Year 2016 and Fiscal Year 2007

Table 7

Name of Taxpayer	December 31, 2015 (1)	
	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Co.	\$ 12,434,180	1.20%
Kaiser Foundation Health Plan of Ohio	10,667,260	1.03%
Inland Cedar Center South, LLC	8,261,320	0.80%
FISE, LLC	7,749,890	0.75%
Severance Reality, LLC ET AL	7,244,740	0.70%
University Square Real Estate Holdings, LLC	6,325,600	0.61%
East Ohio Gas Co.	3,523,090	0.34%
Murphy Hall, LLC	3,360,000	0.32%
Inland Cedar Center North, LLC	3,274,120	0.32%
The May Department Stores Co.	2,685,730	0.26%
Total	\$ 65,525,930	6.33%

Name of Taxpayer	December 31, 2006 (2)	
	Assessed Value (2)	Percent of Total Assessed Value
Severance SPC Lease Co, LLC	\$ 15,923,180	1.28%
Inland Western University	14,671,900	1.18%
Kaiser Foundation Health Plan of Ohio	11,616,780	0.93%
The May Department Stores Co.	8,552,780	0.69%
University Square	7,827,610	0.63%
Target Corp.	6,279,500	0.50%
Coral Cedar Center, LLC	4,973,060	0.40%
ARC Cleveland Heights, LLC	3,415,590	0.27%
Severance SPE Feeco, LLC	3,218,680	0.26%
Concord Park I, II, & III	2,591,190	0.21%
Total	\$ 79,070,270	6.35%

Source: Cuyahoga County Fiscal Officer

(1) Assessed values are for the 2016 collection year.

(2) Assessed values are for the 2007 collection year.

Cleveland Heights-University Heights City School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years Table 8

<u>Tax Year</u>	<u>School Levy</u>	<u>County Levy</u>	<u>City Levy</u>	<u>Metro</u>		<u>Library Levy</u>	<u>Tri-C Levy</u>	<u>Cleveland Port</u>		<u>Debt Service Included in Total Levy</u>		
				<u>Parks Levy</u>	<u>Authority Levy</u>			<u>School</u>	<u>County</u>	<u>City</u>	<u>Total Levy</u>	
2006/2007	\$ 129.60	\$ 13.42	\$ 13.00	\$ 1.85	\$ 5.90	\$ 2.80	\$ 0.13	\$ 166.70	\$ 3.80	\$ 0.74	\$ 6.48	\$ 11.02
2007/2008	136.70 ⁽¹⁾	13.42	12.90	1.85	5.90	2.80	0.13	173.70	3.80	0.74	6.48	11.02
2008/2009	136.70 ⁽¹⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.50	3.80	0.74	6.48	11.02
2009/2010	136.80 ⁽²⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02
2010/2011	136.80 ⁽²⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02
2011/2012	143.70 ⁽³⁾	13.22	12.90	1.85	7.80	3.10	0.13	182.70	0.70	0.85	2.90	4.45
2012/2013	143.70 ⁽³⁾	13.22	13.00	1.85	7.80	3.10	0.13	182.80	0.70	0.85	3.00	4.55
2013/2014	149.59 ⁽⁴⁾	14.05	12.90	2.75	7.80	3.10	0.13	190.32	6.59	0.85	2.55	9.99
2014/2015	149.59 ⁽⁴⁾	14.05	13.92	2.75	10.00	4.00	0.13	194.44	6.59	0.85	2.65	10.09
2015/2016	149.59 ⁽⁴⁾	14.05	13.92	2.75	10.00	4.00	0.13	194.44	6.59	0.95	3.00	10.54

Source: Cuyahoga County Fiscal Officer. Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Fiscal Officer.

(1) District's direct rate is comprised of \$132.20 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$.7 in the Bond Retirement Fund.

(2) District's direct rate is comprised of \$132.30 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$.7 in the Bond Retirement Fund.

(3) District's direct rate is comprised of \$139.20 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$.7 in the Bond Retirement Fund.

(4) District's direct rate is comprised of \$139.20 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$6.59 in the Bond Retirement Fund.

Cleveland Heights-University Heights City School District

Property Tax – Levies and Collections – Real and Tangible Personal Property

Last Ten Years Table 9

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Percent of Total Collections to Tax Levy
2005/2006	\$ 72,118,959	\$ 6,209,258	\$ 78,328,217	\$ 68,342,993	94.76%	\$ 3,433,220	\$ 71,776,214	91.64%
2006/2007	80,279,737	6,829,786	87,109,523	69,488,916	86.56	4,198,730	73,687,646	84.59
2007/2008	79,306,636	6,986,422	86,293,058	73,681,014	92.91	4,122,635	77,803,649	90.16
2008/2009	78,224,800	6,840,923	85,065,723	72,761,558	93.02	3,556,037	76,317,595	89.72
2009/2010	77,544,197	7,955,876	85,500,073	70,779,938	91.28	3,834,324	74,614,262	87.27
2010/2011	77,532,166	8,729,765	86,261,931	70,108,742	90.43	3,494,985	73,603,727	85.33
2011/2012	85,035,680	10,219,590	95,255,270	78,252,617	92.02	4,012,461	82,265,078	86.36
2012/2013	84,009,574	11,665,988	95,675,562	77,585,448	92.35	3,779,198	81,364,646	85.04
2013/2014	90,585,706	12,775,749	103,361,455	83,479,091	92.15	4,636,048	88,115,139	85.25
2014/2015	89,956,812	15,510,292	105,467,105	84,034,219	93.42	4,317,182	88,351,400	83.77

Source: Cuyahoga County Fiscal Officer – Data is presented on a calendar year basis, consistent with the County Fiscal Officer’s method of maintaining the information.

Delinquent collections are presented in the fiscal year collected, consistent with the County Fiscal Officer’s method of maintaining the information. District is working with the County to obtain the delinquent collection information by original levy year rather than collection year in future years. At this point the information is not available.

Levy information includes Homestead/Rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

Cleveland Heights-University Heights City School District

Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2015

Table 10

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District ⁽¹⁾	Amount Applicable to School District
Direct:			
Cleveland Heights-University Heights City School District	\$ 168,280,752	100.00%	\$ 168,280,752
Total direct	<u>168,280,752</u>		<u>168,280,752</u>
Overlapping:			
City of Cleveland Heights	17,202,000	95.49	16,426,689
City of South Euclid	20,357,350	7.63	1,553,204
City of University Heights	3,490,000	100.00	3,490,000
Cuyahoga County	243,900,000	3.83	9,345,217
Regional Transit Authority	88,715,000	3.83	3,399,184
Total overlapping	<u>373,664,350</u>		<u>34,214,294</u>
Grand total	\$ <u>541,945,102</u>		\$ <u>202,495,046</u>

Source: Cuyahoga County Fiscal Officer – Data is presented on a calendar year basis, consistent with the County Fiscal Officer’s method of maintaining the information.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2016 collection year.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010	2011	2012	2013	2014	2015	2016
Assessed valuation	\$1,229,566,760	\$1,242,263,410	\$1,226,213,160	\$1,144,795,620	\$1,146,674,150	\$1,134,388,890	\$1,083,515,270	\$1,084,761,490	\$1,075,510,410	\$1,054,685,700
Debt limit - 9% of assessed value	\$110,661,008	\$111,803,707	\$110,359,184	\$103,031,606	\$103,200,674	\$102,095,000	\$97,516,374	\$97,628,534	\$96,795,937	\$94,921,713
Amount of debt applicable to debt limit:										
General obligation bonds	12,856,619	12,009,871	11,170,000	10,295,000	9,390,000	8,455,000	7,596,407	141,144,915	140,948,900	140,793,127
Exempt debt	-	-	-	-	-	-	-	(40,803,518)	(40,876,406)	(41,881,632)
Total	12,856,619	12,009,871	11,170,000	10,295,000	9,390,000	8,455,000	7,596,407	100,341,397	100,072,494	98,911,495
Less: amount available in debt service funds	(581,198)	(626,363)	(634,411)	(289,163)	(619,703)	(683,128)	(162,985)	(2,712,863)	(3,276,557)	(3,989,782)
Amount of debt subject to the limit	12,275,421	11,383,508	10,535,589	10,005,837	8,770,297	7,771,872	7,433,422	97,628,534	96,795,937	94,921,713
Overall debt margin	\$98,385,587	\$100,420,199	\$99,823,595	\$93,025,769	\$94,430,377	\$94,323,128	\$90,082,952	\$-	\$-	\$-
Debt margin - .10% of assessed value (1)	\$1,229,567	\$1,242,263	\$1,226,213	\$1,144,796	\$1,146,674	\$1,134,389	\$1,083,515	\$1,084,761	\$1,075,510	\$1,054,686
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$1,229,567	\$1,242,263	\$1,226,213	\$1,144,796	\$1,146,674	\$1,134,389	\$1,083,515	\$1,084,761	\$1,075,510	\$1,054,686
Total net debt applicable to the limit as a percentage of debt limit	11.09%	10.18%	9.55%	9.71%	8.50%	7.61%	7.62%	100%	100%	100%

Source: Cuyahoga County Fiscal Officer and School District financial records

- (1) Ohio Bond law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.
- (2) Assessed Valuation does not equal the assessed value in Table 6 due to General Tangible Personal Property Values no longer being included in calculation of legal debt margin.

Cleveland Heights-University Heights City School District

Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Fiscal Years Table 12

Year	Governmental Activities										Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Accrued Interest on CABs	Certificates of Participation	Energy Conservation Notes	Capital Leases	Qualified Zone Academy Bonds							
2007	\$ 8,371,619	\$ -	\$ -	\$ 4,485,000	\$ 254,877	\$ 5,500,000	\$ 18,611,496	1.42%	\$ 286.71				
2008	8,219,871	-	-	3,790,000	750,571	5,500,000	18,260,442	1.39	281.30				
2009	8,085,000	-	-	3,085,000	775,783	5,500,000	17,445,783	1.33	268.75				
2010	7,790,000	-	-	2,505,000	2,058,402	5,500,000	17,853,402	1.36	299.25				
2011	7,480,000	-	-	1,910,000	1,544,828	5,500,000	16,434,828	1.18	275.47				
2012	7,160,000	-	-	1,295,000	758,514	5,500,000	14,713,514	1.05	246.62				
2013	6,936,407	-	-	660,000	318,414	5,500,000	13,414,821	0.96	224.85				
2014	142,955,899	62,516	20,970,227	-	246,742	5,500,000	169,735,384	12.16	2,845.04				
2015	142,368,907	333,985	20,301,187	-	139,039	5,500,000	168,643,118	12.08	2,826.74				
2016	141,861,916	628,212	19,862,147	-	428,477	5,500,000	168,280,752	12.06	2,820.66				

Source: School District financial records

Cleveland Heights-University Heights City School District

Ratio of Net General Obligation Debt to Assessed Value and Net Debt per Capita

Last Ten Fiscal Years Table 13

<u>Fiscal Year</u>	<u>Gross General Bonded Debt⁽¹⁾</u>	<u>Less Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value⁽²⁾</u>	<u>Population⁽³⁾</u>	<u>Ratio of Net Debt to Estimated Actual Value</u>	<u>Debt Per Capita</u>
2006/2007	\$ 12,856,619	\$ 581,198	\$ 12,275,421	\$ 3,595,463,756	64,915	0.34%	\$ 189
2007/2008	12,009,871	626,363	11,383,508	3,602,573,941	64,915	0.32	175
2008/2009	11,170,000	634,411	10,535,589	3,568,405,879	64,915	0.30	162
2009/2010	10,295,000	289,163	10,005,837	3,248,637,164	59,660	0.31	168
2010/2011	9,390,000	619,703	8,770,297	3,253,343,682	59,660	0.27	147
2011/2012	8,455,000	683,128	7,771,872	3,217,414,866	59,660	0.24	130
2012/2013	7,596,407	162,985	7,433,422	3,069,756,716	59,660	0.24	125
2013/2014	142,955,899	2,712,863	140,243,036	3,070,884,491	59,660	4.57	2,351
2014/2015	142,368,907	3,276,557	139,092,350	3,042,741,845	59,660	4.57	2,331
2015/2016	141,861,916	3,989,782	137,872,134	2,982,512,616	59,660	4.62	2,331

Sources:

- (1) School District financial records
- (2) Cuyahoga County Fiscal Officer
- (3) U.S. Census data

Cleveland Heights-University Heights City School District

Demographic and Economic Statistics

Last Ten Fiscal Years Table 14

Year	County Population(1)	Cleveland Heights Population(1)	University Heights Population(1)	School Enrollment(2)	Unemployment Rate(3)	Cleveland Hts. Median Family Income(1)	University Hts. Median Family Income(1)	Total Personal Income(1)	Total Personal Per Capita
2007	1,393,978	50,769	14,146	6,058	5.20%	\$ 58,028	\$ 75,424	\$ 1,310,043,276	\$ 20,181
2008	1,393,978	50,769	14,146	5,767	7.10	58,028	75,424	1,310,043,276	20,181
2009	1,393,978	50,769	14,146	5,915	8.60	58,028	75,424	1,310,043,276	20,181
2010	1,280,122	46,121	13,539	5,832	9.70	49,056	74,759	1,310,043,276	21,958
2011	1,280,122	46,121	13,539	5,870	8.80	49,056	74,759	1,395,621,460	23,393
2012	1,280,122	46,121	13,539	5,763	6.90	49,056	74,759	1,395,621,460	23,393
2013	1,280,122	46,121	13,539	5,301	8.00	49,056	74,759	1,395,621,460	23,393
2014	1,280,122	46,121	13,539	5,693	7.90	49,056	74,759	1,395,621,460	23,393
2015	1,280,122	46,121	13,539	5,393	6.70	49,056	74,759	1,395,621,460	23,393
2016	1,280,122	46,121	13,539	5,221	6.70	49,056	74,759	1,395,621,460	23,393

Sources:

- (1) Estimated figure from U.S. Census Bureau
- (2) School District records
- (3) U.S. Bureau of Labor Statistics

Cleveland Heights-University Heights City School District

Principal Employers

Fiscal Year 2007 and Fiscal Year 2016

Table 15

Employer	December 31, 2006		December 31, 2015	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
Cleveland Heights-University Heights Board of Education	1,087	29.04%	2,332	37.41%
John Carroll University	585	15.63	890	14.28
Cleveland Heights City Hall	496	13.25	793	12.72
Kaiser Foundation	375	10.02	697	11.18
Wal Mart	250	6.68	336	5.39
Heinen's	200	5.34	306	4.91
Macy's	200	5.34	282	4.52
Target	200	5.34	220	3.53
Motorcars	200	5.34	219	3.51
Hebrew Academy	150	4.02	159	2.55
Total	3,743	100.00%	6,234	100.00%
Total Employment within the School District	N/A		N/A	

N/A – Information was not available.

Source: Cities of Cleveland Heights and University Heights.

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program

Last Ten Fiscal Years

Table 16

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Boulevard Elementary School										
Constructed in 1975										
Total Building Square Footage	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437
Enrollment Grades K-5	283	392	398	338	340	332	296	304	325	305
Regular Instruction Teachers	13	25	23	21	24	22	24	24	24	25
Special Instruction Teachers	4	6	5	4	5	3	5	5	5	3
Canterbury Elementary School										
Constructed in 1927										
Total Building Square Footage	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800
Enrollment Grades K-5	383	401	395	391	391	354	374	380	345	373
Regular Instruction Teachers	20	23	23	23	26	24	25	25	24	24
Special Instruction Teachers	4	2	4	4	5	5	5	5	5	3
Bellefaire School										
Constructed in 1928										
Total Building Square Footage	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	-
Enrollment Grades K-5	-	-	85	87	70	76	71	-	-	-
Regular Instruction Teachers	-	-	6	7	10	9	8	-	-	-
Special Instruction Teachers	-	-	13	15	15	13	12	-	-	-
Coventry Elementary School										
Constructed in 1975										
Total Building Square Footage	61,200	61,200	61,200	61,200	61,200	61,200	61,200	61,200	61,200	-
Enrollment Grades K-5	319	-	-	-	-	-	-	-	-	-
Regular Instruction Teachers	17	-	-	-	-	-	-	-	-	-
Special Instruction Teachers	6	-	-	-	-	-	-	-	-	-
Fairfax Elementary School										
Constructed in 1975										
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Enrollment Grades K-5	402	430	412	409	412	386	392	299	334	327
Regular Instruction Teachers	20	25	23	24	27	26	26	22	24	30
Special Instruction Teachers	8	6	6	6	6	6	6	5	5	3
Gearity Professional Development School										
Constructed in 1954										
Total Building Square Footage	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856
Enrollment Grades K-5	238	287	289	297	297	360	338	365	268	252
Regular Instruction Teachers	13	16	17	18	22	20	24	24	24	31
Special Instruction Teachers	10	8	10	10	12	11	10	10	5	3
Noble Elementary School										
Constructed in 1922										
Total Building Square Footage	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250
Enrollment Grades K-5	426	425	406	401	401	424	423	381	421	415
Regular Instruction Teachers	21	24	23	23	26	24	30	30	30	31
Special Instruction Teachers	6	5	5	4	4	4	7	7	7	4
Deborah S. Delisle Educational Options Center										
Constructed in 1923										
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Enrollment Grades K-5	-	-	-	-	-	-	116	116	100	86
Regular Instruction Teachers	-	-	-	-	-	-	11	11	10	11
Special Instruction Teachers	-	-	-	-	-	-	1	1	1	-
Oxford Elementary School										
Constructed in 1928										
Total Building Square Footage	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400
Enrollment Grades K-5	362	351	360	357	358	325	340	328	294	291
Regular Instruction Teachers	21	22	23	23	25	23	25	25	24	24
Special Instruction Teachers	6	4	3	3	3	3	4	4	4	3

Continued

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program (continued)

Last Ten Fiscal Years

Table 16

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Roxboro Elementary School										
Constructed in 1920										
Total Building Square Footage	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600
Enrollment Grades K-5	329	330	335	338	338	410	408	404	423	365
Regular Instruction Teachers	18	19	20	22	23	23	29	29	29	27
Special Instruction Teachers	4	6	5	4	5	4	3	3	4	3
Monticello Middle School										
Constructed in 1930										
Total Building Square Footage	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Enrollment Grades 6-8	504	486	468	455	462	367	400	400	597	591
Regular Instruction Teachers	33	34	30	34	36	34	31	31	37	52
Special Instruction Teachers	8	8	7	10	11	10	9	9	11	7
Roxboro Middle School										
Constructed in 1931										
Total Building Square Footage	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380
Enrollment Grades 6-8	550	508	523	527	534	517	436	487	645	619
Regular Instruction Teachers	37	36	35	42	44	41	39	39	41	52
Special Instruction Teachers	10	10	8	9	9	9	9	9	9	7
Wiley Middle School										
Constructed in 1954										
Total Building Square Footage	133,127	133,127	133,127	133,127	133,127	133,127	133,127	133,127	133,127	-
Enrollment Grades 6-8	439	405	412	423	425	387	403	402	-	-
Regular Instruction Teachers	34	33	30	33	35	35	30	30	-	-
Special Instruction Teachers	9	9	8	8	8	8	8	8	-	-
Cleveland Heights High School										
Constructed in 1925										
Total Building Square Footage	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400
Enrollment Grades 9-12	1,823	1,752	1,832	1,809	1,842	1,828	1,400	1,254	1,522	1,597
Regular Instruction Teachers	115	96	92	108	112	115	110	113	113	120
Special Instruction Teachers	50	38	40	25	27	24	24	25	25	11

Source: School District's appraisal reports and personnel records

Cleveland Heights-University Heights School District

Per Pupil Cost

Last Ten Fiscal Years Table 17

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students who Receive Free or Reduced Lunch (3)</u>
2007	\$ 85,208,087	6,058	\$ 14,065	4.79%	484	12.52	55.22%
2008	88,720,072	5,767	15,384	9.38	455	12.67	53.16
2009	91,499,897	5,915	15,469	0.55	459	12.89	54.77
2010	94,323,087	5,832	16,173	4.55	480	12.15	50.22
2011	98,849,032	5,870	16,840	4.12	520	11.29	59.60
2012	107,508,894	5,763	18,655	10.78	607	9.49	59.26
2013	107,118,276	5,301	20,207	8.32	531	9.98	56.50
2014	122,006,030	5,693	21,431	6.06	513	11.10	63.71
2015	110,738,646	5,393	20,534	(4.19)	583	9.25	67.72
2016	109,147,094	5,221	20,905	1.81	469	11.13	65.00

Source: School District records

(1) Includes other financing uses. Reported on the modified accrual basis of accounting.

(2) Based upon EMIS information provided to the Ohio Department of Education.

(3) Information provided by School District's Food Service Department.

Cleveland Heights-University Heights School District

Teacher Education and Experience

Table 18

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Degree</u>										
Bachelor's Degree	107	102	94	102	112	89	94	127	63	71
Master's Degree	374	350	362	373	403	402	431	380	410	393
PhD	3	3	3	5	5	5	6	6	6	5
Total	<u>484</u>	<u>455</u>	<u>459</u>	<u>480</u>	<u>520</u>	<u>496</u>	<u>531</u>	<u>513</u>	<u>479</u>	<u>469</u>
<u>Years of Experience</u>										
0-5	52	48	50	90	103	52	116	157	46	127
6-10	76	56	50	68	98	177	142	113	104	122
11 and over	356	351	359	322	319	267	273	243	329	220
Total	<u>484</u>	<u>455</u>	<u>459</u>	<u>480</u>	<u>520</u>	<u>496</u>	<u>531</u>	<u>513</u>	<u>479</u>	<u>469</u>

Source: School District personnel records

Cleveland Heights-University Heights School District

Attendance and Graduation Rates

Last Ten Fiscal Years Table 19

<u>Year</u>	<u>District Attendance Rate</u>	<u>State Average</u>	<u>District Graduation Rate</u>	<u>State Average</u>
2007	94.2%	94.1%	96.0%	86.9%
2008	94.3	94.2	93.2	84.6
2009	94.6	94.3	85.6	83.0
2010	95.0	94.3	92.9	84.3
2011	94.9	94.5	75.5*	90.2*
2012	94.8	95.2	78.0*	81.3*
2013	94.6	94.2	80.0*	82.2*
2014	94.4	94.3	81.3*	82.3*
2015	93.2	94.1	85.7*	83.0*
2016	n/a	n/a	(a)	(a)

Source: Ohio Department of Education Local Report Card.

* Graduation rate based on 4-year longitudinal graduation rate calculation

n/a – Information not available as of the completion date of this report.

(a) Information is not available until the subsequent year.

Cleveland Heights-University Heights City School District

Full-time School District Employees by Function

Last Ten Fiscal Years

Table 20

Function:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction:										
Regular	403	353	345	378	410	382	374	360	367	369
Special	124	102	114	102	110	148	161	155	153	86
Vocational	16	14	13	18	18	21	19	20	17	14
Adult/continuing	-	-	-	3	3	1	-	-	-	-
Other	2	2	2	2	2	13	15	11	10	11
Support services:										
Pupil	189	196	196	164	158	113	125	115	135	130
Instructional staff	51	51	53	51	49	63	68	64	52	56
Administration	67	65	65	65	59	65	62	63	61	43
Fiscal	10	10	10	11	11	10	10	10	10	7
Business	5	4	4	4	4	4	3	3	3	1
Operations of maintenance of plant	109	102	102	96	96	96	93	90	85	74
Pupil transportation	48	49	49	43	32	42	34	40	44	39
Central	18	18	18	21	22	23	19	20	20	19
Operations of non-instructional services:										
Community services (1)	42	42	42	39	36	42	51	45	39	39
Other	1	1	1	1	1	1	1	1	1	1
Extracurricular activities	2	2	2	3	3	12	2	2	2	1
Total	<u>1,087</u>	<u>1,011</u>	<u>1,016</u>	<u>1,001</u>	<u>1,014</u>	<u>1,036</u>	<u>1,037</u>	<u>999</u>	<u>999</u>	<u>890</u>

Source: School District personnel records.

(1) Includes food services personnel.

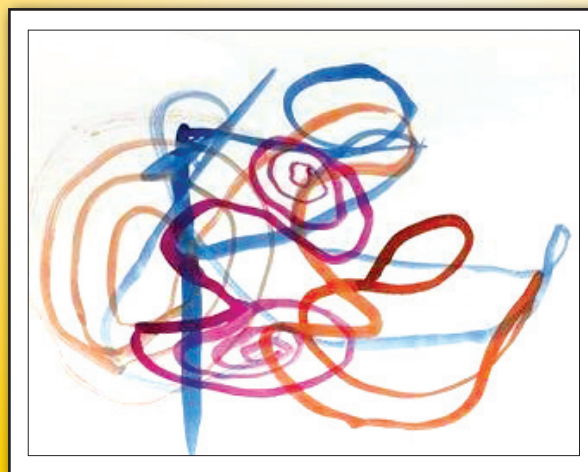
ABOUT THE ARTWORK

The artwork displayed throughout this report was created by Cleveland Heights – University Heights elementary, middle and high school students. We are grateful to them for allowing us to showcase their artistic talents.

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JOLIE McCANN
Grade 1 - Roxboro Elementary

Cleveland **Heights**
University



City School District

