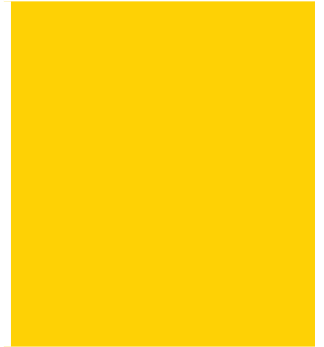


# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017



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





# Introductory SECTION



*Sylvie Crowell*  
Grade 11 - CHHS

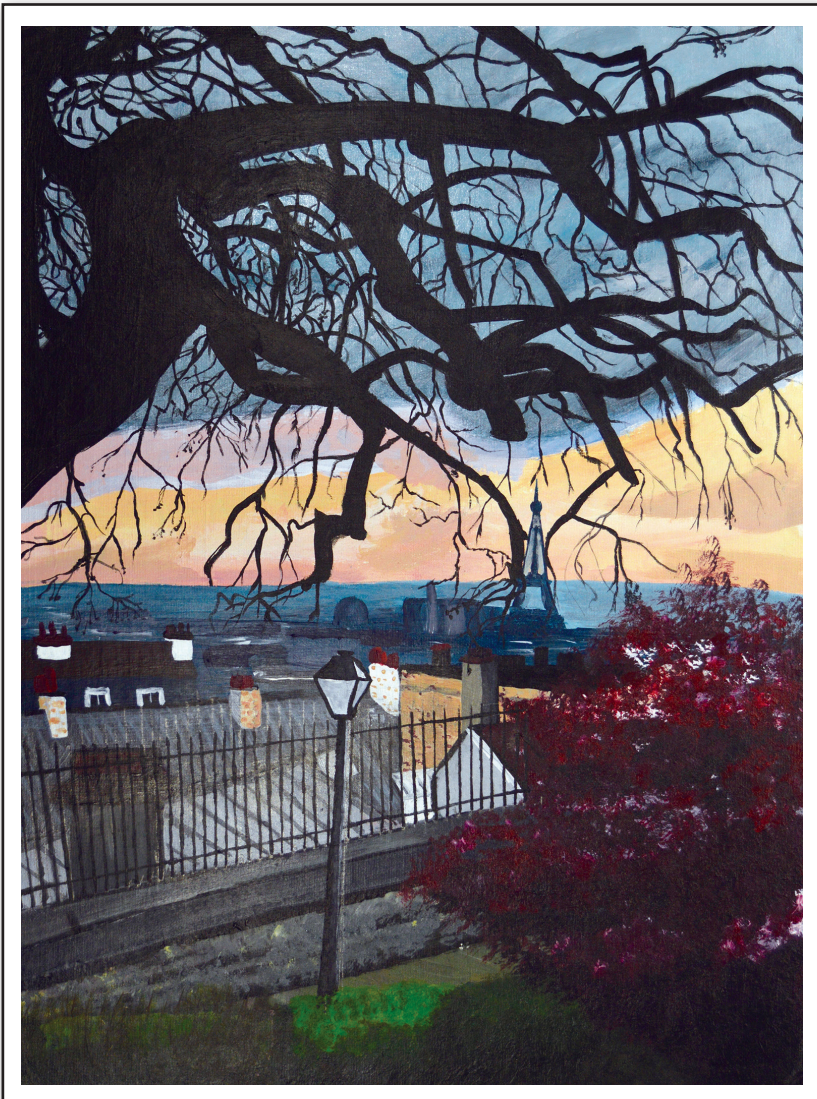
**CLEVELAND UNIVERSITY HEIGHTS**  
CITY SCHOOL DISTRICT





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

# Comprehensive Annual *Financial Report*



*For The Fiscal  
Year Ended  
June 30, 2017*

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

*Jenna Dent*  
Grade 12 - CHHS

**CLEVELAND UNIVERSITY HEIGHTS**  
CITY SCHOOL DISTRICT



# 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 **S**uccess in a **G**lobal **E**conomy (**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, 2017

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# Cleveland Heights-University Heights City School District

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**A. Scott Gainer**  
Chief Financial Officer

December 22, 2017

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, 2017.

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, 2017. 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 4,957 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 2008 school year was 5,767. Enrollment for the 2017 school year was 4,957.

## **Long-Term Financial Planning**

**Financial Highlights - Internal Service Fund** - The only internal service fund carried on the financial records of the District is related to the self-insurance fund. This funds account for the revenues and expenses related to the provision of medical programs. The internal service funds had a net position of \$4,585,493 at June 30, 2017 compared with a net position of \$2,910,318 at June 30, 2016. The District is meeting its claim liability.

The most recent District five-year forecast indicates a positive cash balance through 2019, with a \$6.6 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 2017, the District earned \$906,980 in investment income of which \$307,885 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 reopened for the 2017-2018 school year. 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, 2016.

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, 2017.

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, 2016. 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  
is presented to

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

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE  
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, 2016**

Executive Director/CEO

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

# Principal Officials

*As of June 30, 2017*



## **BOARD OF EDUCATION**

Mr. Ronald Register, President  
Mr. Kal Zucker, 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

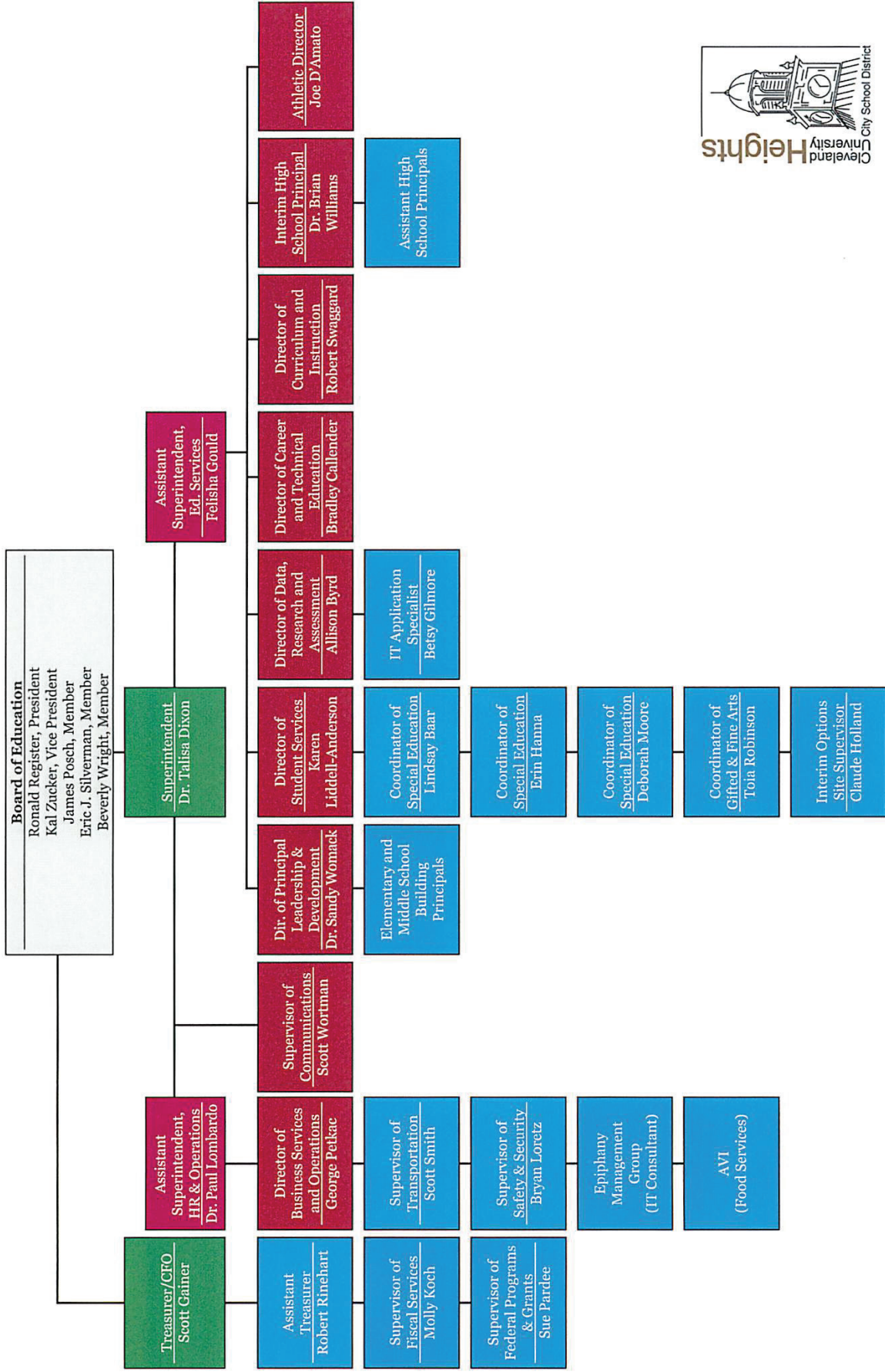
*Dominic Douglas*  
Kindergarten  
Canterbury Elementary

**CLEVELAND UNIVERSITY HEIGHTS**  
**CITY SCHOOL DISTRICT**



# Cleveland Heights-University Heights City School District

## Central Office Organizational Chart • 2017-2018



# Financial

## SECTION



*Lisa Ware*  
Grade 11 - CHHS

**CLEVELAND** **HEIGHTS**  
**UNIVERSITY** **CITY SCHOOL DISTRICT**







# 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, 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 (the District), as of and for the year ended June 30, 2017, 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 such 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.

**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, 2017, 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 a required part 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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, this information is 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 22, 2017, 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 22, 2017



**CLEVELAND UNIVERSITY HEIGHTS**  
**CITY SCHOOL DISTRICT**

# Cleveland Heights-University Heights City School District

## Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2017

---

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, 2017. 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 2017 are as follows:

In total, net position decreased \$13,815,540. Net position of governmental activities decreased \$15,124,100 from 2016. Net position of business-type activities increased \$1,308,560 from 2016.

For governmental activities, general revenues accounted for \$106,968,031 in revenue or 90% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$11,699,574 or 10% of total revenues of \$118,667,605.

The District had \$132,520,382 in expenses related to governmental activities; only \$11,699,574 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 \$106,968,031 were inadequate to provide for these programs resulting in a decrease of restated net position from \$(56,196,972) to \$(71,321,072).

Governmental activities expenses increased approximately 6 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 \$3,510,113 in expenses related to business-type activities; a total of \$3,547,350 was offset by program specific charges for services and grants which were able to provide for these programs. Business-type activities also had a \$1,271,323 transfer in which resulted in an increase of restated net position from \$(3,368,009) to \$(2,059,449).

The District's major governmental funds are the General Fund and Building Fund. The General Fund had \$100,744,972 in revenues and other financing sources and \$109,836,875 in expenditures and other financing uses. The General Fund balance decreased \$9,091,903, from \$33,997,370 to \$24,905,467. The Building Fund had \$518,906 in revenues and \$54,699,027 in expenditures and ended the year with a fund balance of \$43,959,467.

In the current year, the Community Services/Early Childhood Enterprise Fund was closed out to the General Fund as the District no longer provided the related services. As such the net pension liability, and its related deferred outflows and deferred inflows were adjusted to beginning net position. This resulted in a change in net position as reported at June 30, 2016. See Note 22 for additional information.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2017

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## 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, 2017

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## ***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, 2017

## 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 2017 and 2016.

### Net Position

	Governmental Activities 2017	Business-Type Activities 2017	Restated Governmental Activities 2016	Restated Business-Type Activities 2016
<b>Assets:</b>				
Current and other assets	\$ 196,152,019	\$ (718,978)	\$ 238,667,770	\$ (2,374,935)
Capital assets, net	<u>145,960,198</u>	<u>70,508</u>	<u>92,441,747</u>	<u>375,274</u>
Total assets	<u>342,112,217</u>	<u>(648,470)</u>	<u>331,109,517</u>	<u>(1,999,661)</u>
<b>Deferred outflows of resources:</b>				
Pension	<u>39,012,766</u>	<u>311,046</u>	<u>24,492,857</u>	<u>107,904</u>
<b>Liabilities:</b>				
Current liabilities	20,208,776	205,186	21,743,943	127,270
<b>Long-term liabilities:</b>				
Due within one year	2,036,873	8,639	1,468,112	20,281
Due in more than one year	172,195,814	31,401	173,159,558	50,936
Net pension liability	<u>181,492,651</u>	<u>1,416,016</u>	<u>155,999,561</u>	<u>1,223,664</u>
Total liabilities	<u>375,934,114</u>	<u>1,661,242</u>	<u>352,371,174</u>	<u>1,422,151</u>
<b>Deferred inflows of resources</b>				
Property taxes	70,091,334	-	48,988,126	-
Pension	<u>6,420,607</u>	<u>60,783</u>	<u>10,440,046</u>	<u>54,101</u>
Total deferred inflows of resources	<u>76,511,941</u>	<u>60,783</u>	<u>59,428,172</u>	<u>54,101</u>
<b>Net position:</b>				
Net investment in capital assets	31,837,064	70,508	36,665,245	375,274
Restricted	14,797,731	-	15,708,406	-
Unrestricted (deficit)	<u>(117,955,867)</u>	<u>(2,129,957)</u>	<u>(108,570,623)</u>	<u>(3,743,283)</u>
Total net position (deficit)	\$ <u>(71,321,072)</u>	\$ <u>(2,059,449)</u>	\$ <u>(56,196,972)</u>	\$ <u>(3,368,009)</u>

The net pension liability (NPL) is the largest liability reported by the District at June 30, 2017 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, 2017

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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 includes their proportionate share net pension liability and deferred inflows and outflows of resources adjusted for Districts contributions subsequent to measurement dates and amortization of changes in proportionate share, changes in expected versus actual experience, changes in assumptions and changes in performance of pension fund investments.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2017, the District's liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$73,380,521. The main reason for the deficit net position is a result of the District recording the activity related to GASB 68. During fiscal year 2017, the District's net position decreased \$13,815,540. As of June 30, 2017, there is no expectation that the District will be required to increase pension funding to cover the net pension liability.

Total assets increased by \$12,353,891 as the increases in capital assets and taxes 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, 2017

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Capital assets, net increased approximately \$53.2 million as a result of the ongoing facilities construction project. This project also explains the decrease in cash of approximately \$52.4 million. Last year's cash balance of \$140,639,315 included restricted assets of \$4,768,679. This year's cash balance of \$88,210,611 includes restricted assets of \$4,955,750.

The increase in taxes receivable is a result of additional support expected by the District due to the 5.5 mill levy which passed in November 2016.

Net investment in capital assets for governmental activities reported on the government-wide statements was \$31,837,064 for fiscal year 2017. 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, \$14,797,731 represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted governmental activities net position, \$8,099,393 is restricted for debt service payments, including the Qualified Zone Academy Bonds, \$6,462,956 is restricted for capital projects, and \$235,382 is restricted for other purposes. The remaining balance of governmental activities net position \$(117,955,867) 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, 2017

	<b>Changes in Net Position</b>			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
Revenues:				
Program revenues:				
Charges for services	\$ 4,307,445	\$ 712,365	\$ 5,116,732	\$ 932,148
Operating grants	<u>7,392,129</u>	<u>2,834,985</u>	<u>7,218,505</u>	<u>1,762,391</u>
Total program revenues	<u>11,699,574</u>	<u>3,547,350</u>	<u>12,335,237</u>	<u>2,694,539</u>
General revenues:				
Property taxes	71,544,924	-	86,053,378	-
Grants and entitlements	32,013,598	-	31,775,332	-
Investment earnings	906,980	-	1,499,671	-
Miscellaneous	<u>2,502,529</u>	<u>-</u>	<u>2,951,730</u>	<u>-</u>
Total general revenues	<u>106,968,031</u>	<u>-</u>	<u>122,280,111</u>	<u>-</u>
Total revenues	<u>118,667,605</u>	<u>3,547,350</u>	<u>134,615,348</u>	<u>2,694,539</u>
Program expenses:				
Instruction:				
Regular	43,626,268	-	40,814,609	-
Special	23,021,354	-	20,678,670	-
Vocational	1,887,316	-	1,820,465	-
Other	5,975,458	-	6,284,908	-
Support services:				
Pupil	8,184,224	-	7,606,276	-
Instructional staff	5,271,824	-	5,296,223	-
Board of education	639,543	-	570,267	-
Administration	6,483,332	-	6,501,228	-
Fiscal	3,175,566	-	3,081,449	-
Business	1,047,575	-	990,990	-
Operation and maintenance of plant	12,691,307	-	12,299,919	-
Pupil transportation	4,122,183	-	3,767,197	-
Central	4,125,428	-	3,695,810	-
Food service operations	6,944	-	5,374	-
Community services	3,348,015	-	2,743,629	-
Other non-instructional services	423	-	267	-
Extracurricular activities	1,549,558	-	1,565,698	-
Interest and fiscal charges	7,364,064	-	7,278,250	-
Food services	-	2,579,471	-	2,624,070
Uniform school supplies	-	3,394	-	3,460
Customer services	-	7,974	-	8,858
Community services/early childhood	-	919,274	-	917,304
Total program expenses	<u>132,520,382</u>	<u>3,510,113</u>	<u>125,001,229</u>	<u>3,553,692</u>
Change in net position before transfers	(13,852,777)	37,237	9,614,119	(859,153)
Transfers	<u>(1,271,323)</u>	<u>1,271,323</u>	-	-
Change in net position	<u>(15,124,100)</u>	<u>1,308,560</u>	<u>9,614,119</u>	<u>(859,153)</u>
Net position at beginning of year	(55,142,231)	(4,422,750)	(64,756,350)	(3,563,597)
Cumulative effect of restatement	<u>(1,054,741)</u>	<u>1,054,741</u>	-	-
Net position at beginning of year, as restated	<u>(56,196,972)</u>	<u>(3,368,009)</u>	<u>(64,756,350)</u>	<u>(3,563,597)</u>
Net position at end of year	<u>\$ (71,321,072)</u>	<u>\$ (2,059,449)</u>	<u>\$ (55,142,231)</u>	<u>\$ (4,422,750)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2017

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### *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 2017 is \$15,160,398, while in 2016 pension expense was \$9,025,474. The District was required to contribute \$8,210,762 and \$8,771,810 during 2017 and 2016, 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, a \$134.8 bond issue in November 2013, and most recently a 5.5 mil levy in November 2016. 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, \$3 million from the 2009-2010 fiscal year budget, and \$5 million in permanent budget cuts for fiscal year 2016.

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 60 percent of total governmental activities revenues for the District in fiscal year 2017.

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 increased approximately \$7.5 million as expenses increased in regular and special education costs. Regular and special education costs are up \$5 million in fiscal year 2017 due to increase in pension expense.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2017

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 2017 and 2016. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

<b>Governmental Activities</b>				
	Total Cost of <u>Services 2017</u>	Net Cost of <u>Services 2017</u>	Total Cost of <u>Services 2016</u>	Net Cost of <u>Services 2016</u>
Program expenses:				
Instruction	\$ 74,510,396	\$ 65,835,821	\$ 69,598,652	\$ 59,955,209
Pupil and instructional staff	13,456,048	13,350,137	12,902,499	12,796,906
Board of education, administration, fiscal and business	11,346,016	11,093,760	11,143,934	10,945,598
Operation and maintenance - plant	12,691,307	12,691,307	12,299,919	12,299,919
Pupil transportation	4,122,183	4,115,259	3,767,197	3,728,805
Central services	4,125,428	4,125,428	3,695,810	3,695,810
Food service operations	6,944	6,944	5,374	5,374
Community services	3,348,015	780,285	2,743,629	474,417
Other non-instructional services	423	423	267	267
Extracurricular activities	1,549,558	1,457,380	1,565,698	1,485,437
Interest and fiscal charges	<u>7,364,064</u>	<u>7,364,064</u>	<u>7,278,250</u>	<u>7,278,250</u>
Total program expenses	<u>\$ 132,520,382</u>	<u>\$ 120,820,808</u>	<u>\$ 125,001,229</u>	<u>\$ 112,665,992</u>

The dependence upon tax revenues during fiscal year 2017 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 and other sources of \$4,818,673 and expenses of \$3,510,113 for fiscal year 2017. This resulted in an increase to restated net position for the fiscal year of \$1,308,560.

### **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, 2017

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As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$82,789,806, a decrease of \$63,814,736 in comparison with the prior year. Approximately 17 percent of this total amount, \$13,869,880 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, \$58,328,729; has already been assigned, \$9,892,519; or is in a nonspendable form, \$698,678.

The General Fund is the chief operating fund of the District. The District's General Fund balance decreased by \$9,091,903 in fiscal year 2017 due to a decrease in taxes revenue of \$12.3 million in addition to an increase in transfers out of \$1.5 million.

<u>Revenues</u>	2017 <u>Amount</u>	2016 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 61,427,768	\$ 73,724,293	(17)%
Interest earnings	307,885	274,471	12%
Intergovernmental	31,085,791	30,206,584	3%
Other revenue	<u>7,923,528</u>	<u>7,865,237</u>	1%
Total	\$ <u>100,744,972</u>	\$ <u>112,070,585</u>	

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

<u>Expenditures by Function</u>	2017 <u>Amount</u>	2016 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 67,248,545	\$ 67,205,943	<1%
Support services	39,626,082	40,428,760	(2)%
Other non-instructional services	36,430	11,415	219%
Food service operations	1,605	35	4,486%
Extracurricular activities	1,098,369	1,133,786	(3)%
Debt service	<u>107,409</u>	<u>113,655</u>	(5)%
Total	\$ <u>108,118,440</u>	\$ <u>108,893,594</u>	

Overall, expenses in the General Fund are down 1 percent from 2016. The main factors resulting in this fluctuation is a decrease in support services during 2017.

The Building Fund is the District's other major governmental fund. During fiscal year 2017, 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 \$54,699,027 and were mostly capital outlay related to the same project referenced above. The fund balance of the Building Fund decreased \$54,180,121 from \$98,139,588 to \$43,959,467 in 2017.

The fund balance of the other governmental funds decreased \$542,712 to \$13,924,872 during the year ended June 30, 2017. 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, 2017

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## ***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 2017, 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 2017. During the course of fiscal year 2017, the total budget was changed multiple times. For the General Fund, final budgeted revenues and other financing sources were \$106,644,714, or \$4,694,721 higher than the original budget. Actual revenues and other financing sources for fiscal year 2017 were \$113,030,316. 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 \$121,766,218 increased to \$121,835,217 in the final budget. The actual expenditures and other financing uses for fiscal year 2017 totaled \$114,910,229, which was \$6,924,988 less than the final budget appropriations. Actual differed from final budget due to lower than anticipated regular and special education.

## **Capital Assets**

The District had \$146,030,706 invested in capital assets net of depreciation, with \$145,960,198 attributed to government activities. Net acquisition for governmental activities totaled \$55,519,025 and depreciation was \$2,297,686. Furthermore, assets transferred in from the enterprise funds totaled \$297,112. 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, 2017, the District has \$147,768,662 in outstanding long-term bond debt and of this amount \$1,020,000 is due within one year. The District paid \$485,000 in principal on bonds outstanding. In addition, the District has \$19,413,107 of certificates of participation outstanding at June 30, 2017 and of this amount \$455,000 is due within one year. The District has capital leases of \$337,129 outstanding at June 30, 2017, with \$95,268 due within one year. The District paid \$91,348 on capital leases outstanding during the fiscal year ended June 30, 2017. 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, 2017

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## **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 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.

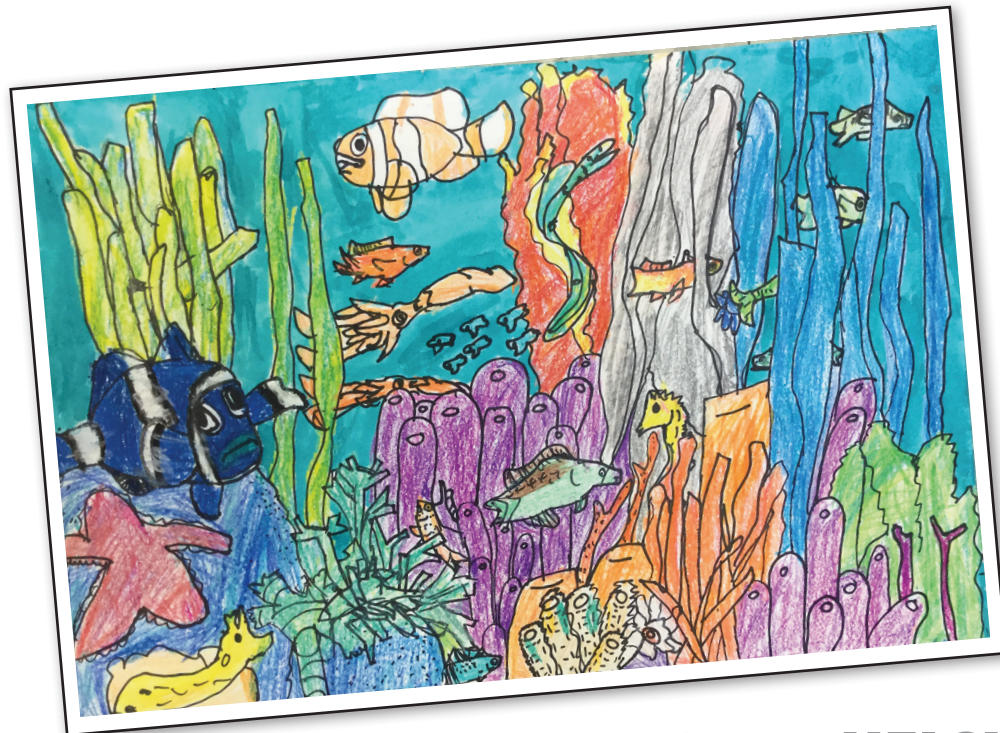
The District is dependent on local taxpayers. As discussed earlier, the District passed an 8.5 mill levy in March of 2004. However, as the District lost approximately \$9 million in tax collection due to prior levy defeats, the District was required to make \$6 million in permanent budget reductions. Additionally the District passed a 7.2 mill levy in November of 2007, a 6.9 mill levy in 2011 and a 5.5 mill operating levy in November, 2016. 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*

*Genesis Tello*  
Grade 5  
Canterbury Elementary



*Kendall Thompson*  
Grade 4  
Canterbury Elementary

**CLEVELAND** **HEIGHTS**  
**UNIVERSITY** **CITY SCHOOL DISTRICT**





**CLEVELAND  
UNIVERSITY** **HEIGHTS**  
**CITY SCHOOL DISTRICT**



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

# Basic Financial Statements



*Helena Duffy*  
Grade 5  
Canterbury Elementary

**CLEVELAND UNIVERSITY HEIGHTS**  
CITY SCHOOL DISTRICT



# Cleveland Heights-University Heights City School District

## Statement of Net Position

June 30, 2017

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 83,099,281	\$ 155,580	\$ 83,254,861
Accounts receivable	522,990	-	522,990
Prepaid items	385,272	2,970	388,242
Intergovernmental receivable	5,735,179	-	5,735,179
Internal balances	900,000	(900,000)	-
Materials and supplies inventory	438,885	6,070	444,955
Inventory held for resale	-	16,402	16,402
Taxes receivable	100,114,662	-	100,114,662
Restricted cash and investments	4,955,750	-	4,955,750
Nondepreciable capital assets	116,790,593	-	116,790,593
Depreciable capital assets, net	<u>29,169,605</u>	<u>70,508</u>	<u>29,240,113</u>
Total assets	<u>342,112,217</u>	<u>(648,470)</u>	<u>341,463,747</u>
<b>Deferred outflows of resources:</b>			
<b>Pensions:</b>			
SERS	7,465,135	311,046	7,776,181
STRS	<u>31,547,631</u>	<u>-</u>	<u>31,547,631</u>
Total deferred outflows of resources	<u>39,012,766</u>	<u>311,046</u>	<u>39,323,812</u>
<b>Liabilities:</b>			
Accounts payable	9,463,526	195,832	9,659,358
Accrued wages and benefits	6,859,502	2,740	6,862,242
Matured compensated absences	125,940	-	125,940
Intergovernmental payable	1,278,696	6,614	1,285,310
Accrued interest payable	686,612	-	686,612
Claims payable	1,794,500	-	1,794,500
<b>Long-term liabilities:</b>			
Due within one year	2,036,873	8,639	2,045,512
<b>Due in more than one year:</b>			
<b>Net pension liability:</b>			
SERS	33,984,383	1,416,016	35,400,399
STRS	147,508,268	-	147,508,268
Other amounts due in more than one year	<u>172,195,814</u>	<u>31,401</u>	<u>172,227,215</u>
Total liabilities	<u>375,934,114</u>	<u>1,661,242</u>	<u>377,595,356</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, 2017

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	
Deferred inflows of resources:			
Property taxes	70,091,334	-	70,091,334
Pension:			
SERS	1,458,753	60,783	1,519,536
STRS	<u>4,961,854</u>	<u>-</u>	<u>4,961,854</u>
Total deferred inflows of resources	<u>76,511,941</u>	<u>60,783</u>	<u>76,572,724</u>
Net position:			
Net investment in capital assets	31,837,064	70,508	31,907,572
Restricted for:			
Capital projects	6,462,956	-	6,462,956
Debt service	3,143,643	-	3,143,643
State programs	52,938	-	52,938
Federal programs	98,361	-	98,361
Qualified Zone Academy Bond retirement	4,955,750	-	4,955,750
Other	84,083	-	84,083
Unrestricted (deficit)	<u>(117,955,867)</u>	<u>(2,129,957)</u>	<u>(120,085,824)</u>
Total net position (deficit)	<u>\$ (71,321,072)</u>	<u>\$ (2,059,449)</u>	<u>\$ (73,380,521)</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, 2017

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Instruction:			
Regular	\$ 43,626,268	\$ 1,542,619	\$ 666,545
Special	23,021,354	2,401,660	3,820,067
Vocational	1,887,316	11,808	231,876
Other	5,975,458	-	-
Support services:			
Pupil	8,184,224	-	105,911
Instructional staff	5,271,824	-	-
Board of education	639,543	-	-
Administration	6,483,332	252,256	-
Fiscal	3,175,566	-	-
Business	1,047,575	-	-
Operations and maintenance of plant	12,691,307	-	-
Pupil transportation	4,122,183	6,924	-
Central	4,125,428	-	-
Operation of non-instructional services:			
Food service operations	6,944	-	-
Community services	3,348,015	-	2,567,730
Other operation of non-instructional services	423	-	-
Extracurricular activities	1,549,558	92,178	-
Interest and fiscal charges	7,364,064	-	-
Total governmental activities	<u>132,520,382</u>	<u>4,307,445</u>	<u>7,392,129</u>
Business-type activities:			
Food services	2,579,471	148,554	2,834,985
Uniform school supplies	3,394	11,214	-
Customer services	7,974	8,356	-
Community services/early childhood	919,274	544,241	-
Total business-type activities	<u>3,510,113</u>	<u>712,365</u>	<u>2,834,985</u>
Totals	<u>\$ 136,030,495</u>	<u>\$ 5,019,810</u>	<u>\$ 10,227,114</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

Transfers

- Total general revenues and transfers

Change in net position

Net position (deficit) at beginning of year, restated

Net position (deficit) at end of year

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

Net (Expense) Revenues and Changes in Net Position		
Governmental Activities	Business - Type Activities	Total
\$ (41,417,104)	\$ -	\$ (41,417,104)
(16,799,627)	-	(16,799,627)
(1,643,632)	-	(1,643,632)
(5,975,458)	-	(5,975,458)
(8,078,313)	-	(8,078,313)
(5,271,824)	-	(5,271,824)
(639,543)	-	(639,543)
(6,231,076)	-	(6,231,076)
(3,175,566)	-	(3,175,566)
(1,047,575)	-	(1,047,575)
(12,691,307)	-	(12,691,307)
(4,115,259)	-	(4,115,259)
(4,125,428)	-	(4,125,428)
(6,944)	-	(6,944)
(780,285)	-	(780,285)
(423)	-	(423)
(1,457,380)	-	(1,457,380)
(7,364,064)	-	(7,364,064)
<u>(120,820,808)</u>	<u>-</u>	<u>(120,820,808)</u>
-	404,068	404,068
-	7,820	7,820
-	382	382
-	<u>(375,033)</u>	<u>(375,033)</u>
-	<u>37,237</u>	<u>37,237</u>
<u>(120,820,808)</u>	<u>37,237</u>	<u>(120,783,571)</u>
62,806,651	-	62,806,651
6,081,146	-	6,081,146
2,657,127	-	2,657,127
32,013,598	-	32,013,598
906,980	-	906,980
<u>2,502,529</u>	<u>-</u>	<u>2,502,529</u>
106,968,031	-	106,968,031
<u>(1,271,323)</u>	<u>1,271,323</u>	<u>-</u>
<u>105,696,708</u>	<u>1,271,323</u>	<u>106,968,031</u>
(15,124,100)	1,308,560	(13,815,540)
<u>(56,196,972)</u>	<u>(3,368,009)</u>	<u>(59,564,981)</u>
\$ <u><u>(71,321,072)</u></u>	\$ <u><u>(2,059,449)</u></u>	\$ <u><u>(73,380,521)</u></u>

# Cleveland Heights-University Heights City School District

## Balance Sheet – Governmental Funds

June 30, 2017

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 17,231,381	\$ 50,969,478	\$ 8,643,328	\$ 76,844,187
Accounts receivable	424,590	95,285	-	519,875
Intergovernmental receivable	4,535,097	-	1,200,082	5,735,179
Interfund receivable	1,843,607	-	-	1,843,607
Materials and supplies inventory	438,885	-	-	438,885
Prepaid items	259,760	-	33	259,793
Taxes receivable	87,765,933	-	12,348,729	100,114,662
Restricted cash and investments	-	-	4,955,750	4,955,750
Total assets	<u>\$ 112,499,253</u>	<u>\$ 51,064,763</u>	<u>\$ 27,147,922</u>	<u>\$ 190,711,938</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,937,076	\$ 7,033,857	\$ 488,898	\$ 9,459,831
Accrued wages and benefits	6,580,587	-	278,915	6,859,502
Interfund payable	-	-	943,607	943,607
Matured compensated absences	125,940	-	-	125,940
Intergovernmental payable	<u>1,243,055</u>	<u>-</u>	<u>35,641</u>	<u>1,278,696</u>
Total liabilities	<u>9,886,658</u>	<u>7,033,857</u>	<u>1,747,061</u>	<u>18,667,576</u>
<b>Deferred inflows of resources:</b>				
Property taxes	61,316,290	-	8,775,044	70,091,334
Unavailable revenue	<u>16,390,838</u>	<u>71,439</u>	<u>2,700,945</u>	<u>19,163,222</u>
Total deferred inflows of resources	<u>77,707,128</u>	<u>71,439</u>	<u>11,475,989</u>	<u>89,254,556</u>
<b>Fund balances:</b>				
Nonspendable	698,645	-	33	698,678
Restricted	-	43,959,467	14,369,262	58,328,729
Assigned	9,892,519	-	-	9,892,519
Unassigned (deficit)	<u>14,314,303</u>	<u>-</u>	<u>(444,423)</u>	<u>13,869,880</u>
Total fund balances	<u>24,905,467</u>	<u>43,959,467</u>	<u>13,924,872</u>	<u>82,789,806</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 112,499,253</u>	<u>\$ 51,064,763</u>	<u>\$ 27,147,922</u>	<u>\$ 190,711,938</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, 2017

Total governmental funds balances		\$ 82,789,806
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.		145,960,198
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	\$ 16,751,563	
Intergovernmental	369,420	
Investment earnings	161,245	
Tuition	1,158,539	
Grants	<u>722,455</u>	
Total		19,163,222
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.		4,585,493
In the government-wide financial statements, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(686,612)
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	39,012,766	
Deferred inflows – pension	(6,420,607)	
Net pension liability	<u>(181,492,651)</u>	
Total		(148,900,492)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Library improvement refunding bonds	(5,025,000)	
Qualified zone academy bonds	(5,500,000)	
Certificates of participation	(19,440,000)	
General obligation school improvement bonds	(134,654,915)	
Accretion of CABs	(948,739)	
Unamortized charges – premium	(1,640,008)	
Unamortized charges – discount	26,893	
Capital leases	(337,129)	
Early retirement incentive	(48,000)	
Compensated absences	<u>(6,665,789)</u>	
Total		<u>(174,232,687)</u>
Net position of governmental activities		\$ <u><u>(71,321,072)</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, 2017

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 61,427,768	\$ -	\$ 8,598,153	\$ 70,025,921
Intergovernmental	31,085,791	-	8,318,380	39,404,171
Grants	-	-	77,065	77,065
Tuition and fees	5,347,394	-	-	5,347,394
Earnings on investments	307,885	393,906	188,421	890,212
Extracurricular activities	51,371	-	129,666	181,037
Classroom materials and fees	9,968	-	-	9,968
Miscellaneous	<u>2,514,795</u>	<u>125,000</u>	<u>39,184</u>	<u>2,678,979</u>
Total revenues	<u>100,744,972</u>	<u>518,906</u>	<u>17,350,869</u>	<u>118,614,747</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	39,882,450	-	493,403	40,375,853
Special	19,883,453	-	2,233,489	22,116,942
Vocational	1,602,637	-	152,088	1,754,725
Other	5,880,005	-	47,676	5,927,681
<b>Support services:</b>				
Pupil	7,287,926	-	368,869	7,656,795
Instructional staff	3,869,194	-	1,077,314	4,946,508
Board of education	637,691	-	-	637,691
Administration	5,748,099	-	393,639	6,141,738
Fiscal	2,862,667	49,299	207,617	3,119,583
Business	926,826	-	18,000	944,826
Operations and maintenance of plant	10,506,401	73,056	1,365,136	11,944,593
Pupil transportation	3,767,420	-	28,247	3,795,667
Central	4,019,858	-	35,195	4,055,053
<b>Operation of non-instructional services:</b>				
Food service operations	1,605	-	-	1,605
Community services	36,007	-	3,254,246	3,290,253
Other non-instructional services	423	-	-	423
Extracurricular activities	1,098,369	-	347,243	1,445,612
Facilities acquisition and construction services	-	54,576,672	-	54,576,672
<b>Debt service:</b>				
Principal	91,348	-	935,000	1,026,348
Interest and fiscal charges	<u>16,061</u>	<u>-</u>	<u>7,086,419</u>	<u>7,102,480</u>
Total expenditures	<u>108,118,440</u>	<u>54,699,027</u>	<u>18,043,581</u>	<u>180,861,048</u>
Excess of revenues over (under) expenditures	<u>(7,373,468)</u>	<u>(54,180,121)</u>	<u>(692,712)</u>	<u>(62,246,301)</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, 2017

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	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):				
Transfers - in	-	-	150,000	150,000
Transfers - out	<u>(1,718,435)</u>	<u>-</u>	<u>-</u>	<u>(1,718,435)</u>
Total other financing sources (uses)	<u>(1,718,435)</u>	<u>-</u>	<u>150,000</u>	<u>(1,568,435)</u>
Net change in fund balance	(9,091,903)	(54,180,121)	(542,712)	(63,814,736)
Fund balance at beginning of year	<u>33,997,370</u>	<u>98,139,588</u>	<u>14,467,584</u>	<u>146,604,542</u>
Fund balance at end of year	\$ <u>24,905,467</u>	\$ <u>43,959,467</u>	\$ <u>13,924,872</u>	\$ <u>82,789,806</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, 2017

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Net change in fund balances - total governmental funds \$ (63,814,736)

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	\$ 55,519,025	
Capital assets, net transferred in	297,112	
Depreciation	<u>(2,297,686)</u>	
Total		53,518,451

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	1,519,003	
Investment earnings	16,768	
Tuition	(1,444,437)	
Accounts receivable	(26,734)	
Intergovernmental	<u>(11,742)</u>	
Total		52,858

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.

1,026,348

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

1,675,175

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	(354,870)	
Early retirement incentive	(12,000)	
Amortization of premium and discount	56,032	
Accretion on capital appreciation bonds	(320,527)	
Interest expense	<u>2,911</u>	
Total		(628,454)

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

8,130,141

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

(15,083,883)

Change in net position of governmental activities

\$ (15,124,100)

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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 64,455,777	\$ 68,494,306	\$ 71,646,868	\$ 3,152,562
Intergovernmental	28,440,921	28,885,693	31,353,917	2,468,224
Tuition and fees	4,253,963	4,320,487	4,689,664	369,177
Earnings on investments	298,087	302,749	328,618	25,869
Miscellaneous	<u>1,511,162</u>	<u>1,534,792</u>	<u>1,666,851</u>	<u>132,059</u>
Total revenues	<u>98,959,910</u>	<u>103,538,027</u>	<u>109,685,918</u>	<u>6,147,891</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	43,991,519	43,991,519	41,593,239	2,398,280
Special	24,754,331	24,754,331	19,766,112	4,988,219
Vocational	1,720,952	1,720,952	1,609,028	111,924
Other	1,658,980	1,658,980	5,925,036	(4,266,056)
<b>Support services:</b>				
Pupil	7,422,167	7,422,167	7,361,564	60,603
Instructional staff	4,787,554	4,787,554	3,993,130	794,424
Board of education	662,332	662,332	687,426	(25,094)
Administration	6,215,751	6,215,751	5,822,200	393,551
Fiscal	3,089,308	3,089,308	2,969,025	120,283
Business	1,231,476	1,231,476	1,017,480	213,996
Operation and maintenance of plant	11,327,897	11,327,897	11,074,058	253,839
Pupil transportation	4,552,641	4,609,565	4,186,925	422,640
Central	4,856,670	4,856,670	4,216,159	640,511
<b>Operation of non-instructional services:</b>				
Food service operations	23	23	1,643	(1,620)
Community services	26,550	26,550	27,468	(918)
Other non-instructional services	-	-	702	(702)
<b>Extracurricular activities:</b>				
Academic and subject oriented	243,820	243,820	224,756	19,064
Occupational oriented	3,715	3,715	3,886	(171)
Sports oriented	953,881	953,881	742,450	211,431
Co-curricular activities	<u>71,088</u>	<u>71,088</u>	<u>95,109</u>	<u>(24,021)</u>
Total expenditures	<u>117,570,655</u>	<u>117,627,579</u>	<u>111,317,396</u>	<u>6,310,183</u>
Excess of revenues over (under) expenditures	<u>(18,610,745)</u>	<u>(14,089,552)</u>	<u>(1,631,478)</u>	<u>12,458,074</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - in	8,446	8,578	8,398	(180)
Transfers - out	(193,638)	(193,638)	(1,726,833)	(1,533,195)
Advances - in	2,981,637	3,098,109	3,336,000	237,891
Advances - out	<u>(4,001,925)</u>	<u>(4,014,000)</u>	<u>(1,866,000)</u>	<u>2,148,000</u>
Total other financing sources (uses)	<u>(1,205,480)</u>	<u>(1,100,951)</u>	<u>(248,435)</u>	<u>852,516</u>
Net change in fund balance	(19,816,225)	(15,190,503)	(1,879,913)	13,310,590
Fund balance beginning of year	13,169,522	13,169,522	13,169,522	-
Prior year encumbrances appropriated	<u>2,755,224</u>	<u>2,755,224</u>	<u>2,755,224</u>	-
Fund balance end of year	\$ <u>3,891,479</u>	\$ <u>734,243</u>	\$ <u>14,044,833</u>	\$ <u>13,310,590</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, 2017

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Fund</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 155,580	\$ 6,255,094
Prepaid items	2,970	125,479
Materials and supplies inventory	22,472	-
Accounts receivable	<u>-</u>	<u>3,115</u>
Total current assets	181,022	6,383,688
Non-current assets:		
Capital assets, net of depreciation	<u>70,508</u>	<u>-</u>
Total assets	<u>251,530</u>	<u>6,383,688</u>
Deferred outflows of resources:		
Pension – SERS	<u>311,046</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	195,832	3,695
Accrued wages and benefits	2,740	-
Interfund payable	900,000	-
Intergovernmental payable	6,614	-
Claims payable	-	1,794,500
Current portion of accrued compensated absences	<u>8,639</u>	<u>-</u>
Total current liabilities	1,113,825	1,798,195
Non-current liabilities:		
Net pension liability	1,416,016	-
Accrued compensated absences	<u>31,401</u>	<u>-</u>
Total liabilities	<u>2,561,242</u>	<u>1,798,195</u>
Deferred inflows of resources:		
Pension – SERS	<u>60,783</u>	<u>-</u>
Net position:		
Net investment in capital assets	70,508	-
Unrestricted (deficit)	<u>(2,129,957)</u>	<u>4,585,493</u>
Total net position (deficit)	\$ <u><u>(2,059,449)</u></u>	\$ <u><u>4,585,493</u></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, 2017

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Operating revenues:		
Tuition and fees	\$ 544,167	\$ -
Charges for services	-	17,779,228
Classroom materials and fees	11,214	-
Food services	142,976	-
Miscellaneous	14,008	-
Total operating revenues	<u>712,365</u>	<u>17,779,228</u>
Operating expenses:		
Salaries and wages	1,091,255	-
Fringe benefits	681,461	16,009,515
Purchased services	1,469,762	94,538
Supplies and materials	247,066	-
Depreciation	7,654	-
Other	12,915	-
Total operating expenses	<u>3,510,113</u>	<u>16,104,053</u>
Operating (loss) income	<u>(2,797,748)</u>	<u>1,675,175</u>
Non-operating revenues (expenses):		
Federal donated commodities	225,872	-
Intergovernmental grants	2,609,113	-
Other non-operating expense	(297,112)	-
Total non-operating revenues	<u>2,537,873</u>	<u>-</u>
Income before transfers	(259,875)	1,675,175
Transfers - in	<u>1,568,435</u>	<u>-</u>
Change in net position	1,308,560	1,675,175
Total (deficit) net position at beginning of year, restated	<u>(3,368,009)</u>	<u>2,910,318</u>
Total (deficit) net position at end of year	\$ <u>(2,059,449)</u>	\$ <u>4,585,493</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, 2017

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
<b>(Decrease) increase in cash and cash equivalents:</b>		
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 698,357	\$ 17,776,113
Cash received from other operating sources	14,008	-
Cash payments for materials and supplies	(26,600)	-
Cash payments for goods and services	(1,331,828)	(601,606)
Cash payments to employees for services	(1,174,219)	-
Cash payments for employee benefits	(697,433)	-
Cash payments for claims	-	(15,321,663)
Cash payments for other	(12,252)	-
Net cash (used) provided by operating activities	<u>(2,529,967)</u>	<u>1,852,844</u>
<b>Cash flows from non-capital financing activities:</b>		
Intergovernmental grants received	2,609,113	-
Transfers - in	1,568,435	-
Advances - in	900,000	-
Advances - out	(2,550,000)	-
Net cash provided by non-capital financing activities	<u>2,527,548</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(2,419)	1,852,844
Cash and cash equivalents at beginning of year	<u>157,999</u>	<u>4,402,250</u>
Cash and cash equivalents at end of year	<u>\$ 155,580</u>	<u>\$ 6,255,094</u>
<b>Non-cash capital and non-capital financing activities:</b>		
Federal donated commodities	\$ 225,872	\$ -
Transfer of capital assets to governmental activities	(297,112)	-
<b>Reconciliation of operating (loss) income to net cash (used) provided by operating activities:</b>		
Operating (loss) income	\$ (2,797,748)	\$ 1,675,175
Adjustments:		
Depreciation	7,654	-
Federal donated commodities	225,872	-
Changes in assets/liabilities:		
Increase in accounts receivable	-	(3,115)
Increase in prepaid items	(2,970)	(10,902)
Increase in materials and supplies inventories	(885)	-
Increase in inventory held for resale	(4,521)	-
Decrease in deferred outflows – pension	104,971	-
Increase in accounts payable	138,597	86
Decrease in accrued wages and benefits	(51,787)	-
Decrease in intergovernmental payable	(8,894)	-
Decrease in accrued compensated absences	(31,177)	-
Increase in claims payable	-	191,600
Decrease in net pension liability	(46,103)	-
Decrease in deferred inflows – pension	(62,976)	-
Total adjustments	<u>267,781</u>	<u>177,669</u>
Net cash (used) provided by operating activities	<u>\$ (2,529,967)</u>	<u>\$ 1,852,844</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, 2017

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Assets:	
Equity in pooled cash and investments	\$ <u>75,088</u>
Liabilities:	
Due to students	\$ <u>75,088</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, 2017

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## **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 386 classified employees, 459 certificated full-time teaching personnel and approximately 43 administrators who provide services to 4,957 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 Schools’ Council 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, 2017

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## Note 1: Summary of Significant Accounting Policies (continued)

### A. Description of the School District and Reporting Entity (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 Fund* - Internal service fund accounts 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. The internal service fund accounts for a self-insurance program that provides medical and dental benefits to employees.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## 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. The 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, 2017

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## 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. The internal service fund is presented as 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, 2017

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## 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, 2017.

**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, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the 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, 2017

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## **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 2017, 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 amortized cost.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## **Note 1: Summary of Significant Accounting Policies (continued)**

### **F. Cash and Cash Equivalents (continued)**

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

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 2017 amounted to \$307,885. The amount allocated from the other funds during fiscal year 2017 amounted to \$102,599.

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, 2017, 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, 2017

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## 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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, 2017

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## 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, 2017

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## **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, 2017, 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, 2017

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## **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.

## **Note 2: Change in Accounting Principles**

For fiscal year 2017, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosure* and GASB Statement No. 80, *Blending Requirements for Certain Component Units*.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 80 clarifies the financial statement presentation requirements for certain component units. The implementation of this Statement had no impact on the District's financial statements or disclosures.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, improves information provided by state and local governmental employers about financial support for other postemployment benefits that are provided by other entities. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The District has not determined the impact that this Statement will have on its financial statements and disclosures.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## 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).

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	\$ (9,091,903)
Revenue Accruals	9,106,361
Advances - in	3,336,000
Expenditure Accruals	(442,041)
Advances - out	(1,866,000)
Encumbrances	(2,938,829)
To reclassify the net change in fund balance for funds combined with the General Fund	<u>16,499</u>
Budget Basis	\$ <u><u>(1,879,913)</u></u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

## 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 governmental funds. The constraints placed on a fund for the major governmental funds and all other governmental funds are presented below:

Fund	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory and prepaid items	\$ <u>698,645</u>	\$ <u>-</u>	\$ <u>33</u>	\$ <u>698,678</u>
Restricted for:				
Community activities	-	-	47,299	47,299
Athletics	-	-	38,701	38,701
Auxiliary services	-	-	63,878	63,878
Miscellaneous state and federal grants	-	-	174	174
Debt service payments	-	-	3,275,549	3,275,549
Capital improvements	<u>-</u>	<u>43,959,467</u>	<u>10,943,661</u>	<u>54,903,128</u>
Total restricted	<u>-</u>	<u>43,959,467</u>	<u>14,369,262</u>	<u>58,328,729</u>
Assigned to:				
Public school support	206,864	-	-	206,864
Subsequent year's budget:				
Appropriation of fund balance	7,503,938	-	-	7,503,938
Purchases on order:				
Instruction services and supplies	1,069,245	-	-	1,069,245
Transportation costs	246,725	-	-	246,725
Maintenance services and supplies	207,169	-	-	207,169
Equipment	58,410	-	-	58,410
Security	17,288	-	-	17,288
Other	<u>582,880</u>	<u>-</u>	<u>-</u>	<u>582,880</u>
Total assigned	<u>9,892,519</u>	<u>-</u>	<u>-</u>	<u>9,892,519</u>
Unassigned (deficit)	<u>14,314,303</u>	<u>-</u>	<u>(444,423)</u>	<u>13,869,880</u>
Total	\$ <u>24,905,467</u>	\$ <u>43,959,467</u>	\$ <u>13,924,872</u>	\$ <u>82,789,806</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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## **Note 5: Deposits and Investments (continued)**

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.

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## Note 5: Deposits and Investments (continued)

- 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.

### 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 \$3,248,203 and the bank balance was \$4,509,079. Of the bank balance, \$250,000 was covered by Federal depository insurance and \$4,259,079 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 \$2,654 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 at fair value. As of June 30, 2017, the District had the following investments:

	Fair Value	Less Than 1 Year	1-5 Years
Federal Home Loan Bank (FHLB)	\$ 5,697,951	\$ 4,953,050	\$ 744,901
Federal Farm Credit Bank (FFCB)	3,203,943	-	3,203,943
Federal National Mortgage Association (FNMA)	17,991,887	10,979,700	7,012,187
Federal Home Loan Mortgage Corporation (FHLMC)	11,529,015	8,486,170	3,042,845
U.S. Treasury Notes	5,006,330	1,000,860	4,005,470
Negotiable Certificates of Deposit	7,833,273	2,488,956	5,344,317
Money Market	2,076,595	2,076,595	-
Commercial Paper	20,996,649	20,996,649	-
STAR Ohio	10,699,199	10,699,199	-
Total portfolio	<u>\$ 85,034,842</u>	<u>\$ 61,681,179</u>	<u>\$ 23,353,663</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## **Note 5: Deposits and Investments (continued)**

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, 2017:

- STAR Ohio is measured at amortized cost, which approximates fair value. At June 30, 2017, the average days to maturity was 45.5.
- 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.

**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 AA+ by Standard and Poor's. The U.S. Treasury Notes carry a rating of AA+ by Standard and Poor's. The Commercial Paper carries a rating of A1 by Standard and Poor's. STAR Ohio carries a rating AAAM by Standard & Poor's.



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## Note 5: Deposits and Investments (continued)

*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, 2017:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank	6.7%
Federal Farm Credit Bank	3.8
Federal National Mortgage Association	21.1
Federal Home Loan Mortgage Corporation	13.6
U.S. Treasury Notes	5.9
Money market	2.4
Certificates of Deposit	9.2
Commercial Paper	24.7
STAR Ohio	12.6

## 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.

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 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, 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 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 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, 2017, are available to finance fiscal year 2017 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

## Note 6: Property Taxes (continued)

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, 2017 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, 2017 was \$11,659,908 for the General Fund, \$1,074,592 in the Bond Retirement Fund, and \$520,603 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016		2017	
	<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	\$ 1,036,743,190	98.30%	\$ 1,037,664,430	98.20%
Public utility	<u>17,942,510</u>	<u>1.70%</u>	<u>18,981,440</u>	<u>1.80%</u>
	\$ <u>1,054,685,700</u>	<u>100.00%</u>	\$ <u>1,056,645,870</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 149.59		\$ 155.59

## Note 7: Interfund Transactions

Interfund transactions for the year ended June 30, 2017 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 943,607
General Fund	Nonmajor Enterprise Funds	<u>900,000</u>
		\$ <u>1,843,607</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, 2017, all interfund loans outstanding are anticipated to be repaid during fiscal year 2018.

Interfund transfers for the year ended June 30, 2017, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ 150,000
Nonmajor Enterprise Funds	<u>1,568,435</u>
	\$ <u>1,718,435</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## Note 7: Interfund Transactions (continued)

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 the Nonmajor Enterprise Funds from the General Fund was to close out the remaining negative fund balance in the fund as the activity is no longer being performed by the Districts.

## Note 8: Receivables

Receivables at June 30, 2017, consisted of taxes, accounts, 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	\$ 3,621,175
Department of Education	10,427
Bureau of Workers' Compensation	377,201
Fuel reimbursement	8,340
Cleveland State University	5,000
Cuyahoga County	22,642
Ohio Association of School Business Officials	19,540
Casino tax	134,421
State Employees Retirement System refund	369,420
Special Education Cluster	230,431
Carl D. Perkins grant	63,373
Title I grant	728,775
Title III grant	2,766
Title II-A grant	71,132
Preschool grant for the handicapped	9,550
Other federal grants	<u>60,986</u>
Total intergovernmental receivable	\$ <u><u>5,735,179</u></u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

## Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Balance at 6/30/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassification and Transfers</u>	<u>Balance at 6/30/17</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,981,623	\$ -	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>60,915,455</u>	<u>55,145,163</u>	<u>(1,251,648)</u>	<u>-</u>	<u>114,808,970</u>
Total capital assets, not being depreciated	<u>62,897,078</u>	<u>55,145,163</u>	<u>(1,251,648)</u>	<u>-</u>	<u>116,790,593</u>
Capital assets, being depreciated:					
Land improvements	5,489,723	1,027,994	-	6,274	6,523,991
Buildings and improvements	51,734,159	210,995	-	1,250,810	53,195,964
Furniture and equipment	8,173,867	61,356	-	5,355	8,240,578
Vehicles	<u>4,523,473</u>	<u>325,165</u>	<u>(200,100)</u>	<u>-</u>	<u>4,648,538</u>
Total capital assets, being depreciated	<u>69,921,222</u>	<u>1,625,510</u>	<u>(200,100)</u>	<u>1,262,439</u>	<u>72,609,071</u>
Less accumulated depreciation:					
Land improvements	(3,085,785)	(316,534)	-	(6,274)	(3,408,593)
Buildings and improvements	(27,689,353)	(1,330,181)	-	(956,642)	(29,976,176)
Furniture and equipment	(6,422,524)	(280,451)	-	(2,411)	(6,705,386)
Vehicles	<u>(3,178,891)</u>	<u>(370,520)</u>	<u>200,100</u>	<u>-</u>	<u>(3,349,311)</u>
Total accumulated depreciation	<u>(40,376,553)</u>	<u>(2,297,686)</u>	<u>200,100</u>	<u>(965,327)</u>	<u>(43,439,466)</u>
Total capital assets being depreciated, net	<u>29,544,669</u>	<u>(672,176)</u>	<u>-</u>	<u>297,112</u>	<u>29,169,605</u>
Governmental activities capital assets, net	\$ <u>92,441,747</u>	\$ <u>54,472,987</u>	\$ <u>(1,251,648)</u>	\$ <u>297,112</u>	\$ <u>145,960,198</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 394,148
Vocational	10,517
Support services:	
Instructional staff	3,109
Business	96,555
Operations and maintenance of plant	1,506,641
Pupil transportation	229,589
Central	5,369
Food services	5,339
Community services	21,111
Extracurricular activities	25,308
	<u>\$ 2,297,686</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

## Note 9: Capital Assets (continued)

	<u>Balance at 6/30/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassification and Transfers</u>	<u>Balance at 6/30/17</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>(5,355)</u>	<u>573,856</u>
Total capital assets, being depreciated	<u>1,836,295</u>	<u>-</u>	<u>-</u>	<u>(1,262,439)</u>	<u>573,856</u>
Less accumulated depreciation:					
Land improvements	(6,274)	-	-	6,274	-
Buildings and improvements	(956,642)	-	-	956,642	-
Furniture and equipment	<u>(498,105)</u>	<u>(7,654)</u>	<u>-</u>	<u>2,411</u>	<u>(503,348)</u>
Total accumulated depreciation	<u>(1,461,021)</u>	<u>(7,654)</u>	<u>-</u>	<u>965,327</u>	<u>(503,348)</u>
Business-type activities capital assets, net	\$ <u>375,274</u>	\$ <u>(7,654)</u>	\$ <u>-</u>	\$ <u>(297,112)</u>	\$ <u>70,508</u>

During the year, the District transferred land improvements, buildings and improvements, and furniture and equipment from the Community Services/Early Childhood Fund to the General Fund. The assets had a cost basis of \$1,262,439 and accumulated depreciation of \$965,327. These transfers are reported in the reclassification and transfers column in the tables above.

## 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 2017, 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	\$- deductible \$5,000,000 limit \$7,000,000 aggregate

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## Note 10: Risk Management (continued)

### A. Property and Liability (continued)

School Leaders Professional Liability	\$5,000 deductible \$5,000,000 limit/aggregate
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 \$1,794,500 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2017, 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, 2017

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## Note 10: Risk Management (continued)

### C. Employee Medical Benefits (continued)

The claims liability of \$1,794,500 reported in the Self-Insurance Internal Service Fund at June 30, 2017, 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 2015, 2016, and 2017 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, 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
June 30, 2017	1,602,900	15,513,263	15,321,663	1,794,500

## 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 occurred in the past.

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, 2017

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**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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Retire on or before August 1, 2017 *	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, 2017

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## **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, 2017, 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 \$2,015,526 for fiscal year 2017. The District contributed 100 percent of the required contribution as of June 30, 2017.

### ***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](http://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 exception, the basic benefit is increased each year by 2.0 percent of the original based benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## **Note 11: Pension Plans (continued)**

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

The DC Plan benefits are established under Chapter 3307.80 to 3307.89 of the Ohio Revised Code. 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, 12 percent of the 14 percent member rate goes to the DC Plan and 2 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 after termination at age 50 or later.

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, 2017, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased to 14 percent on July 1, 2016. The fiscal year 2017 contribution rates were equivalent to the statutory maximum rates.

The District's contractually required contribution to STRS was \$6,195,236 for fiscal year 2017. Of this amount, \$1,038,536 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, 2017

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## 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, 2016, 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. Subsequent payments made during the current fiscal year are accounted for as deferred outflows. 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	0.514349%	0.462690%	
Proportion of net pension liability current measurement date	<u>0.483673%</u>	<u>0.440678%</u>	
Change in proportionate share	<u>(0.030676)%</u>	<u>(0.022012)%</u>	
Proportionate share of the net pension liability	\$ 35,400,399	\$ 147,508,268	\$ 182,908,667
Pension expense	\$ 3,100,510	\$ 12,059,888	\$ 15,160,398

At June 30, 2017, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 477,470	\$ 5,960,043	\$ 6,437,513
Change in assumptions	2,363,166	-	2,363,166
Difference between projected and actual earnings on pension plan investments	2,920,019	12,247,149	15,167,168
Changes in proportionate share and difference between District contributions and proportionate share of contributions	-	7,145,203	7,145,203
District contributions subsequent to the measurement date	<u>2,015,526</u>	<u>6,195,236</u>	<u>8,210,762</u>
Total deferred outflows of resources	\$ <u>7,776,181</u>	\$ <u>31,547,631</u>	\$ <u>39,323,812</u>
<b>Deferred inflows of resources</b>			
Changes in proportionate share and difference between District contributions and proportionate share of contributions	\$ <u>1,519,536</u>	\$ <u>4,961,854</u>	\$ <u>6,481,390</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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**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 \$8,210,762 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2018	\$ 860,339	\$ 4,024,019	\$ 4,884,358
2019	858,234	4,024,019	4,882,253
2020	1,683,163	8,723,592	10,406,755
2021	<u>839,383</u>	<u>3,618,911</u>	<u>4,458,294</u>
Total	\$ <u>4,241,119</u>	\$ <u>20,390,541</u>	\$ <u>24,631,660</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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment Rate of Return	7.50 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, 2017

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## Note 11: Pension Plans (continued)

### E. Actuarial Assumptions – SERS (continued)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both set-back one year for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates, and 100% for female rates, set back five years is used for the period after disability retirement.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015 adopted by the Board on April 21, 2016.

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%	0.50%
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00%</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 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 (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, 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.

In April 2016, SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change was a reduction in the discount rate from 7.75 percent to 7.50 percent.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease <u>(6.50%)</u>	Current Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
District's proportionate share of the net pension liability	\$ 46,867,924	\$ 35,400,399	\$ 25,801,606

### F. Actuarial Assumptions – STRS

Actuarial assumptions used in the June 30, 2017 valuation are based on prior year measurement date of June 30, 2016. The actuarial assumptions used in the valuation are based on the results of an actuarial experience study, effective July 1, 2012. The 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, including inflation
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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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**Note 11: Pension Plans (continued)**

**F. Actuarial Assumptions – STRS (continued)**

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>	

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent for June 30, 2016 included in the pension liability and related deferred inflow and outflow calculations. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increase described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment 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.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
District's proportionate share of the net pension liability	\$ 196,026,505	\$ 147,508,268	\$ 106,580,279

**Changes between Measurement Date and Report Date** In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend the cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the impact to the District’s net pension liability is expected to be significant.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## **Note 12: Post-Employment Benefits**

### **A. School Employees Retirement System**

Health Care Plan Description - Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible non-certificated retirees and beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other post-employment benefit (OPEB) plan. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug plan is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Ohio Revised Code provides statutory authority to fund SERS' postemployment benefits through employer contributions. 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 members do not make contributions to the post-employment benefit 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. 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](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code Section 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.0%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service was earned. By statute no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total state-wide SERS covered payroll for the health care surcharge. 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 2017, the minimum compensation level was established at \$23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate, is the total amount assigned to the Health Care Fund. For fiscal year 2017, the District's surcharge obligation was \$246,778.

The District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$246,778, \$249,000, and \$363,851, respectively. The full amount has been contributed for fiscal years 2016 and 2015, while \$-0- has been funded for the year ended June 30, 2017. The unfunded amount at June 30, 2017 is included as intergovernmental payable.

### **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 partial 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](http://www.strsoh.org) or by calling (888) 227-7877.



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## **Note 12: Post-Employment Benefits (continued)**

### **B. State Teachers Retirement System (continued)**

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 Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2017, 2016 and 2015 STRS Ohio did not allocate any employer contributions to post-employment health care.

## **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 2015-2016 and the first installment of the 2016-2017 Retirement Incentive Programs were paid prior to June 30, 2017. These payments of \$336,000 were made from the General Fund.

The last installment of the 2016-2017 and the first installment of the 2017-2018 Retirement Incentive Programs will be paid starting in July 2017. These payments of \$96,000 will be made from the General Fund and are reported as a liability in the fund financial statements.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

## Note 13: Employee Benefits (continued)

### B. Early Retirement Incentive (continued)

The last installment of the 2016-2017 Retirement Incentive Programs will be completed in July 2018. The payments of \$48,000 will be made from the General Fund and are reported on the government-wide financial statements.

## Note 14: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2017 were as follows:

	Principal Outstanding 6/30/16	Additions	Deletions	Principal Outstanding at 6/30/17	Amounts Due in One Year
Governmental activities:					
2012 \$6,750,000 Library Improvement Refunding Bonds – interest rates of 2.00-2.25%	\$ 5,475,000	\$ -	\$ 450,000	\$ 5,025,000	\$ 455,000
Premium on Library Improvement Refunding Bonds	146,462	-	13,315	133,147	-
2014 \$21,000,000 Certificates of Participation – interest rates of 1.5-5.0%	19,890,000	-	450,000	19,440,000	455,000
Discount on Certificates of Participation	(27,853)	-	(960)	(26,893)	-
2014 \$134,799,915 School Improvement Bonds – interest Rates of 1.50-19.85%	134,689,915	-	35,000	134,654,915	565,000
Premium on School Improvement Bonds	1,550,538	-	43,677	1,506,861	-
Appreciation on Capital Appreciation Bonds	628,212	320,527	-	948,739	-
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital lease obligations	428,477	-	91,348	337,129	95,268
Early retirement incentive	36,000	60,000	48,000	48,000	-
Net pension liability:					
SERS	28,125,593	5,858,790	-	33,984,383	-
STRS	127,873,968	19,634,300	-	147,508,268	-
Compensated absences	6,310,919	852,579	497,709	6,665,789	466,605
Total governmental long-term liabilities	\$ <u>330,627,231</u>	\$ <u>26,726,196</u>	\$ <u>1,628,089</u>	\$ <u>355,725,338</u>	\$ <u>2,036,873</u>
Business-type activities:					
Net pension liability – SERS	\$ 1,223,664	\$ 192,352	\$ -	\$ 1,416,016	\$ -
Compensated absences	71,217	6,233	37,410	40,040	8,639
Total business-type long-term liabilities	\$ <u>1,294,881</u>	\$ <u>198,585</u>	\$ <u>37,410</u>	\$ <u>1,456,056</u>	\$ <u>8,639</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## **Note 14: Long - Term Liabilities (continued)**

The school improvement bonds will be paid from property taxes. Compensated absences will be paid from the General Fund and 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. In the current year the Community Services/Early Childhood Fund was closed out to the General Fund, as such the related liabilities will be paid out of the General Fund.

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.

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 (the "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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

## Note 14: Long - Term Liabilities (continued)

The legal debt margin of the District as of June 30, 2017, was \$-0- with an unvoted debt margin of \$1,056,646.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2017, are as follows:

	School Improvement Bonds			Library Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	6,869,393	7,223,600	475,000	79,962	554,962
2021	898,259	6,330,341	7,228,600	490,000	70,312	560,312
2022	846,785	6,381,815	7,228,600	500,000	60,413	560,413
2023-2027	5,835,664	32,654,167	38,489,831	2,635,000	144,619	2,779,619
2028-2032	11,650,000	28,960,938	40,610,938	-	-	-
2033-2037	16,835,000	25,295,521	42,130,521	-	-	-
2038-2042	23,710,000	20,263,940	43,973,940	-	-	-
2043-2047	31,650,000	13,974,251	45,624,251	-	-	-
2048-2052	41,735,000	5,439,825	47,174,825	-	-	-
Total	\$ <u>134,654,915</u>	\$ <u>158,534,567</u>	\$ <u>293,189,482</u>	\$ <u>5,025,000</u>	\$ <u>543,380</u>	\$ <u>5,568,380</u>

	Certificates of Participation			Total		
	Principal	Interest	Total	Principal	Interest	Total
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	7,715,299	9,014,506
2021	480,000	754,044	1,234,044	1,868,259	7,154,697	9,022,956
2022	490,000	739,494	1,229,494	1,836,785	7,181,722	9,018,507
2023-2027	2,690,000	3,454,916	6,144,916	11,160,664	36,253,702	47,414,366
2028-2032	3,205,000	2,919,861	6,124,861	14,855,000	31,880,799	46,735,799
2033-2037	3,920,000	2,185,506	6,105,506	20,755,000	27,481,027	48,236,027
2038-2042	4,950,000	1,122,137	6,072,137	28,660,000	21,386,077	50,046,077
2043-2047	2,320,000	105,526	2,425,526	33,970,000	14,079,777	48,049,777
2048-2052	-	-	-	41,735,000	5,439,825	47,174,825
Total	\$ <u>19,440,000</u>	\$ <u>13,602,478</u>	\$ <u>33,042,478</u>	\$ <u>159,119,915</u>	\$ <u>172,680,425</u>	\$ <u>331,800,340</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, 2017 in the amount of \$337,129. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$483,591 less accumulated depreciation, \$180,471. Principal payments for all of capital leases in the 2017 fiscal year totaled \$91,348. 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, 2017

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## 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, 2017:

	Capital Leases
2018	\$ 107,409
2019	102,423
2020	87,468
2021	<u>65,601</u>
Total minimum lease payments	362,901
Less: amounts representing interest	<u>(25,772)</u>
Present value minimum capital lease payments	\$ <u><u>337,129</u></u>

Amortization of capital leases is included in depreciation expense.

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. This lease was extended in fiscal year 2017. The following is a schedule of the future minimum lease payments required under the operating leases at year-end:

	Operating Leases
2018	\$ 50,400
2019	50,400
2020	<u>8,800</u>
Total minimum lease payments	\$ <u><u>109,600</u></u>

Rent expense related to the operating leases totaled \$50,400 for the year ended June 30, 2017.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## Note 16: Jointly Governed Organization

The Ohio Schools' Council (the "Council") is a jointly governed organization among 210 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 2017, the District paid \$459,444 to the Council. Financial information can be obtained by contacting Kathryn Powers, 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. Constellation New Energy (Formerly Compass) had been selected as the natural gas supplier and program manager for the period March 31, 2016 through June 30, 2018. There are currently 157 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.

	Capital Improvements
Set-aside reserve balance as of June 30, 2016	\$ -
Current year set-aside requirements	925,250
Qualifying disbursements	<u>(54,346,334)</u>
Total set-aside reserve balance as of June 30, 2017	\$ <u>(53,421,084)</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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**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, 2017, 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>131,643,658</u>	\$ <u>115,318,758</u>	\$ <u>16,324,900</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	\$ 2,203,849
Nonmajor Funds	<u>1,390,638</u>
Total other significant commitments	\$ <u>3,594,487</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, 2017.

**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, 2017

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## Note 19: Contingencies (continued)

### C. Foundation Funding

The District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a 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, 2017:

Special Revenue Funds:	
Alternative School Grant	\$ 494
Idea (Flo-Thru)	46,499
Vocational Education	30,007
Title I Improvement	27,948
Title III	1,164
Title I	272,982
Preschool Disabilities Grants	55
Title IIA - Improving Teacher Quality	48,827
Miscellaneous Federal Grants	14,969
Public School Preschool Grant	1,478
Enterprise Fund:	
Food Services	2,096,423

The deficits in the special revenue funds are due to timing differences in accruing revenues and expenditures. The deficits in the enterprise fund is 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

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2017

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## Note 22: Restatement

In the current year the Community Services/Early Childhood Enterprise Fund was closed out to the General Fund as the District no longer provided the related services. As such, the net pension liability, and its related deferred outflows and deferred inflows were restated to report with governmental activities. This resulted in the following effects on net position as reported at June 30, 2016:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position at June 30, 2016, as previously reported	\$ (55,142,231)	\$ (4,422,750)	\$ (59,564,981)
Deferred outflow	97,287	(97,287)	-
Net pension liability	(1,103,251)	1,103,251	-
Deferred inflow	<u>(48,777)</u>	<u>48,777</u>	<u>-</u>
Restated net position at June 30, 2016	\$ <u><u>(56,196,972)</u></u>	\$ <u><u>(3,368,009)</u></u>	\$ <u><u>(59,564,981)</u></u>
	<u>Community Service/Early Childhood</u>		
Net position at June 30, 2016, as previously reported	\$ (1,951,031)		
Deferred outflow	(97,287)		
Net pension liability	1,103,251		
Deferred inflow	<u>48,777</u>		
Restated net position at June 30, 2016	\$ <u><u>(896,290)</u></u>		

## 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 Four Fiscal Years

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
School district's proportion of the net pension liability	0.483673%	0.514349%	0.521422%	0.521422%
School district's proportionate share of the net pension liability	\$ 35,400,399	\$ 29,349,258	\$ 26,388,871	\$ 31,007,293
School district's covered payroll	\$ 15,110,743	\$ 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	234.27%	190.61%	174.75%	209.27%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	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 Four Fiscal Years

	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
School district's proportion of the net pension liability	0.440678%	0.462690%	0.420736%	0.420736%
School district's proportionate share of the net pension liability	\$ 147,508,268	\$ 127,873,968	\$ 102,337,463	\$ 121,903,717
School district's covered payroll	\$ 47,545,043	\$ 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	310.25%	264.54%	216.32%	248.37%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,015,526	\$ 2,115,504	\$ 2,029,427	\$ 2,092,939	\$ 2,050,667
Contributions in relation to the contractually required contribution	<u>(2,015,526)</u>	<u>(2,115,504)</u>	<u>(2,029,427)</u>	<u>(2,092,939)</u>	<u>(2,050,667)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School district covered payroll	\$ 14,396,614	\$ 15,110,743	\$ 15,397,779	\$ 15,100,571	\$ 14,816,958
Contributions as a percentage of covered payroll	14.00%	14.00%	13.18%	13.86%	13.84%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 2,087,659	\$ 1,827,770	\$ 1,960,532	\$ 1,185,496	\$ 1,162,039
Contributions in relation to the contractually required contribution	<u>(2,087,659)</u>	<u>(1,827,770)</u>	<u>(1,960,532)</u>	<u>(1,185,496)</u>	<u>(1,162,039)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School district covered payroll	\$ 15,521,628	\$ 14,540,732	\$ 14,479,557	\$ 12,047,724	\$ 11,833,391
Contributions as a percentage of covered payroll	13.45%	12.57%	13.54%	9.84%	9.82%

# 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 6,195,236	\$ 6,656,306	\$ 6,767,468	\$ 6,150,070	\$ 6,380,596
Contributions in relation to the contractually required contribution	<u>(6,195,236)</u>	<u>(6,656,306)</u>	<u>(6,767,468)</u>	<u>(6,150,070)</u>	<u>(6,380,596)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School district covered payroll	\$ 44,251,686	\$ 47,545,043	\$ 48,339,057	\$ 47,308,229	\$ 49,081,508
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%	13.00%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 6,503,136	\$ 6,789,522	\$ 6,243,823	\$ 6,042,362	\$ 5,955,996
Contributions in relation to the contractually required contribution	<u>(6,503,136)</u>	<u>(6,789,522)</u>	<u>(6,243,823)</u>	<u>(6,042,362)</u>	<u>(5,955,996)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School district covered payroll	\$ 50,024,123	\$ 52,227,092	\$ 48,029,408	\$ 46,479,708	\$ 45,815,354
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%

# Cleveland Heights-University Heights City School District

## Note to Required Supplementary Information

For the Fiscal Year Ended June 30, 2017

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### Note 1: Change in Assumptions

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

In April 2016, SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.50 percent.

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increase, including inflation	3.50 to 18.20 percent	4.00 to 22.00 percent
Investment Rate of Return, net of investment expense, including inflation	7.50 percent	7.75 percent
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

For the current valuation, mortality rates are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

For the prior valuation, mortality rates were based on 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 for the five year period ended June 30, 2015. The prior experience study was completed for the five year period ended June 30, 2010.



**CLEVELAND UNIVERSITY HEIGHTS**  
**CITY SCHOOL DISTRICT**

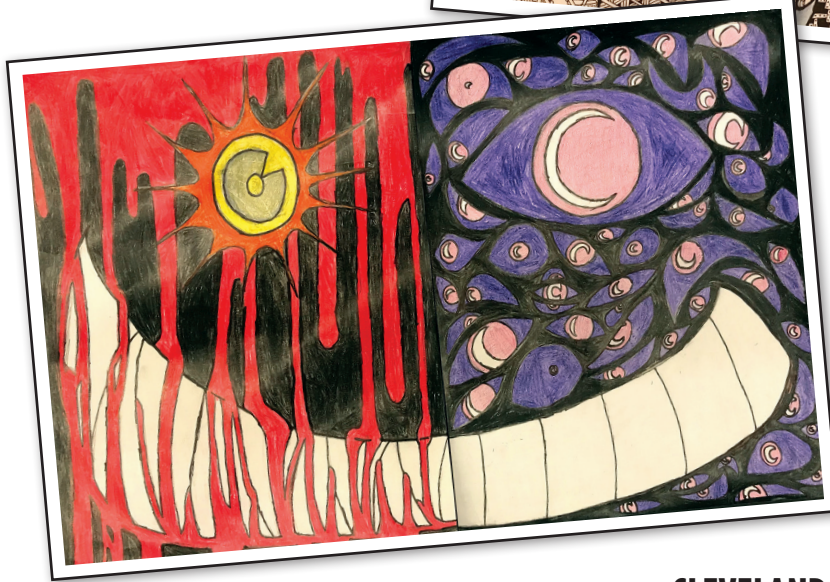
CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT  
*University Heights, Ohio*

# COMBINING STATEMENTS & INDIVIDUAL FUND SCHEDULES

*Fiona Macke*  
Grade 9  
CHHS



*Sean Fisher*  
Grade 9  
CHHS



**CLEVELAND** HEIGHTS  
**UNIVERSITY** CITY SCHOOL DISTRICT





# Cleveland Heights-University Heights City School District

## Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2017

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### 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.

***Miscellaneous State Grants*** This fund represents State monies that support academic and enrichment programs for the student body.

***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, 2017

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

***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 Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2017

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 734,692	\$ 2,201,133	\$ 5,707,503	\$ 8,643,328
Intergovernmental receivable	1,200,082	-	-	1,200,082
Prepaid items	33	-	-	33
Taxes receivable	-	8,587,201	3,761,528	12,348,729
Restricted cash	-	-	4,955,750	4,955,750
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	\$ <u>1,934,807</u>	\$ <u>10,788,334</u>	\$ <u>14,424,781</u>	\$ <u>27,147,922</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 248,527	\$ 176	\$ 240,195	\$ 488,898
Accrued wages and benefits	278,915	-	-	278,915
Interfund payable	943,607	-	-	943,607
Intergovernmental payable	35,641	-	-	35,641
Total liabilities	<u>1,506,690</u>	<u>176</u>	<u>240,195</u>	<u>1,747,061</u>
<b>Deferred inflows of resources:</b>				
Property taxes	-	6,172,041	2,603,003	8,775,044
Unavailable revenue	<u>722,455</u>	<u>1,340,568</u>	<u>637,922</u>	<u>2,700,945</u>
Deferred inflows of resources	<u>722,455</u>	<u>7,512,609</u>	<u>3,240,925</u>	<u>11,475,989</u>
<b>Fund balances:</b>				
Nonspendable	33	-	-	33
Restricted	150,052	3,275,549	10,943,661	14,369,262
Unassigned	<u>(444,423)</u>	<u>-</u>	<u>-</u>	<u>(444,423)</u>
Total fund balances (deficit)	<u>(294,338)</u>	<u>3,275,549</u>	<u>10,943,661</u>	<u>13,924,872</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>1,934,807</u>	\$ <u>10,788,334</u>	\$ <u>14,424,781</u>	\$ <u>27,147,922</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, 2017

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ -	\$ 5,959,297	\$ 2,638,856	\$ 8,598,153
Intergovernmental	7,625,660	242,588	450,132	8,318,380
Grants	77,065	-	-	77,065
Earnings on investments	1,350	-	187,071	188,421
Extracurricular activities	129,666	-	-	129,666
Miscellaneous	39,184	-	-	39,184
Total revenues	<u>7,872,925</u>	<u>6,201,885</u>	<u>3,276,059</u>	<u>17,350,869</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	493,403	-	-	493,403
Special	2,233,489	-	-	2,233,489
Vocational	152,088	-	-	152,088
Other	47,676	-	-	47,676
<b>Support services:</b>				
Pupil	368,869	-	-	368,869
Instructional staff	1,077,314	-	-	1,077,314
Administration	393,455	176	8	393,639
Fiscal	13,656	132,267	61,694	207,617
Business	18,000	-	-	18,000
Operations and maintenance of plant	-	-	1,365,136	1,365,136
Pupil transportation	28,247	-	-	28,247
Central	35,195	-	-	35,195
<b>Operation of non-instructional services:</b>				
Community services	3,254,246	-	-	3,254,246
Extracurricular activities	347,243	-	-	347,243
<b>Debt service:</b>				
Principal	-	485,000	450,000	935,000
Interest and fiscal charges	-	6,298,675	787,744	7,086,419
Total expenditures	<u>8,462,881</u>	<u>6,916,118</u>	<u>2,664,582</u>	<u>18,043,581</u>
Excess of revenues over (under) expenditures	(589,956)	(714,233)	611,477	(692,712)

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, 2017

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	<u>Nonmajor Special Revenue</u>	<u>Nonmajor Debt Service</u>	<u>Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Other financing sources (uses):				
Transfers - in	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Net change in fund balance	(439,956)	(714,233)	611,477	(542,712)
Fund balance at beginning of year	<u>145,618</u>	<u>3,989,782</u>	<u>10,332,184</u>	<u>14,467,584</u>
Fund (deficit) balance at end of year	\$ <u>(294,338)</u>	\$ <u>3,275,549</u>	\$ <u>10,943,661</u>	\$ <u>13,924,872</u>

# Cleveland Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2017

	<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Public School Preschool Grant</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 36,077	\$ 40,321	\$ 266,831	\$ -
Intergovernmental receivable	22,642	-	-	10,427
Prepaid items	-	33	-	-
Total assets	<u>\$ 58,719</u>	<u>\$ 40,354</u>	<u>\$ 266,831</u>	<u>\$ 10,427</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5,313	\$ 1,620	\$ 169,721	\$ -
Accrued wages and benefits	5,681	-	3,085	-
Interfund payable	-	-	30,000	10,427
Intergovernmental payable	426	-	147	1,478
Total liabilities	<u>11,420</u>	<u>1,620</u>	<u>202,953</u>	<u>11,905</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable	-	33	-	-
Restricted	47,299	38,701	63,878	-
Unassigned	-	-	-	(1,478)
Total fund balances (deficit)	<u>47,299</u>	<u>38,734</u>	<u>63,878</u>	<u>(1,478)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 58,719</u>	<u>\$ 40,354</u>	<u>\$ 266,831</u>	<u>\$ 10,427</u>

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<u>Data Communication</u>	<u>Miscellaneous State Grants</u>	<u>Alternative School Grant</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>
\$ -	\$ 1,199	\$ -	\$ 317,820	\$ -
-	-	-	230,431	63,373
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>1,199</u>	\$ <u>-</u>	\$ <u>548,251</u>	\$ <u>63,373</u>
\$ -	\$ 1,025	\$ -	\$ 4,795	\$ 1,450
-	-	-	27,747	6,993
-	-	-	411,176	58,951
<u>-</u>	<u>-</u>	<u>494</u>	<u>6,578</u>	<u>1,793</u>
<u>-</u>	<u>1,025</u>	<u>494</u>	<u>450,296</u>	<u>69,187</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>144,454</u>	<u>24,193</u>
-	-	-	-	-
-	174	-	-	-
<u>-</u>	<u>-</u>	<u>(494)</u>	<u>(46,499)</u>	<u>(30,007)</u>
<u>-</u>	<u>174</u>	<u>(494)</u>	<u>(46,499)</u>	<u>(30,007)</u>
\$ <u>-</u>	\$ <u>1,199</u>	\$ <u>-</u>	\$ <u>548,251</u>	\$ <u>63,373</u>

Continued

# Cleveland Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2017

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	Title 1 <u>Improvement</u>	<u>Title III</u>	<u>Title I</u>
Assets:			
Equity in pooled cash and investments	\$ -	\$ -	\$ 14,757
Intergovernmental receivable	78,948	2,766	649,827
Prepaid items	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>78,948</u>	\$ <u>2,766</u>	\$ <u>664,584</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	\$ -	\$ 135	\$ 25,825
Accrued wages and benefits	25,870	902	186,462
Interfund payable	16,541	2,106	278,153
Intergovernmental payable	<u>2,079</u>	<u>127</u>	<u>20,533</u>
Total liabilities	<u>44,490</u>	<u>3,270</u>	<u>510,973</u>
Deferred inflows of resources:			
Unavailable revenue	<u>62,406</u>	<u>660</u>	<u>426,593</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	-	-	-
Unassigned	<u>(27,948)</u>	<u>(1,164)</u>	<u>(272,982)</u>
Total fund balances (deficit)	<u>(27,948)</u>	<u>(1,164)</u>	<u>(272,982)</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>78,948</u>	\$ <u>2,766</u>	\$ <u>664,584</u>



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<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ -	\$ 46,093	\$ 11,594	\$ 734,692
9,550	71,132	60,986	1,200,082
-	-	-	33
<u>\$ 9,550</u>	<u>\$ 117,225</u>	<u>\$ 72,580</u>	<u>\$ 1,934,807</u>
\$ -	\$ 38,643	\$ -	\$ 248,527
-	9,024	13,151	278,915
2,620	76,564	57,069	943,607
56	112	1,818	35,641
<u>2,676</u>	<u>124,343</u>	<u>72,038</u>	<u>1,506,690</u>
<u>6,929</u>	<u>41,709</u>	<u>15,511</u>	<u>722,455</u>
-	-	-	33
-	-	-	150,052
<u>(55)</u>	<u>(48,827)</u>	<u>(14,969)</u>	<u>(444,423)</u>
<u>(55)</u>	<u>(48,827)</u>	<u>(14,969)</u>	<u>(294,338)</u>
<u>\$ 9,550</u>	<u>\$ 117,225</u>	<u>\$ 72,580</u>	<u>\$ 1,934,807</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, 2017

	Other Grants	District Managed Activity	Auxiliary Services	Public School Preschool Grant
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 2,567,730	\$ 108,000
Grants	77,065	-	-	-
Earnings on investments	-	-	1,350	-
Extracurricular activities	-	129,666	-	-
Miscellaneous	<u>29,322</u>	<u>8,663</u>	<u>-</u>	<u>-</u>
Total revenues	<u>106,387</u>	<u>138,329</u>	<u>2,569,080</u>	<u>108,000</u>
Expenditures:				
Current:				
Instruction:				
Regular	92,875	-	-	169,462
Special	-	-	-	-
Vocational	3,716	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	133	-	-
Instructional staff	5,192	-	-	-
Administration	13,256	-	-	-
Fiscal	-	-	-	-
Business	-	-	-	-
Pupil transportation	-	-	-	-
Central	7,695	-	-	-
Operation of non-instructional services:				
Community services	300	-	2,776,513	-
Extracurricular activities	<u>-</u>	<u>347,243</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>123,034</u>	<u>347,376</u>	<u>2,776,513</u>	<u>169,462</u>
Excess of revenues over (under) expenditures	(16,647)	(209,047)	(207,433)	(61,462)
Other financing sources (uses):				
Transfers - in	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(16,647)	(59,047)	(207,433)	(61,462)
Fund balance (deficit) at beginning of year	<u>63,946</u>	<u>97,781</u>	<u>271,311</u>	<u>59,984</u>
Fund balance (deficit) at end of year	\$ <u>47,299</u>	\$ <u>38,734</u>	\$ <u>63,878</u>	\$ <u>(1,478)</u>

<u>Data</u> <u>Communication</u>	<u>Miscellaneous</u> <u>State</u> <u>Grants</u>	<u>Alternative</u> <u>School</u> <u>Grant</u>	<u>IDEA</u> <u>(Flo-Thru)</u>	<u>Vocational</u> <u>Education</u>
\$ 18,000	\$ -	\$ 87,911	\$ 1,561,737	\$ 231,876
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,199	-	-	-
<u>18,000</u>	<u>1,199</u>	<u>87,911</u>	<u>1,561,737</u>	<u>231,876</u>
-	1,025	83,133	-	-
-	-	-	944,803	-
-	-	-	-	148,372
-	-	-	47,676	-
-	-	-	205,843	-
-	-	-	25,540	93,453
-	-	4,445	222,352	10,264
-	-	-	-	-
18,000	-	-	-	-
-	-	-	7,384	-
-	-	-	-	-
-	-	-	94,131	-
-	-	-	-	-
<u>18,000</u>	<u>1,025</u>	<u>87,578</u>	<u>1,547,729</u>	<u>252,089</u>
-	174	333	14,008	(20,213)
-	-	-	-	-
-	174	333	14,008	(20,213)
-	-	(827)	(60,507)	(9,794)
\$ <u>-</u>	\$ <u>174</u>	\$ <u>(494)</u>	\$ <u>(46,499)</u>	\$ <u>(30,007)</u>

Continued

# Cleveland Heights-University Heights City School District

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

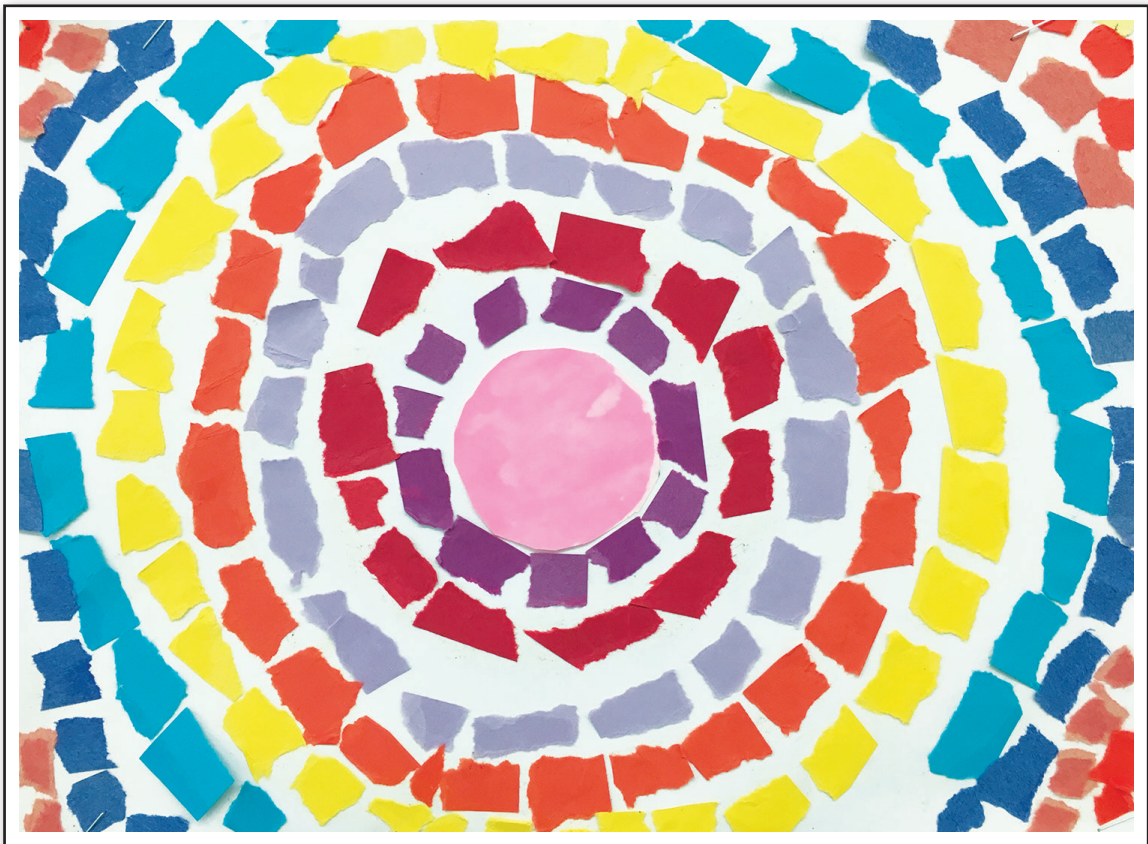
For the Fiscal Year Ended June 30, 2017

	Title 1 <u>Improvement</u>	<u>Title III</u>	<u>Title I</u>
<b>Revenues:</b>			
Intergovernmental	\$ 217,507	\$ 30,631	\$ 2,201,021
Grants	-	-	-
Earnings on investments	-	-	-
Extracurricular activities	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>217,507</u>	<u>30,631</u>	<u>2,201,021</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	-	-	-
Special	51,839	25,900	1,184,594
Vocational	-	-	-
Other	-	-	-
<b>Support services:</b>			
Pupil	-	-	53,207
Instructional staff	155,992	-	630,342
Administration	-	-	77,258
Fiscal	-	-	-
Business	-	-	-
Pupil transportation	-	-	2,250
Central	-	-	-
<b>Operation of non-instructional services:</b>			
Community services	-	405	316,951
Extracurricular activities	-	-	-
Total expenditures	<u>207,831</u>	<u>26,305</u>	<u>2,264,602</u>
Excess of revenues over (under) expenditures	9,676	4,326	(63,581)
<b>Other financing sources (uses):</b>			
Transfers - in	-	-	-
Net change in fund balance	9,676	4,326	(63,581)
Fund balance (deficit) at beginning of year	<u>(37,624)</u>	<u>(5,490)</u>	<u>(209,401)</u>
Fund balance (deficit) at end of year	\$ <u><u>(27,948)</u></u>	\$ <u><u>(1,164)</u></u>	\$ <u><u>(272,982)</u></u>

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<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 26,678	\$ 189,352	\$ 385,217	\$ 7,625,660
-	-	-	77,065
-	-	-	1,350
-	-	-	129,666
-	-	-	39,184
<u>26,678</u>	<u>189,352</u>	<u>385,217</u>	<u>7,872,925</u>
-	-	146,908	493,403
26,353	-	-	2,233,489
-	-	-	152,088
-	-	-	47,676
-	-	109,686	368,869
-	164,856	1,939	1,077,314
-	-	65,880	393,455
-	-	13,656	13,656
-	-	-	18,000
-	-	18,613	28,247
-	-	27,500	35,195
-	64,952	994	3,254,246
-	-	-	347,243
<u>26,353</u>	<u>229,808</u>	<u>385,176</u>	<u>8,462,881</u>
325	(40,456)	41	(589,956)
<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
325	(40,456)	41	(439,956)
<u>(380)</u>	<u>(8,371)</u>	<u>(15,010)</u>	<u>145,618</u>
\$ <u>(55)</u>	\$ <u>(48,827)</u>	\$ <u>(14,969)</u>	\$ <u>(294,338)</u>

# Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual



*Jazzy Gundy*  
Grade 2  
Canterbury 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 64,455,777	\$ 68,494,306	\$ 71,646,868	\$ 3,152,562
Intergovernmental	28,440,921	28,885,693	31,353,917	2,468,224
Tuition and fees	4,253,963	4,320,487	4,689,664	369,177
Earnings on investments	298,087	302,749	328,618	25,869
Miscellaneous	<u>1,511,162</u>	<u>1,534,792</u>	<u>1,666,851</u>	<u>132,059</u>
Total revenues	<u>98,959,910</u>	<u>103,538,027</u>	<u>109,685,918</u>	<u>6,147,891</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Salaries and wages	23,844,798	23,844,798	26,488,958	(2,644,160)
Employee benefits	12,053,075	12,053,075	12,404,285	(351,210)
Purchased services	4,328,466	4,328,466	439,012	3,889,454
Supplies and materials	2,662,234	2,662,234	1,991,528	670,706
Capital outlay	643,114	643,114	28,368	614,746
Other	<u>459,832</u>	<u>459,832</u>	<u>241,088</u>	<u>218,744</u>
Total regular	<u>43,991,519</u>	<u>43,991,519</u>	<u>41,593,239</u>	<u>2,398,280</u>
<b>Special:</b>				
Salaries and wages	9,173,153	9,173,153	8,444,488	728,665
Employee benefits	3,791,808	3,791,808	3,845,079	(53,271)
Purchased services	11,644,936	11,644,936	7,407,018	4,237,918
Supplies and materials	78,001	78,001	36,626	41,375
Capital outlay	5,000	5,000	589	4,411
Other	<u>61,433</u>	<u>61,433</u>	<u>32,312</u>	<u>29,121</u>
Total special	<u>24,754,331</u>	<u>24,754,331</u>	<u>19,766,112</u>	<u>4,988,219</u>
<b>Vocational:</b>				
Salaries and wages	1,189,051	1,189,051	1,103,979	85,072
Employee benefits	403,935	403,935	411,987	(8,052)
Purchased services	7,721	7,721	5,804	1,917
Supplies and materials	90,667	90,667	69,602	21,065
Capital outlay	20,585	20,585	12,392	8,193
Other	<u>8,993</u>	<u>8,993</u>	<u>5,264</u>	<u>3,729</u>
Total vocational	<u>1,720,952</u>	<u>1,720,952</u>	<u>1,609,028</u>	<u>111,924</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other:				
Salaries and wages	327,570	327,570	276,598	50,972
Employee benefits	59,988	59,988	56,200	3,788
Purchased services	1,238,048	1,238,048	5,589,764	(4,351,716)
Supplies and materials	33,374	33,374	2,398	30,976
Other	-	-	76	(76)
Total other	<u>1,658,980</u>	<u>1,658,980</u>	<u>5,925,036</u>	<u>(4,266,056)</u>
Total instruction	<u>72,125,782</u>	<u>72,125,782</u>	<u>68,893,415</u>	<u>3,232,367</u>
Support services:				
Pupil:				
Salaries and wages	5,095,617	5,095,617	4,965,961	129,656
Employee benefits	1,877,069	1,877,069	2,068,293	(191,224)
Purchased services	304,288	304,288	234,310	69,978
Supplies and materials	86,399	86,399	55,704	30,695
Capital outlay	995	995	995	-
Other	57,799	57,799	36,301	21,498
Total pupil	<u>7,422,167</u>	<u>7,422,167</u>	<u>7,361,564</u>	<u>60,603</u>
Instructional staff:				
Salaries and wages	2,687,195	2,687,195	2,477,277	209,918
Employee benefits	1,082,967	1,082,967	1,094,223	(11,256)
Purchased services	539,713	539,713	270,788	268,925
Supplies and materials	335,916	335,916	87,815	248,101
Capital outlay	133,840	133,840	762	133,078
Other	7,923	7,923	62,265	(54,342)
Total instructional staff	<u>4,787,554</u>	<u>4,787,554</u>	<u>3,993,130</u>	<u>794,424</u>
Board of education:				
Salaries and wages	19,825	19,825	21,500	(1,675)
Employee benefits	4,237	4,237	5,034	(797)
Purchased services	619,798	619,798	627,994	(8,196)
Supplies and materials	822	822	12,519	(11,697)
Other	17,650	17,650	20,379	(2,729)
Total board of education	<u>662,332</u>	<u>662,332</u>	<u>687,426</u>	<u>(25,094)</u>
Administration:				
Salaries and wages	3,893,874	3,893,874	3,518,676	375,198
Employee benefits	1,780,331	1,780,331	1,787,468	(7,137)
Purchased services	287,771	287,771	375,592	(87,821)
Supplies and materials	177,112	177,112	99,725	77,387
Capital outlay	5,659	5,659	3,824	1,835
Other	71,004	71,004	36,915	34,089
Total administration	<u>6,215,751</u>	<u>6,215,751</u>	<u>5,822,200</u>	<u>393,551</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Fiscal:</b>				
Salaries and wages	802,897	802,897	800,602	2,295
Employee benefits	433,236	433,236	415,161	18,075
Purchased services	214,486	214,486	195,940	18,546
Supplies and materials	115,550	115,550	110,798	4,752
Capital outlay	3,000	3,000	-	3,000
Other	1,520,139	1,520,139	1,446,524	73,615
Total fiscal	<u>3,089,308</u>	<u>3,089,308</u>	<u>2,969,025</u>	<u>120,283</u>
<b>Business:</b>				
Salaries and wages	217,574	217,574	83,849	133,725
Employee benefits	111,185	111,185	27,978	83,207
Purchased services	443,885	443,885	504,366	(60,481)
Supplies and materials	21,500	21,500	14,041	7,459
Capital outlay	1,431	1,431	-	1,431
Other	435,901	435,901	387,246	48,655
Total business	<u>1,231,476</u>	<u>1,231,476</u>	<u>1,017,480</u>	<u>213,996</u>
<b>Operations and maintenance of plant:</b>				
Salaries and wages	4,901,247	4,901,247	4,340,145	561,102
Employee benefits	2,727,055	2,727,055	2,876,340	(149,285)
Purchased services	2,645,824	2,645,824	2,928,060	(282,236)
Supplies and materials	855,719	855,719	750,919	104,800
Capital outlay	183,122	183,122	165,114	18,008
Other	14,930	14,930	13,480	1,450
Total operations and maintenance of plant	<u>11,327,897</u>	<u>11,327,897</u>	<u>11,074,058</u>	<u>253,839</u>
<b>Pupil transportation:</b>				
Salaries and wages	1,973,702	1,973,702	1,813,987	159,715
Employee benefits	934,601	934,601	1,010,470	(75,869)
Purchased services	1,105,095	1,105,957	938,922	167,035
Supplies and materials	524,473	524,473	383,291	141,182
Capital outlay	1,500	1,500	-	1,500
Other	13,270	69,332	40,255	29,077
Total pupil transportation	<u>4,552,641</u>	<u>4,609,565</u>	<u>4,186,925</u>	<u>422,640</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	1,375,649	1,375,649	1,153,350	222,299
Employee benefits	797,111	797,111	793,299	3,812
Purchased services	1,152,860	1,152,860	959,399	193,461
Supplies and materials	441,749	441,749	387,375	54,374
Capital outlay	1,067,463	1,067,463	908,883	158,580
Other	21,838	21,838	13,853	7,985
Total central	<u>4,856,670</u>	<u>4,856,670</u>	<u>4,216,159</u>	<u>640,511</u>
Total support services	<u>44,145,796</u>	<u>44,202,720</u>	<u>41,327,967</u>	<u>2,874,753</u>
Operation of non-instructional services:				
Food service operations:				
Employee benefits	<u>23</u>	<u>23</u>	<u>1,643</u>	<u>(1,620)</u>
Total food service operations	<u>23</u>	<u>23</u>	<u>1,643</u>	<u>(1,620)</u>
Community services:				
Employee benefits	<u>50</u>	<u>50</u>	<u>1,051</u>	<u>(1,001)</u>
Purchased services	<u>26,500</u>	<u>26,500</u>	<u>26,417</u>	<u>83</u>
Total community services	<u>26,550</u>	<u>26,550</u>	<u>27,468</u>	<u>(918)</u>
Other non-instructional services				
Fringe benefits	<u>-</u>	<u>-</u>	<u>702</u>	<u>(702)</u>
Total operation of non-instructional services	<u>26,573</u>	<u>26,573</u>	<u>29,813</u>	<u>(3,240)</u>
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	186,802	186,802	175,015	11,787
Employee benefits	47,211	47,211	42,394	4,817
Purchased services	4,129	4,129	2,301	1,828
Supplies and materials	870	870	751	119
Other	<u>4,808</u>	<u>4,808</u>	<u>4,295</u>	<u>513</u>
Total academic and subject oriented	<u>243,820</u>	<u>243,820</u>	<u>224,756</u>	<u>19,064</u>
Occupational oriented:				
Salaries and wages	3,183	3,183	3,390	(207)
Fringe benefits	<u>532</u>	<u>532</u>	<u>496</u>	<u>36</u>
Total occupational oriented	<u>3,715</u>	<u>3,715</u>	<u>3,886</u>	<u>(171)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports oriented:				
Salaries and wages	744,702	744,702	578,836	165,866
Employee benefits	186,120	186,120	159,641	26,479
Purchased services	3,688	3,688	1,325	2,363
Supplies and materials	4,771	4,771	2,421	2,350
Other	<u>14,600</u>	<u>14,600</u>	<u>227</u>	<u>14,373</u>
Total sports oriented	<u>953,881</u>	<u>953,881</u>	<u>742,450</u>	<u>211,431</u>
Co-curricular activities:				
Salaries and wages	60,705	60,705	66,666	(5,961)
Employee benefits	9,383	9,383	10,117	(734)
Purchased services	1,000	1,000	4,826	(3,826)
Other	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>(13,500)</u>
Total co-curricular activities	<u>71,088</u>	<u>71,088</u>	<u>95,109</u>	<u>(24,021)</u>
Total extracurricular activities	<u>1,272,504</u>	<u>1,272,504</u>	<u>1,066,201</u>	<u>206,303</u>
Total expenditures	<u>117,570,655</u>	<u>117,627,579</u>	<u>111,317,396</u>	<u>6,310,183</u>
Excess of revenues over (under) expenditures	<u>(18,610,745)</u>	<u>(14,089,552)</u>	<u>(1,631,478)</u>	<u>12,458,074</u>
Other financing sources (uses):				
Transfers - in	8,446	8,578	8,398	(180)
Transfers - out	(193,638)	(193,638)	(1,726,833)	(1,533,195)
Advances - in	2,981,637	3,098,109	3,336,000	237,891
Advances - out	<u>(4,001,925)</u>	<u>(4,014,000)</u>	<u>(1,866,000)</u>	<u>2,148,000</u>
Total other financing sources (uses)	<u>(1,205,480)</u>	<u>(1,100,951)</u>	<u>(248,435)</u>	<u>852,516</u>
Net change in fund balance	(19,816,225)	(15,190,503)	(1,879,913)	13,310,590
Fund balance at beginning of year	13,169,522	13,169,522	13,169,522	-
Prior year encumbrances appropriated	<u>2,755,215</u>	<u>2,755,215</u>	<u>2,755,215</u>	<u>-</u>
Fund balance at end of year	\$ <u>(3,891,488)</u>	\$ <u>734,234</u>	\$ <u>14,044,824</u>	\$ <u>13,310,590</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 50,000	\$ 50,000	\$ 33,737	\$ (16,263)
Expenditures:				
Current:				
Support services:				
Pupil:				
Purchased services	-	-	1,100	(1,100)
Instructional staff:				
Purchased services	13,811	13,811	10,083	3,728
Central:				
Purchased services	119,500	119,500	-	119,500
Total support services	133,311	133,311	11,183	122,128
Extracurricular activities:				
Co-curricular activities:				
Purchased services	-	-	17,341	(17,341)
Other	500	500	16,805	(16,305)
Total extracurricular activities	500	500	34,146	(33,646)
Total expenditures	133,811	133,811	45,329	88,482
Net change in fund balance	(83,811)	(83,811)	(11,592)	72,219
Fund balance at beginning of year	102,007	102,007	102,007	-
Prior year encumbrances appropriated	13,811	13,811	13,811	-
Fund balance at end of year	\$ 32,007	\$ 32,007	\$ 104,226	\$ 72,219

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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Extracurricular activities	\$ 65,148	\$ 65,148	\$ 51,371	\$ (13,777)
Classroom materials and fees	12,641	12,641	9,968	(2,673)
Miscellaneous	72,212	72,212	56,941	(15,271)
Total revenues	<u>150,001</u>	<u>150,001</u>	<u>118,280</u>	<u>(31,721)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Purchased services	131,005	131,005	14,382	116,623
Supplies and materials	-	-	11,026	(11,026)
Other	-	-	588	(588)
Total regular	<u>131,005</u>	<u>131,005</u>	<u>25,996</u>	<u>105,009</u>
<b>Special:</b>				
Supplies and materials	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
<b>Vocational:</b>				
Professional services	-	-	80	(80)
Supplies and materials	5,800	5,800	5,489	311
Other	-	-	3,033	(3,033)
Total vocational	<u>5,800</u>	<u>5,800</u>	<u>8,602</u>	<u>(2,802)</u>
Total instruction	<u>139,805</u>	<u>139,805</u>	<u>34,598</u>	<u>105,207</u>
<b>Support services:</b>				
<b>Pupil:</b>				
Purchased services	8,500	8,500	12,652	(4,152)
Supplies and materials	2,600	2,600	36,124	(33,524)
Other	1,495	1,495	17,154	(15,659)
Total pupil	<u>12,595</u>	<u>12,595</u>	<u>65,930</u>	<u>(53,335)</u>
<b>Instructional staff:</b>				
Purchased services	<u>-</u>	<u>-</u>	<u>8,683</u>	<u>(8,683)</u>
<b>Administration:</b>				
Purchased services	624	624	20,247	(19,623)
Supplies and materials	36,150	36,150	12,509	23,641
Capital outlay	-	-	1,726	(1,726)
Other	200	200	445	(245)
Total administration	<u>36,974</u>	<u>36,974</u>	<u>34,927</u>	<u>2,047</u>
Total support services	<u>49,569</u>	<u>49,569</u>	<u>109,540</u>	<u>(59,971)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Academic and subject oriented:				
Purchased services	-	-	150	(150)
Supplies and materials	7,500	7,500	1,313	6,187
Other	-	-	300	(300)
Total academic and subject oriented	<u>7,500</u>	<u>7,500</u>	<u>1,763</u>	<u>5,737</u>
Co-curricular activities:				
Purchased services	-	-	793	(793)
Supplies and materials	6,665	6,665	2,556	4,109
Other	-	-	2,389	(2,389)
Total co-curricular activities	<u>6,665</u>	<u>6,665</u>	<u>5,738</u>	<u>927</u>
Total extracurricular activities	<u>14,165</u>	<u>14,165</u>	<u>7,501</u>	<u>6,664</u>
Total expenditures	<u>203,539</u>	<u>203,539</u>	<u>151,639</u>	<u>51,900</u>
Net change in fund balance	(53,538)	(53,538)	(33,359)	20,179
Fund balance at beginning of year	213,490	213,490	213,490	-
Prior year encumbrances appropriated	<u>3,539</u>	<u>3,539</u>	<u>3,539</u>	-
Fund balance at end of year	\$ <u>163,491</u>	\$ <u>163,491</u>	\$ <u>183,670</u>	\$ <u>20,179</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Earnings on investment	\$ 1,709,690	\$ 1,709,690	\$ 736,149	\$ (973,541)
Miscellaneous revenue	290,310	290,310	125,000	(165,310)
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>861,149</u>	<u>(1,138,851)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Capital outlay	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>
Support services:				
Fiscal:				
Purchased services	60,000	60,000	49,299	10,701
Operations and maintenance of plant:				
Purchased services	<u>-</u>	<u>-</u>	<u>73,056</u>	<u>(73,056)</u>
Total support services	<u>60,000</u>	<u>60,000</u>	<u>122,355</u>	<u>(62,355)</u>
Facilities acquisition and construction services:				
Architecture and engineering services:				
Purchased services	15,556,967	15,556,967	8,302,398	7,254,569
Supplies and materials	2,000	2,000	-	2,000
Other	<u>172,237</u>	<u>172,237</u>	<u>72,237</u>	<u>100,000</u>
Total architecture and engineering services	<u>15,731,204</u>	<u>15,731,204</u>	<u>8,374,635</u>	<u>7,356,569</u>
Building acquisition and construction services:				
Purchased services	26,058,082	26,058,082	2,372,137	23,685,945
Supplies and materials	10,000	10,000	12,506	(2,506)
Capital outlay	<u>61,077,039</u>	<u>61,077,039</u>	<u>67,534,593</u>	<u>(6,457,554)</u>
Total building acquisition and construction services	<u>87,145,121</u>	<u>87,145,121</u>	<u>69,919,236</u>	<u>17,225,885</u>
Building improvement services:				
Capital outlay	146,356	146,356	157,726	(11,370)
Other	<u>-</u>	<u>-</u>	<u>780</u>	<u>(780)</u>
Total building improvement services	<u>146,356</u>	<u>146,356</u>	<u>158,506</u>	<u>(12,150)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other facilities acquisition and construction services:				
Purchased services	-	-	20,740	(20,740)
Supplies and materials	2,007,325	2,007,325	16,020	1,991,305
Other	16,371	16,371	17,703	(1,332)
Total other facilities acquisition and construction services	<u>2,023,696</u>	<u>2,023,696</u>	<u>54,463</u>	<u>1,969,233</u>
Total facilities acquisition and construction services	<u>105,046,377</u>	<u>105,046,377</u>	<u>78,506,840</u>	<u>26,539,537</u>
Total expenditures	<u>108,106,377</u>	<u>108,106,377</u>	<u>78,629,195</u>	<u>29,477,182</u>
Net change in fund balance	(106,106,377)	(106,106,377)	(77,768,046)	28,338,331
Fund balance at beginning of year	38,587,212	38,587,212	38,587,212	-
Prior year encumbrances appropriated	<u>68,106,377</u>	<u>68,106,377</u>	<u>68,106,377</u>	-
Fund balance at end of year	\$ <u>587,212</u>	\$ <u>587,212</u>	\$ <u>28,925,543</u>	\$ <u>28,338,331</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 110,428	\$ 110,428	\$ 77,065	\$ (33,363)
Miscellaneous	9,572	9,572	6,680	(2,892)
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>83,745</u>	<u>(36,255)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	60,611	60,611	36,400	24,211
Employee benefits	31,993	31,993	17,675	14,318
Purchased services	18,152	18,152	36,146	(17,994)
Supplies and materials	9,274	9,274	17,705	(8,431)
Capital outlay	-	-	874	(874)
Other	1,937	1,937	2,331	(394)
Total regular	<u>121,967</u>	<u>121,967</u>	<u>111,131</u>	<u>10,836</u>
Vocational:				
Purchased services	1,000	1,000	-	1,000
Supplies and materials	5,000	5,000	-	5,000
Capital outlay	8,716	8,716	3,716	5,000
Other	3,000	3,000	-	3,000
Total vocation	<u>17,716</u>	<u>17,716</u>	<u>3,716</u>	<u>14,000</u>
Total instruction	<u>139,683</u>	<u>139,683</u>	<u>114,847</u>	<u>24,836</u>
Support services:				
Instructional staff:				
Purchased services	<u>5,047</u>	<u>5,047</u>	<u>5,457</u>	<u>(410)</u>
Administration:				
Purchased services	15,437	15,437	13,567	1,870
Supplies and materials	-	-	1,645	(1,645)
Other	140	140	330	(190)
Total administration	<u>15,577</u>	<u>15,577</u>	<u>15,542</u>	<u>35</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Purchased services	5,000	5,000	-	5,000
Central				
Purchased services	-	-	120	(120)
Supplies and materials	-	-	8,000	(8,000)
Other	-	-	15	(15)
Total central	-	-	8,135	(8,135)
Total support services	25,624	25,624	29,134	(3,510)
Community services:				
Purchased services	322	322	300	22
Total expenditures	165,629	165,629	144,281	21,348
Net change in fund balance	(45,629)	(45,629)	(60,536)	(14,907)
Fund balance at beginning of year	38,516	38,516	38,516	-
Prior year encumbrances appropriated	28,705	28,705	28,705	-
Fund balance at end of year	\$ 21,592	\$ 21,592	\$ 6,685	\$ (14,907)

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 269,115	\$ 269,115	\$ 129,666	\$ (139,449)
Miscellaneous	17,981	17,981	8,663	(9,318)
Total revenues	<u>287,096</u>	<u>287,096</u>	<u>138,329</u>	<u>(148,767)</u>
Expenditures:				
Current:				
Support services:				
Pupil:				
Purchased services	174,994	174,994	-	174,994
Other	-	-	133	(133)
Total pupil	<u>174,994</u>	<u>174,994</u>	<u>133</u>	<u>174,861</u>
Extracurricular activities:				
Fringe benefits	-	-	65	(65)
Purchased services	347,897	347,897	253,178	94,719
Supplies and materials	104,726	104,726	117,107	(12,381)
Other	5,107	5,107	4,752	355
Total extracurricular activities	<u>457,730</u>	<u>457,730</u>	<u>375,102</u>	<u>82,628</u>
Total expenditures	<u>632,724</u>	<u>632,724</u>	<u>375,235</u>	<u>257,489</u>
Excess of revenues over (under) expenditures	<u>(345,628)</u>	<u>(345,628)</u>	<u>(236,906)</u>	<u>108,722</u>
Other financing sources (uses):				
Transfers - in	312,905	312,905	150,765	(162,140)
Transfer - out	-	-	(765)	(765)
Total other financing sources (uses)	<u>312,905</u>	<u>312,905</u>	<u>150,000</u>	<u>(162,905)</u>
Net change in fund balance	(32,723)	(32,723)	(86,906)	(54,183)
Fund balance at beginning of year	65,891	65,891	65,891	-
Prior year encumbrances appropriated	<u>32,724</u>	<u>32,724</u>	<u>32,724</u>	-
Fund balance at end of year	\$ <u>65,892</u>	\$ <u>65,892</u>	\$ <u>11,709</u>	\$ <u>(54,183)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,277,195	\$ 2,823,722	\$ 2,567,730	\$ (255,992)
Earnings on investments	1,197	1,485	1,350	(135)
Total revenues	<u>2,278,392</u>	<u>2,825,207</u>	<u>2,569,080</u>	<u>(256,127)</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	11,183	13,532	12,738	794
Employee benefits	2,303	2,787	2,245	542
Purchased services	1,512,257	1,829,977	1,739,460	90,517
Supplies and materials	674,463	816,164	850,070	(33,906)
Capital outlay	283,302	342,822	314,570	28,252
Other	41,783	50,561	43,040	7,521
Total expenditures	<u>2,525,291</u>	<u>3,055,843</u>	<u>2,962,123</u>	<u>93,720</u>
Excess of revenues over (under) expenditures	<u>(246,899)</u>	<u>(230,636)</u>	<u>(393,043)</u>	<u>(162,407)</u>
Other financing sources (uses):				
Transfers - in	195,002	241,802	219,881	(21,921)
Transfers - out	-	-	(219,881)	(219,881)
Advances - in	26,606	32,991	30,000	(2,991)
Advances - out	<u>(330,552)</u>	<u>(400,000)</u>	<u>-</u>	<u>400,000</u>
Total other financing sources (uses)	<u>(108,944)</u>	<u>(125,207)</u>	<u>30,000</u>	<u>155,207</u>
Net change in fund balance	(355,843)	(355,843)	(363,043)	(7,200)
Fund balance at beginning of year	118,236	118,236	118,236	-
Prior year encumbrances appropriated	<u>255,842</u>	<u>255,842</u>	<u>255,842</u>	<u>-</u>
Fund balance at end of year	\$ <u>18,235</u>	\$ <u>18,235</u>	\$ <u>11,035</u>	\$ <u>(7,200)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 210,000	\$ 210,000	\$ 97,573	\$ (112,427)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	146,760	146,760	72,598	74,162
Employee benefits	53,240	53,240	35,402	17,838
Other	-	-	60,644	(60,644)
Total expenditures	200,000	200,000	168,644	31,356
Net change in fund balance	10,000	10,000	(71,071)	(81,071)
Fund balance at beginning of year	60,644	60,644	60,644	-
Fund balance at end of year	\$ 70,644	\$ 70,644	\$ (10,427)	\$ (81,071)

# 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, 2017

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

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 87,911	\$ (7,089)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	44,190	44,190	42,752	1,438
Employee benefits	7,721	7,721	4,678	3,043
Purchased services	36,000	36,000	36,000	-
Total regular	87,911	87,911	83,430	4,481
Support services:				
Administration:				
Salaries and wages	-	-	3,046	(3,046)
Employee benefits	-	-	1,435	(1,435)
Total administration	-	-	4,481	(4,481)
Total expenditures	87,911	87,911	87,911	-
Excess of revenues over (under) expenditures	7,089	7,089	-	(7,089)
Other financing sources (uses):				
Advances out	(7,089)	(7,089)	-	7,089
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 100,000	\$ 100,000	\$ 1,199	\$ (98,801)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	\$ 1,199	\$ 1,199	\$ 1,199	\$ -
Support services:				
Operations and maintenance of plant	24,801	24,801	-	24,801
Total expenditures	26,000	26,000	1,199	24,801
Net change in fund balance	74,000	74,000	-	(74,000)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 74,000	\$ 74,000	\$ -	\$ (74,000)



# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,504,106	\$ 3,129,703	\$ 1,475,760	\$ (1,653,943)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	2,017,339	3,024,750	475,847	2,548,903
Employee benefits	210,321	315,350	380,034	(64,684)
Purchased services	40,017	60,000	46,549	13,451
Supplies and materials	46,233	69,320	61,189	8,131
Capital outlay	3,335	5,000	4,041	959
Other	3,668	5,500	3,300	2,200
Total special	<u>2,320,913</u>	<u>3,479,920</u>	<u>970,960</u>	<u>2,508,960</u>
Other:				
Purchased services	40,017	60,000	60,000	-
Total instruction	<u>2,360,930</u>	<u>3,539,920</u>	<u>1,030,960</u>	<u>2,508,960</u>
Support services:				
Pupil:				
Salaries and wages	46,988	70,452	90,065	(19,613)
Employee benefits	30,156	45,215	40,172	5,043
Purchased services	43,351	65,000	54,673	10,327
Supplies and materials	27,344	41,000	43,311	(2,311)
Other	1,000	1,500	1,010	490
Total pupil	<u>148,839</u>	<u>223,167</u>	<u>229,231</u>	<u>(6,064)</u>
Instructional staff:				
Purchased services	<u>28,011</u>	<u>42,000</u>	<u>40,343</u>	<u>1,657</u>

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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and wages	100,457	150,623	149,641	982
Employee benefits	51,230	76,812	67,936	8,876
Purchased services	-	-	1,638	(1,638)
Supplies and materials	5,169	7,750	7,250	500
Total administration	<u>156,856</u>	<u>235,185</u>	<u>226,465</u>	<u>8,720</u>
Fiscal:				
Other	<u>34,726</u>	<u>52,068</u>	<u>-</u>	<u>52,068</u>
Pupil transportation:				
Purchased services	-	-	3,120	(3,120)
Supplies and materials	2,845	4,265	4,264	1
Total pupil transportation	<u>2,845</u>	<u>4,265</u>	<u>7,384</u>	<u>(3,119)</u>
Total support services	<u>371,277</u>	<u>556,685</u>	<u>503,423</u>	<u>53,262</u>
Operation of non-instructional services:				
Community services:				
Purchased services	122,550	183,749	131,610	52,139
Total expenditures	<u>2,854,757</u>	<u>4,280,354</u>	<u>1,665,993</u>	<u>2,614,361</u>
Excess of revenues over (under) expenditures	<u>(350,651)</u>	<u>(1,150,651)</u>	<u>(190,233)</u>	<u>960,418</u>
Other financing sources (uses):				
Advances - in	348,651	348,651	411,176	62,525
Advances - out	-	-	(690,000)	(690,000)
Total other financing sources (uses)	<u>348,651</u>	<u>348,651</u>	<u>(278,824)</u>	<u>(627,475)</u>
Net change in fund balance	(2,000)	(802,000)	(469,057)	332,943
Fund balance at beginning of year	674,518	674,518	674,518	-
Prior year encumbrances appropriated	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Fund balance at end of year	\$ <u>674,518</u>	\$ <u>(125,482)</u>	\$ <u>207,461</u>	\$ <u>332,943</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 469,218	\$ 469,218	\$ 192,696	\$ (276,522)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	320,661	320,661	30,934	289,727
Employee benefits	48,980	48,980	33,295	15,685
Supplies and materials	35,145	35,145	28,806	6,339
Capital outlay	62,600	62,600	59,441	3,159
Other	14,800	14,800	11,424	3,376
Total vocational	482,186	482,186	163,900	318,286
Support services:				
Instructional staff:				
Salaries and wages	-	-	60,286	(60,286)
Employee benefits	-	-	20,792	(20,792)
Purchased services	10,000	10,000	11,240	(1,240)
Total instructional staff	10,000	10,000	92,318	(82,318)
Administration:				
Salaries and wages	8,942	8,942	7,203	1,739
Employee benefits	4,382	4,382	3,487	895
Total administration	13,324	13,324	10,690	2,634
Total support services	23,324	23,324	103,008	(79,684)
Total expenditures	505,510	505,510	266,908	238,602
Excess of revenues over (under) expenditures	(36,292)	(36,292)	(74,212)	(37,920)
Other financing sources (uses):				
Advance - in	36,292	36,292	26,519	(9,773)
Net change in fund balance	-	-	(47,693)	(47,693)
Fund balance at beginning of year	8,516	8,516	8,516	-
Fund balance at end of year	\$ 8,516	\$ 8,516	\$ (39,177)	\$ (47,693)

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 251,023	\$ (148,977)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	51,812	51,812	44,517	7,295
Employee benefits	9,048	9,048	13,897	(4,849)
Total special	60,860	60,860	58,414	2,446
Support services:				
Instructional staff:				
Salaries and wages	159,288	159,288	131,438	27,850
Employee benefits	51,350	51,350	27,654	23,696
Total instructional staff	210,638	210,638	159,092	51,546
Fiscal:				
Other	8,502	8,502	-	8,502
Pupil transportation				
Purchased services	20,000	20,000	-	20,000
Total support services	239,140	239,140	159,092	80,048
Total expenditures	300,000	300,000	217,506	82,494
Net change in fund balance	100,000	100,000	33,517	(66,483)
Fund balance at beginning of year	(50,058)	(50,058)	(50,058)	-
Fund balance at end of year	\$ 49,942	\$ 49,942	\$ (16,541)	\$ (66,483)

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 44,292	\$ 44,292	\$ 28,807	\$ (15,485)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	26,282	26,282	18,118	8,164
Employee benefits	7,769	7,769	8,838	(1,069)
Purchased services	500	500	1,170	(670)
Supplies and materials	3,374	3,374	2,235	1,139
Other	106	106	-	106
Total special	<u>38,031</u>	<u>38,031</u>	<u>30,361</u>	<u>7,670</u>
Support services:				
Instructional staff:				
Purchased services	1,000	1,000	-	1,000
Public transportation:				
Purchased services	<u>180</u>	<u>180</u>	<u>-</u>	<u>180</u>
Total support services	<u>1,180</u>	<u>1,180</u>	<u>-</u>	<u>1,180</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>789</u>	<u>789</u>	<u>789</u>	<u>-</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>31,150</u>	<u>8,850</u>
Excess of Revenues over (under) expenditures	4,292	4,292	(2,343)	(6,635)
Other financing sources (uses):				
Advances - in	<u>708</u>	<u>708</u>	<u>519</u>	<u>(189)</u>
Net change in fund balance	5,000	5,000	(1,824)	(6,824)
Fund balance at beginning of year	<u>(282)</u>	<u>(282)</u>	<u>(282)</u>	<u>-</u>
Fund balance at end of year	\$ <u>4,718</u>	\$ <u>4,718</u>	\$ <u>(2,106)</u>	\$ <u>(6,824)</u>

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,630,106	\$ 2,630,106	\$ 1,977,787	\$ (652,319)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	823,285	823,285	780,970	42,315
Employee benefits	321,564	321,564	321,705	(141)
Purchased services	15,950	15,950	14,100	1,850
Supplies and materials	34,641	34,641	57,316	(22,675)
Capital outlay	55,645	55,645	61,705	(6,060)
Total special	<u>1,251,085</u>	<u>1,251,085</u>	<u>1,235,796</u>	<u>15,289</u>
Support services:				
Pupil:				
Salaries and wages	37,312	37,312	39,516	(2,204)
Employee benefits	14,926	14,926	15,853	(927)
Total pupil	<u>52,238</u>	<u>52,238</u>	<u>55,369</u>	<u>(3,131)</u>
Instructional staff:				
Salaries and wages	486,183	486,183	422,743	63,440
Employee benefits	153,344	153,344	177,154	(23,810)
Purchased services	29,105	29,105	44,604	(15,499)
Supplies and materials	6,165	6,165	12,164	(5,999)
Other	500	500	200	300
Total instructional staff	<u>675,297</u>	<u>675,297</u>	<u>656,865</u>	<u>18,432</u>
Administration:				
Salaries and wages	67,785	67,785	51,492	16,293
Employee benefits	38,637	38,637	25,457	13,180
Purchased services	16,376	16,376	16,866	(490)
Total administration	<u>122,798</u>	<u>122,798</u>	<u>93,815</u>	<u>28,983</u>
Fiscal:				
Other	89,985	89,985	-	89,985
Pupil transportation:				
Purchased services	8,480	8,480	10,730	(2,250)
Total support services	<u>948,798</u>	<u>948,798</u>	<u>816,779</u>	<u>132,019</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	5,000	5,000	8,792	(3,792)
Employee benefits	2,620	2,620	1,543	1,077
Purchased services	375,597	375,597	447,060	(71,463)
Supplies and materials	16,000	16,000	15,535	465
Other	900	900	789	111
Total community services	<u>400,117</u>	<u>400,117</u>	<u>473,719</u>	<u>(73,602)</u>
Total expenditures	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,526,294</u>	<u>73,706</u>
Excess of revenues over (under) expenditures	30,106	30,106	(548,507)	(578,613)
Other financing sources (uses):				
Advance - in	<u>369,894</u>	<u>369,894</u>	<u>278,153</u>	<u>(91,741)</u>
Net change in fund balance	400,000	400,000	(270,354)	(670,354)
Fund balance at beginning of year	<u>47,115</u>	<u>47,115</u>	<u>47,115</u>	<u>-</u>
Fund balance at end of year	\$ <u>447,115</u>	\$ <u>447,115</u>	\$ <u>(223,239)</u>	\$ <u>(670,354)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 24,057	\$ (25,943)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	38,018	38,018	17,950	20,068
Employee benefits	11,982	11,982	8,727	3,255
Total special	50,000	50,000	26,677	23,323
Net change in fund balance	-	-	(2,620)	(2,620)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ (2,620)	\$ (2,620)



# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 307,599	\$ 307,599	\$ 177,877	\$ (129,722)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	5,961	5,961	6,291	(330)
Employee benefits	7,034	7,034	728	6,306
Purchased services	200,009	200,009	142,722	57,287
Total instructional staff	213,004	213,004	149,741	63,263
Fiscal:				
Other	10,686	10,686	-	10,686
Total support services	223,690	223,690	149,741	73,949
Operation of non-instructional services:				
Community services:				
Purchased services	133,152	133,152	106,639	26,513
Supplies and material	8,115	8,115	7,657	458
Other	2,539	2,539	1,878	661
Total community services	143,806	143,806	116,174	27,632
Total expenditures	367,496	367,496	265,915	101,581
Excess of revenues over (under) expenditures	(59,897)	(59,897)	(88,038)	(28,141)
Other financing sources (uses):				
Advances - in	132,401	132,401	76,564	(55,837)
Advances - out	-	-	(8,000)	(8,000)
Total other financing sources (uses)	132,401	132,401	68,564	(63,837)
Net change in fund balance	72,504	72,504	(19,474)	(91,978)
Fund balance at beginning of year	(17,443)	(17,443)	(17,443)	-
Prior year encumbrances appropriated	7,496	7,496	7,496	-
Fund balance at end of year	\$ 62,557	\$ 62,557	\$ (29,421)	\$ (91,978)

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 463,065	\$ 463,065	\$ 365,658	\$ (97,407)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	557,769	557,769	63,962	493,807
Employee benefits	34,155	34,155	10,543	23,612
Purchased services	53,400	53,400	41,190	12,210
Supplies and materials	19,679	19,679	35,372	(15,693)
Capital outlay	-	-	4,650	(4,650)
Other	12,037	12,037	13,217	(1,180)
Total regular	677,040	677,040	168,934	508,106
Support services:				
Pupil:				
Salaries and wages	70,000	70,000	67,526	2,474
Employee benefits	26,600	26,600	33,709	(7,109)
Purchased service	-	-	5,000	(5,000)
Total pupil	96,600	96,600	106,235	(9,635)
Instructional staff:				
Salaries and wages	-	-	81	(81)
Employee benefits	-	-	2	(2)
Purchased services	7,500	7,500	5,575	1,925
Total instructional staff	7,500	7,500	5,658	1,842
Administration:				
Salaries and wages	(409,434)	(409,434)	2,367	(411,801)
Employee benefits	-	-	312	(312)
Purchased services	69,246	69,246	63,254	5,992
Total administration	(340,188)	(340,188)	65,933	(406,121)
Fiscal:				
Other	-	-	13,656	(13,656)
Pupil transportation:				
Purchased services	24,060	24,060	45,574	(21,514)
Central:				
Purchased services	22,500	22,500	27,500	(5,000)
Total support services	(189,528)	(189,528)	264,556	(454,084)

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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Food services operations				
Purchased services	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>(4,000)</u>
Community services:				
Purchased services	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>-</u>
Total community services	<u>4,800</u>	<u>4,800</u>	<u>8,800</u>	<u>(4,000)</u>
Total expenditures	<u>492,312</u>	<u>492,312</u>	<u>442,290</u>	<u>50,022</u>
Excess of revenues over (under) expenditures	<u>(29,247)</u>	<u>(29,247)</u>	<u>(76,632)</u>	<u>(47,385)</u>
Other financing sources (uses):				
Advances - in	<u>67,501</u>	<u>67,501</u>	<u>57,069</u>	<u>(10,432)</u>
Advances - out	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Total other financing sources (uses)	<u>67,501</u>	<u>67,501</u>	<u>55,069</u>	<u>(12,432)</u>
Net change in fund balance	<u>38,254</u>	<u>38,254</u>	<u>(21,563)</u>	<u>(59,817)</u>
Fund balance at beginning of year	<u>(25,658)</u>	<u>(25,658)</u>	<u>(25,658)</u>	<u>-</u>
Prior year encumbrances appropriated	<u>1,746</u>	<u>1,746</u>	<u>1,746</u>	<u>-</u>
Fund balance at end of year	\$ <u>14,342</u>	\$ <u>14,342</u>	\$ <u>(45,475)</u>	\$ <u>(59,817)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,497,368	\$ 6,633,999	\$ 6,907,078	\$ 273,079
Intergovernmental	251,128	256,408	242,588	(13,820)
Total revenues	<u>6,748,496</u>	<u>6,890,407</u>	<u>7,149,666</u>	<u>259,259</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Support services:				
Fiscal:				
Other	<u>166,000</u>	<u>166,000</u>	<u>132,267</u>	<u>33,733</u>
Debt service:				
Principal	485,000	485,000	485,000	-
Interest and fiscal charges	<u>6,299,000</u>	<u>6,299,000</u>	<u>6,298,675</u>	<u>325</u>
Total debt service	<u>6,784,000</u>	<u>6,784,000</u>	<u>6,783,675</u>	<u>325</u>
Total expenditures	<u>7,400,000</u>	<u>7,400,000</u>	<u>6,915,942</u>	<u>484,058</u>
Net change in fund balance	(651,504)	(509,593)	233,724	743,317
Fund balance at beginning of year	<u>1,967,409</u>	<u>1,967,409</u>	<u>1,967,409</u>	<u>-</u>
Fund balance at end of year	\$ <u>1,315,905</u>	\$ <u>1,457,816</u>	\$ <u>2,201,133</u>	\$ <u>743,317</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,982,637	\$ 3,052,795	\$ 3,169,118	\$ 116,323
Intergovernmental	448,600	459,151	450,132	(9,019)
Total revenues	<u>3,431,237</u>	<u>3,511,946</u>	<u>3,619,250</u>	<u>107,304</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	<u>422,000</u>	<u>422,000</u>	<u>-</u>	<u>422,000</u>
Support services:				
Fiscal:				
Other	<u>68,000</u>	<u>68,000</u>	<u>61,694</u>	<u>6,306</u>
Operations and maintenance of plant:				
Purchased services	442,534	442,534	147,182	295,352
Supplies and materials	26,228	26,228	1,228	25,000
Capital outlay	1,360,590	1,360,590	2,033,876	(673,286)
Other	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total operations and maintenance of plant	<u>1,859,352</u>	<u>1,859,352</u>	<u>2,182,286</u>	<u>(322,934)</u>
Total support services	<u>1,927,352</u>	<u>1,927,352</u>	<u>2,243,980</u>	<u>(316,628)</u>
Debt service:				
Principal	450,000	450,000	787,744	(337,744)
Interest and fiscal charges	<u>788,000</u>	<u>788,000</u>	<u>450,000</u>	<u>338,000</u>
Total debt service	<u>1,238,000</u>	<u>1,238,000</u>	<u>1,237,744</u>	<u>256</u>
Total expenditures	<u>3,587,352</u>	<u>3,587,352</u>	<u>3,481,724</u>	<u>105,628</u>
Net change in fund balance	(156,115)	(75,406)	137,526	212,932
Fund balance at beginning of year	4,464,040	4,464,040	4,464,040	-
Prior year encumbrances appropriated	<u>87,352</u>	<u>87,352</u>	<u>87,352</u>	<u>-</u>
Fund balance at end of year	\$ <u>4,395,277</u>	\$ <u>4,475,986</u>	\$ <u>4,688,918</u>	\$ <u>212,932</u>

# Cleveland Heights-University Heights City School District

## Combining Statements – Nonmajor Proprietary Funds Fund Descriptions

June 30, 2017

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### **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 to the general public is primarily or solely financed or recovered 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 and sale of necessary supplies, materials, or other school related items.

**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 Fund**

The internal service fund is 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.

# Cleveland Heights-University Heights City School District

## Combining Statement of Fund Net Position Nonmajor Enterprise Funds

June 30, 2017

	<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>
<b>Assets:</b>					
<b>Current assets:</b>					
Equity in pooled cash and investments	\$ 118,606	\$ 35,230	\$ 1,744	\$ -	\$ 155,580
Prepaid items	2,970	-	-	-	2,970
Materials and supplies inventories	<u>22,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,472</u>
Total current assets	144,048	35,230	1,744	-	181,022
<b>Non-current assets:</b>					
Capital assets, net of depreciation	<u>70,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,508</u>
Total assets	<u>214,556</u>	<u>35,230</u>	<u>1,744</u>	<u>-</u>	<u>251,530</u>
<b>Deferred outflows of resources:</b>					
Pension – SERS	<u>311,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,046</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	195,832	-	-	-	195,832
Accrued wages and benefits	2,740	-	-	-	2,740
Interfund payable	900,000	-	-	-	900,000
Intergovernmental payable	6,614	-	-	-	6,614
Current portion of accrued compensated absences	<u>8,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,639</u>
Total current liabilities	1,113,825	-	-	-	1,113,825
<b>Non-current liabilities:</b>					
Net Pension Liability	1,416,016	-	-	-	1,416,016
Accrued compensated absences	<u>31,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,401</u>
Total liabilities	<u>2,561,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,561,242</u>
<b>Deferred inflows of resources:</b>					
Pension – SERS	<u>60,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,783</u>
<b>Net position:</b>					
Net investment in capital assets	70,508	-	-	-	70,508
Unrestricted (deficit)	<u>(2,166,931)</u>	<u>35,230</u>	<u>1,744</u>	<u>-</u>	<u>(2,129,957)</u>
Total net position (deficit)	<u><u>\$(2,096,423)</u></u>	<u><u>\$ 35,230</u></u>	<u><u>\$ 1,744</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,059,449)</u></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, 2017

	Food Services	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ -	\$ 544,167	\$ 544,167
Classroom materials and fees	-	11,214	-	-	11,214
Food services	142,976	-	-	-	142,976
Miscellaneous	5,578	-	8,356	74	14,008
Total operating revenues	<u>148,554</u>	<u>11,214</u>	<u>8,356</u>	<u>544,241</u>	<u>712,365</u>
Operating expenses:					
Salaries and wages	554,424	-	-	536,831	1,091,255
Fringe benefits	355,975	-	-	325,486	681,461
Purchased services	1,440,289	-	-	29,473	1,469,762
Supplies and materials	220,466	3,191	7,257	16,152	247,066
Depreciation	7,654	-	-	-	7,654
Other	663	203	717	11,332	12,915
Total operating expenses	<u>2,579,471</u>	<u>3,394</u>	<u>7,974</u>	<u>919,274</u>	<u>3,510,113</u>
Operating (loss) income	<u>(2,430,917)</u>	<u>7,820</u>	<u>382</u>	<u>(375,033)</u>	<u>(2,797,748)</u>
Non-operating revenues (expenses):					
Federal donated commodities	225,872	-	-	-	225,872
Intergovernmental grants	2,609,113	-	-	-	2,609,113
Other non-operating expense	-	-	-	(297,112)	(297,112)
Total non-operating revenues (expenses)	<u>2,834,985</u>	<u>-</u>	<u>-</u>	<u>(297,112)</u>	<u>2,537,873</u>
Income before transfers	404,068	7,820	382	(672,145)	(259,875)
Transfers – in	-	-	-	1,568,435	1,568,435
Change in net position	404,068	7,820	382	896,290	1,308,560
Net position (deficit) at beginning of year, restated	<u>(2,500,491)</u>	<u>27,410</u>	<u>1,362</u>	<u>(896,290)</u>	<u>(3,368,009)</u>
Net position (deficit) at end of year	<u>\$ (2,096,423)</u>	<u>\$ 35,230</u>	<u>\$ 1,744</u>	<u>\$ -</u>	<u>\$ (2,059,449)</u>



# Cleveland Heights-University Heights City School District

## Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2017

	<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>
<b>Increase (decrease) in cash and cash equivalents:</b>					
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 142,976	\$ 11,214	\$ -	\$ 544,167	\$ 698,357
Cash received from other operating sources	5,578	-	8,356	74	14,008
Cash payments for materials and supplies	-	(3,191)	(7,257)	(16,152)	(26,600)
Cash payments for goods and services	(1,302,355)	-	-	(29,473)	(1,331,828)
Cash payments to employees for services	(568,803)	-	-	(605,416)	(1,174,219)
Cash payments for employee benefits	(364,937)	-	-	(332,496)	(697,433)
Cash payments for other	-	(203)	(717)	(11,332)	(12,252)
Net cash (used) provided by operating activities	<u>(2,087,541)</u>	<u>7,820</u>	<u>382</u>	<u>(450,628)</u>	<u>(2,529,967)</u>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental grants received	2,609,113	-	-	-	2,609,113
Transfers - in	-	-	-	1,568,435	1,568,435
Advances - in	900,000	-	-	-	900,000
Advances - out	<u>(1,400,000)</u>	<u>-</u>	<u>-</u>	<u>(1,150,000)</u>	<u>(2,550,000)</u>
Net cash provided by noncapital financing activities	<u>2,109,113</u>	<u>-</u>	<u>-</u>	<u>418,435</u>	<u>2,527,548</u>
Net increase (decrease) in cash and cash equivalents	21,572	7,820	382	(32,193)	(2,419)
Cash and cash equivalents at beginning of year	<u>97,034</u>	<u>27,410</u>	<u>1,362</u>	<u>32,193</u>	<u>157,999</u>
Cash and cash equivalents at end of year	\$ <u><u>118,606</u></u>	\$ <u><u>35,230</u></u>	\$ <u><u>1,744</u></u>	\$ <u><u>-</u></u>	\$ <u><u>155,580</u></u>
<b>Non-cash capital and noncapital financing activities:</b>					
Federal donated commodities	\$ 225,872	\$ -	\$ -	\$ -	\$ 225,872
Transfer of capital assets to governmental activities	-	-	-	(297,112)	(297,112)

Continued

# Cleveland Heights-University Heights City School District

## Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended June 30, 2017

	<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>
<b>Reconciliation of operating (loss) income to net cash (used) provided by operating activities:</b>					
Operating (loss) income	\$ (2,430,917)	\$ 7,820	\$ 382	\$ (375,033)	\$ (2,797,748)
Adjustments:					
Depreciation	7,654	-	-	-	7,654
Federal donated commodities	225,872	-	-	-	225,872
Changes in assets/liabilities:					
Increase in prepaid items	(2,970)	-	-	-	(2,970)
Increase in materials and supplies inventories	(885)	-	-	-	(885)
Increase in inventory held for resale	(4,521)	-	-	-	(4,521)
Decrease in deferred outflows – pension	104,971	-	-	-	104,971
Increase in accounts payable	138,597	-	-	-	138,597
Decrease in accrued wages and benefits	(19,403)	-	-	(32,384)	(51,787)
Decrease in intergovernmental payable	(1,884)	-	-	(7,010)	(8,894)
Increase (decrease) in accrued compensated absences	5,024	-	-	(36,201)	(31,177)
Decrease in net pension liability	(46,103)	-	-	-	(46,103)
Decrease in deferred inflows – pension	(62,976)	-	-	-	(62,976)
Total adjustments	<u>343,376</u>	<u>-</u>	<u>-</u>	<u>(75,595)</u>	<u>267,781</u>
Net cash (used) provided by operating activities	\$ <u>(2,087,541)</u>	\$ <u>7,820</u>	\$ <u>382</u>	\$ <u>(450,628)</u>	\$ <u>(2,529,967)</u>

# Individual Fund Schedules of Revenues, Expenses and Changes in Fund Equities – Budget (Non-GAAP Budgetary Basis) and Actual



*Kaylie Gaiter*  
Grade 3  
Gearity Elementary



# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 175,902	\$ 175,902	\$ 142,976	\$ (32,926)
Miscellaneous	6,862	6,862	5,578	(1,284)
Intergovernmental	41,858	41,858	34,023	(7,835)
Operating grants	<u>3,168,114</u>	<u>3,168,114</u>	<u>2,575,090</u>	<u>(593,024)</u>
Total revenues	<u>3,392,736</u>	<u>3,392,736</u>	<u>2,757,667</u>	<u>(635,069)</u>
Expenses:				
Food service operations:				
Salaries and wages	2,704,382	2,704,382	568,803	2,135,579
Fringe benefits	-	-	364,937	(364,937)
Purchased services	1,365,163	1,365,163	1,357,236	7,927
Other operating expenses	<u>3,205</u>	<u>3,205</u>	<u>663</u>	<u>2,542</u>
Total expenses	<u>4,072,750</u>	<u>4,072,750</u>	<u>2,291,639</u>	<u>1,781,111</u>
Excess of revenues over (under) expenses	<u>(680,014)</u>	<u>(680,014)</u>	<u>466,028</u>	<u>1,146,042</u>
Other financing sources (uses):				
Advances - in	1,107,263	1,107,263	900,000	(207,263)
Advances - out	<u>-</u>	<u>-</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>
Total other financing sources (uses)	<u>1,107,263</u>	<u>1,107,263</u>	<u>(500,000)</u>	<u>(1,607,263)</u>
Net change in fund equity	427,249	427,249	(33,972)	(461,221)
Fund equity at beginning of year	24,284	24,284	24,284	-
Prior year encumbrances appropriated	<u>72,750</u>	<u>72,750</u>	<u>72,750</u>	<u>-</u>
Fund equity at end of year	\$ <u>524,283</u>	\$ <u>524,283</u>	\$ <u>63,062</u>	\$ <u>(461,221)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 20,000	\$ 20,000	\$ 11,214	\$ (8,786)
Expenses:				
Supplies and materials:				
Regular instruction	30,000	30,000	3,191	26,809
Other operating expenses:				
Regular instruction	-	-	167	(167)
Support services – pupil	-	-	36	(36)
Total other operating expenses	-	-	203	(203)
Total expenses	30,000	30,000	3,394	26,606
Net change in fund equity	(10,000)	(10,000)	7,820	17,820
Fund equity at beginning of year	27,410	27,410	27,410	-
Fund equity at end of year	\$ 17,410	\$ 17,410	\$ 35,230	\$ 17,820

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 8,356	\$ (11,644)
Expenses:				
Supplies and materials:				
Enterprise operations	10,000	10,000	7,257	2,743
Other operating expenses:				
Enterprise operations	10,000	10,000	1,200	8,800
Total expenses	20,000	20,000	8,457	11,543
Net change in fund equity	-	-	(101)	(101)
Fund equity at beginning of year	1,362	1,362	1,362	-
Fund equity at end of year	\$ 1,362	\$ 1,362	\$ 1,261	\$ (101)

# 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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 461,794	\$ 564,415	\$ 544,167	\$ (20,248)
Miscellaneous	63	77	74	(3)
Total revenues	<u>461,857</u>	<u>564,492</u>	<u>544,241</u>	<u>(20,251)</u>
Expenses:				
Community services:				
Salaries and wages	641,814	783,653	605,416	178,237
Fringe benefits	-	-	332,496	(332,496)
Purchased services	5,726	6,991	29,473	(22,482)
Supplies and materials	12,558	15,333	16,152	(819)
Other	<u>3,277</u>	<u>4,000</u>	<u>11,332</u>	<u>(7,332)</u>
Total expenses	<u>663,375</u>	<u>809,977</u>	<u>994,869</u>	<u>(184,892)</u>
Excess of revenues over (under) expenses	<u>(201,518)</u>	<u>(245,485)</u>	<u>(450,628)</u>	<u>(205,143)</u>
Other financing sources (uses):				
Transfer - in	1,338,143	1,635,508	1,576,833	(58,675)
Transfer - out	-	-	(8,398)	(8,398)
Advances - out	<u>(1,146,604)</u>	<u>(1,400,000)</u>	<u>(1,150,000)</u>	<u>250,000</u>
Total other financing sources (uses)	<u>191,539</u>	<u>235,508</u>	<u>418,435</u>	<u>182,927</u>
Net change in fund equity	(9,979)	(9,977)	(32,193)	(22,216)
Fund equity at beginning of year	22,214	22,214	22,214	-
Prior year encumbrances appropriated	<u>9,979</u>	<u>9,979</u>	<u>9,979</u>	<u>-</u>
Fund equity at end of year	\$ <u>22,214</u>	\$ <u>22,216</u>	\$ <u>-</u>	\$ <u>(22,216)</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, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 18,000,000	\$ 18,000,000	\$ 17,776,113	\$ (223,887)
Expenses:				
Central:				
Fringe benefits	20,051,344	20,051,344	15,882,343	4,169,001
Purchases services	-	-	95,497	(95,497)
Total expenses	<u>20,051,344</u>	<u>20,051,344</u>	<u>15,977,840</u>	<u>4,073,504</u>
Net change in fund equity	(2,051,344)	(2,051,344)	1,798,273	3,849,617
Fund equity at beginning of year	4,350,906	4,350,906	4,350,906	-
Prior year encumbrances appropriated	<u>51,344</u>	<u>51,344</u>	<u>51,344</u>	<u>-</u>
Fund equity at end of year	\$ <u>2,350,906</u>	\$ <u>2,350,906</u>	\$ <u>6,200,523</u>	\$ <u>3,849,617</u>



# Cleveland Heights-University Heights City School District

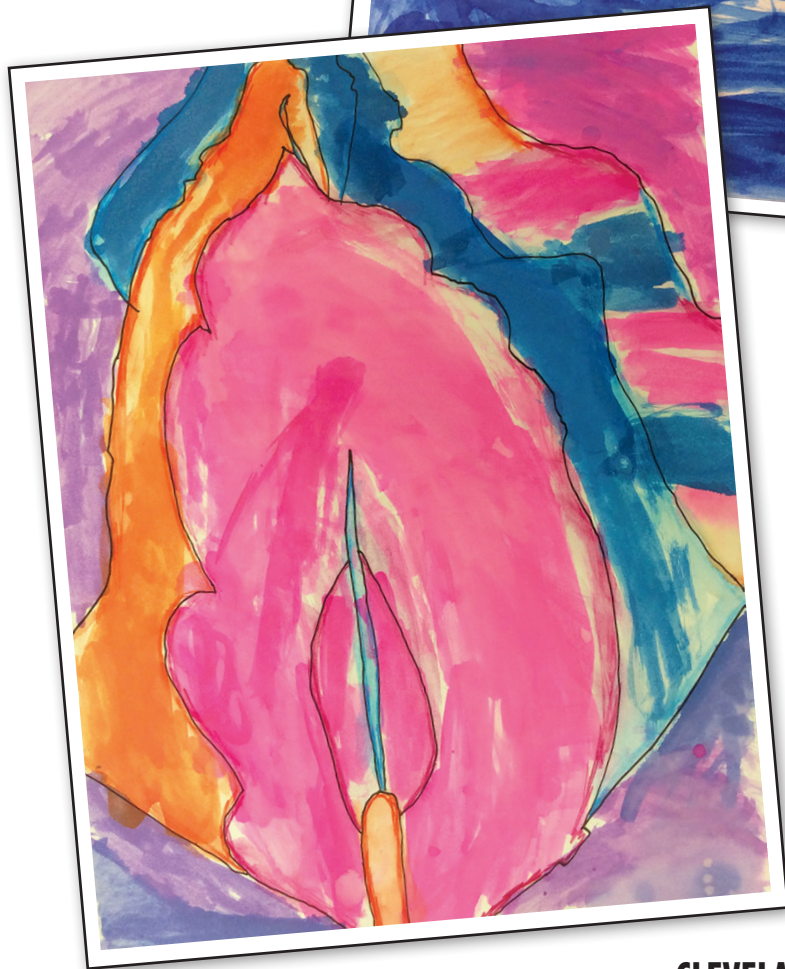
## Combining Statement of Changes in Assets and Liabilities – Agency Funds

For the Fiscal Year Ended June 30, 2017

	Balance 6/30/16	Additions	Reductions	Balance 06/30/17
<b>Student activities</b>				
Assets:				
Equity in pooled cash and investments	\$ <u>69,732</u>	\$ <u>58,053</u>	\$ <u>52,697</u>	\$ <u>75,088</u>
Liabilities:				
Due to students	\$ <u>69,732</u>	\$ <u>58,053</u>	\$ <u>52,697</u>	\$ <u>75,088</u>
<b>Tournaments</b>				
Assets:				
Equity in pooled cash and investments	\$ <u>-</u>	\$ <u>2,776</u>	\$ <u>2,776</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>-</u>	\$ <u>2,776</u>	\$ <u>2,776</u>	\$ <u>-</u>
<b>Total Agency Funds</b>				
Assets:				
Equity in pooled cash and investments	\$ <u>69,732</u>	\$ <u>60,829</u>	\$ <u>55,473</u>	\$ <u>75,088</u>
Liabilities:				
Due to students	69,732	58,053	52,697	75,088
Due to others	<u>-</u>	<u>2,776</u>	<u>2,776</u>	<u>-</u>
Total liabilities	\$ <u>69,732</u>	\$ <u>60,829</u>	\$ <u>55,473</u>	\$ <u>75,088</u>

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

*Messiah Rice*  
Grade 2  
Gearity Elementary



*Da'shaun Johnson*  
Grade 3  
Gearity Elementary

**CLEVELAND UNIVERSITY HEIGHTS**  
CITY SCHOOL DISTRICT



# Statistical SECTION



*Aishel Brooks*  
Grade 11 - CHHS

**CLEVELAND UNIVERSITY HEIGHTS**  
CITY SCHOOL DISTRICT





# Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2017

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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.

<b>Contents</b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	S11-S14
<b>Debt Capacity</b> 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
<b>Economic and Demographic Information</b> 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
<b>Operating Information</b> 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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 31,837,064
Restricted for:										
Capital projects	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	6,462,956
Debt service	617,346	657,395	304,922	656,723	756,981	239,222	2,907,465	3,879,732	4,055,002	3,143,643
Other purposes	54,665	1,159,654	1,725,730	364,493	461,744	471,046	372,466	328,565	865,805	235,382
Qualified Zone Academy Bond retirement	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	4,955,750
Unrestricted (deficit)	58,669,637	61,051,577	58,524,444	51,903,551	46,627,095	44,601,776	(110,110,600)	(109,538,804)	(108,570,623)	(117,955,867)
Total net position - governmental activities	92,264,076	99,239,818	91,017,897	84,572,376	80,466,419	79,991,522	(68,138,665)	(64,756,350)	(56,196,972)	(71,321,072)
<b>Business-type activities:</b>										
Net investment in capital assets	687,993	655,529	572,056	533,397	505,491	472,519	440,105	407,689	375,274	70,508
Unrestricted (deficit)	(4,039,596)	(4,205,298)	(5,220,860)	(8,139,020)	(9,642,747)	(12,609,793)	(3,524,685)	(3,971,286)	(3,743,283)	(2,129,957)
Total net position - business-type activities	(3,351,603)	(3,549,769)	(4,648,804)	(7,605,623)	(9,137,256)	(12,137,274)	(3,084,580)	(3,563,597)	(3,368,009)	(2,059,449)
<b>Primary government:</b>										
Net investment in capital assets	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	31,907,572
Restricted for:										
Capital projects	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	6,462,956
Debt service	617,346	657,395	304,922	656,723	756,981	239,222	2,907,465	3,879,732	4,055,002	3,143,643
Other purposes	54,665	1,159,654	1,725,730	364,493	461,744	471,046	372,466	328,565	865,805	235,382
Qualified zone academy bond retirement	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	4,955,750
Unrestricted (deficit)	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)	(120,085,824)
Total net position - primary government	\$ 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)	\$ (73,380,521)

Source: School District financial records

Note: Information for 2014 adjusted for the implementation of GASB 68.

Information for 2016 adjusted for the restatement of the GASB 68 deferred outflows/inflows and net pension liability related to the final close-out of the Community Services/Early Childhood Enterprise Fund

# Cleveland Heights-University Heights City School District

## Changes in Net Position

**Last Ten Fiscal Years** **Table 2**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses:</b>										
<b>Governmental activities:</b>										
Regular instruction	\$ 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	\$ 43,626,268
Special instruction	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	23,021,354
Vocational instruction	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	1,887,316
Adult/continuing instruction	981,637	620,287	233,715	346,356	335,150	258,202	46	214,853	-	-
Other instruction	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	5,975,458
Pupil	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	8,184,224
Instructional staff	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	5,271,824
Board of education	545,385	460,684	482,582	590,673	586,707	584,645	702,812	660,086	570,267	639,543
Administration	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	6,483,332
Fiscal	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	3,175,566
Business	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	1,047,575
Operation and maintenance of plant	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	12,691,307
Pupil transportation	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	4,122,183
Central	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	4,125,428
Food service operations	-	-	5,776	5,485	2,981	15,636	20,162	6,458	5,374	6,944
Community services	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	3,348,015
Shared services	-	-	-	-	-	-	5,149	-	-	-
Other operation of non-instructional services	-	-	-	-	117,942	120,356	926	2,081	267	423
Extracurricular activities	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	1,549,558
Interest and fiscal charges	713,571	736,771	525,075	519,722	461,235	299,445	3,776,729	7,507,361	7,278,250	7,364,064
Total governmental activities expenses	<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>	<u>132,520,382</u>
<b>Business-type activities:</b>										
Food services	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	2,579,471
Uniform school supplies	92,805	61,717	74,610	31,350	31,824	21,260	31,744	6,858	3,460	3,394
Customer services	15,811	10,805	20,356	9,385	-	34,212	-	10,565	8,858	7,974
Community services/early childhood	616,929	635,218	731,703	746,880	743,185	770,293	821,397	994,837	917,304	919,274
Bellefaire General Rotary	2,954,725	3,169,419	3,395,010	3,459,420	3,189,684	3,114,669	3,298,106	-	-	-
Total business-type activities expenses	<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>	<u>3,510,113</u>
Total primary government expenses	<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>	<u>136,030,495</u>

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

**Last Ten Fiscal Years** **Table 2**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program revenues:										
Governmental activities:										
Charges for services:										
Regular instruction	293,408	340,704	304,805	343,243	157,440	1,974,958	2,033,784	1,865,301	2,235,640	1,542,619
Special instruction	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	2,401,660
Vocational instruction	11,122	4,500	2,500	-	-	402,269	241,934	79,112	5,060	11,808
Adult/continuing instruction	5,465	3,474	930	-	-	-	-	-	-	-
Administration	10,075	6,644	13,196	30,575	132,968	26,345	59,783	195,163	198,336	252,256
Pupil transportation	138,450	134,264	183,378	121,733	205,743	25,097	26,165	13,298	38,392	6,924
Extracurricular activities	100,420	91,070	95,025	59,767	115,175	155,691	102,970	111,836	80,261	92,178
Operating grants and contributions:										
Regular instruction	4,001,706	3,976,497	861,906	1,842,682	623,151	1,483,338	1,275,340	795,124	892,723	666,545
Special instruction	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	3,820,067
Vocational instruction	265,483	282,167	288,776	293,148	194,247	328,861	302,953	265,366	237,709	231,876
Adult/continuing instruction	245,318	343,219	269,869	444,629	537,124	432,062	99,484	-	-	-
Pupil	173,942	190,688	93,679	93,459	112,257	90,267	107,986	103,246	105,593	105,911
Instructional staff	12,970	12,970	-	-	-	-	-	-	-	-
Central	-	185	-	-	-	-	-	-	-	-
Community services	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	2,567,730
Capital grants and contributions:										
Pupil	43,132	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant	19,577	36,294	-	-	-	-	-	20,000	-	-
Central	42,000	36,000	-	27,300	-	-	-	-	-	-
Total governmental activities	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	11,699,574

Continued



# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

Last Ten Fiscal Years Table 2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services:										
Food services	584,762	543,076	484,176	405,888	384,300	359,057	331,037	323,606	359,710	148,554
Uniform school supplies	65,986	63,943	48,737	30,361	27,468	23,825	28,907	13,402	9,456	11,214
Customer services	2,240	17,980	18,430	1,000	-	11,890	11,890	12,167	8,618	8,356
Community services/early childhood	606,389	695,690	687,621	720,938	620,621	647,205	662,846	566,556	554,364	544,241
Bellefleur General Rotary	1,538,587	2,727,969	2,515,584	611,951	2,222,430	283,102	683,844	-	-	-
Operating grants and contributions:										
Food services	1,584,727	1,632,068	1,804,716	1,661,511	1,613,137	2,123,327	1,868,291	1,901,444	1,762,391	2,834,985
Capital grants and contributions:										
Food services	-	-	116,347	-	-	-	-	-	-	-
Total business-type activities										
program revenues	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	3,547,350
Total primary government program revenues	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	15,246,924
Net expense:										
Governmental activities	(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)	(120,820,808)
Business-type activities	(1,896,911)	(548,538)	(900,361)	(3,126,137)	(1,531,633)	(3,000,018)	288,709	(471,274)	(859,153)	37,237
Total primary government net expense	(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)	(120,783,571)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for:										
General purpose	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	62,806,651
Debt service	648,181	622,174	590,518	604,768	671,452	631,509	5,746,485	7,141,001	7,352,980	6,081,146
Capital projects	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	2,657,127
Payments in lieu of property taxes	178,090	17,774	1,813	-	-	-	-	-	-	-
Grants and entitlements not restricted to specific programs	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	32,013,598
Investment earnings	1,900,552	1,200,992	489,176	306,230	273,286	230,870	504,723	1,756,112	1,499,671	906,980
Miscellaneous	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	2,502,529
Transfers	(144,976)	(350,372)	-	(169,318)	-	-	(11,056,420)	7,743	-	(1,271,323)
Total governmental activities	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	105,696,708

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

**Last Ten Fiscal Years** **Table 2**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Transfers	144,976	350,372	-	169,318	-	-	11,056,420	(7,743)	-	1,271,323
Total primary government general revenues and other changes in net position	<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>	<u>106,968,031</u>
Change in net position:										
Governmental activities	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	(15,124,100)
Business-type activities	(1,751,935)	(198,166)	(900,361)	(2,956,819)	(1,531,633)	(3,000,018)	11,345,129	(479,017)	(859,153)	1,308,560
Total primary government change in net position	<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>	<u>\$ (13,815,540)</u>

Source: School District financial records

# Cleveland Heights-University Heights City School District

## Program Revenues by Function/Program

Last Ten Fiscal Years Table 3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities:</b>										
Regular instruction	\$ 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	\$ 2,209,164
Special instruction	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	6,221,727
Vocational instruction	276,605	286,667	291,276	293,148	194,247	731,130	544,887	344,478	242,769	243,684
Adult/continuing instruction	250,783	346,693	270,799	444,629	537,124	432,062	99,484	-	-	-
Pupil	217,074	190,688	93,679	93,459	112,257	90,267	107,986	103,246	105,593	105,911
Instructional staff	12,970	12,970	-	-	-	-	-	-	-	-
Administration	10,075	6,644	13,196	30,575	132,968	26,345	59,783	195,163	198,336	252,256
Operation and maintenance of plant	19,577	36,294	-	-	-	-	-	20,000	-	-
Pupil transportation	138,450	134,264	183,378	121,733	205,743	25,097	26,165	13,298	38,392	6,924
Central	42,000	36,185	-	27,300	-	-	-	-	-	-
Community services	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	2,567,750
Extracurricular activities	100,420	91,070	95,025	59,767	115,175	155,691	102,970	111,836	80,261	92,178
Total governmental activities	<u>11,512,338</u>	<u>14,122,898</u>	<u>12,506,242</u>	<u>14,327,123</u>	<u>11,955,359</u>	<u>13,852,217</u>	<u>13,395,774</u>	<u>9,838,421</u>	<u>12,335,237</u>	<u>11,699,574</u>
<b>Business-type activities:</b>										
Food services	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	2,983,539
Uniform school supplies	65,986	63,943	48,737	30,361	27,468	23,825	28,907	13,402	9,456	11,214
Customer services	2,240	17,980	18,430	1,000	-	11,890	11,890	12,167	8,918	8,356
Community services/early childhood	606,389	695,690	687,621	720,938	620,621	647,205	662,846	566,556	554,364	544,241
Bellefaire General Rotary	1,538,587	2,727,969	2,515,584	611,951	2,222,430	283,102	683,844	-	-	-
Total business-type activities	<u>4,382,691</u>	<u>5,680,726</u>	<u>5,675,611</u>	<u>3,431,649</u>	<u>4,867,956</u>	<u>3,448,406</u>	<u>3,586,815</u>	<u>2,817,175</u>	<u>2,694,539</u>	<u>3,547,350</u>
Total primary government program revenues	\$ <u>15,895,029</u>	\$ <u>19,803,624</u>	\$ <u>18,181,853</u>	\$ <u>17,758,772</u>	\$ <u>16,823,315</u>	\$ <u>17,300,623</u>	\$ <u>16,982,589</u>	\$ <u>12,655,596</u>	\$ <u>15,029,776</u>	\$ <u>15,246,924</u>

Source: School District financial records.

# Cleveland Heights-University Heights City School District

## Fund Balances, Governmental Funds

Last Ten Fiscal Years Table 4

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 377,185	\$ 388,565	\$ 421,946	\$ 485,956	\$ 400,634	\$ 408,564	\$ 698,645
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	9,892,519
Unassigned	-	-	-	49,220,502	42,156,930	39,137,025	19,296,525	9,241,633	18,324,871	14,314,303
Reserved	33,065,009	29,045,094	20,559,439	-	-	-	-	-	-	-
Unreserved	31,865,555	37,282,074	40,721,484	-	-	-	-	-	-	-
Total general fund	64,930,564	66,327,168	61,280,923	53,610,841	45,570,736	42,583,984	30,725,093	30,668,464	33,997,370	24,905,467
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	-	-	-	33
Restricted	-	-	-	6,242,013	6,146,770	6,472,636	164,189,868	145,242,640	112,954,576	58,328,729
Unassigned (deficit)	-	-	-	(1,358,259)	(1,014,561)	(691,665)	(349,436)	(209,254)	(347,404)	(444,423)
Reserved	2,968,533	3,589,646	2,782,844	-	-	-	-	-	-	-
Unreserved, undesignated reported in:										
Special revenue funds	(144,420)	(325,719)	10,070	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	3,430,357	3,641,857	3,912,946	-	-	-	-	-	-	-
Total all other governmental funds	6,254,470	6,905,784	6,705,860	4,883,754	5,132,209	5,780,971	163,840,432	145,033,386	112,607,172	57,884,339
Total governmental funds	\$ 71,185,034	\$ 73,232,952	\$ 67,986,783	\$ 58,494,595	\$ 50,702,945	\$ 48,364,955	\$ 194,565,525	\$ 175,701,850	\$ 146,604,542	\$ 82,789,806

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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues:</b>										
Taxes	\$ 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	\$ 70,025,921
Payments in lieu of property taxes	85,089	110,775	1,813	-	-	-	-	38,533,550	38,219,569	39,404,171
Intergovernmental	37,665,113	38,219,178	42,481,847	45,195,019	41,721,066	39,293,275	39,705,007	36,147	95,763	77,065
Grants										
Tuition and fees	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	5,347,394
Earnings on investments	1,900,552	1,200,992	489,176	306,230	229,786	269,926	383,159	1,743,978	1,493,336	890,212
Extracurricular activities	225,465	243,331	247,153	193,720	214,197	249,403	328,105	281,315	218,737	181,037
Classroom materials and fees	26,783	36,870	21,525	7,769	6,628	9,899	10,983	8,210	7,407	9,968
Miscellaneous	1,840,138	1,805,193	1,758,554	909,544	590,072	1,288,159	925,607	1,713,082	2,968,872	2,678,979
<b>Total revenues</b>	<b>112,770,633</b>	<b>108,075,165</b>	<b>104,244,295</b>	<b>107,273,572</b>	<b>112,758,997</b>	<b>117,965,189</b>	<b>127,577,865</b>	<b>129,956,727</b>	<b>132,342,440</b>	<b>118,614,747</b>
<b>Expenditures:</b>										
<b>Current:</b>										
<b>Instruction:</b>										
Regular	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	40,375,853
Special	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	22,116,942
Vocational	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	1,754,725
Adult/continuing	1,019,433	1,097,166	243,510	351,808	359,859	258,355	42	214,853	-	-
Other	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	5,927,681
<b>Support services:</b>										
Pupil	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	7,656,795
Instructional staff	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	4,946,508
Board of education	545,385	460,684	482,582	590,673	586,707	584,645	702,812	660,818	570,730	637,691
Administration	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	6,141,738
Fiscal	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	3,119,583
Business	2,249,394	1,539,458	1,367,110	1,867,829	1,418,638	486,832	1,620,092	1,419,952	1,148,867	944,826
Operation and maintenance of plant	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	11,944,593
Pupil transportation	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	3,795,667
Central	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	4,055,053
<b>Operations of non-instructional services:</b>										
Food service	-	-	5,776	5,446	2,981	15,636	24,779	1,119	35	1,605
Community services	1,965,639	2,528,283	2,126,328	2,356,186	1,965,327	2,146,012	2,241,565	2,572,447	2,735,318	3,290,253
Shared services							5,149	-	-	-
Other	105,715	115,736	120,946	123,112	117,942	120,356	926	2,081	267	423
Extracurricular activities	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	1,445,612
Facilities acquisition and construction services	2,091,645	1,809,386	-	-	-	-	3,209,965	22,081,669	35,111,364	54,576,672
<b>Debt service:</b>										
Principal	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	1,026,348
Interest and fiscal charges	709,119	744,720	503,908	532,226	474,274	328,040	1,661,324	7,293,440	7,110,316	7,102,480
Bond issuance costs	-	-	-	-	-	124,721	1,224,233	-	-	-
<b>Total expenditures</b>	<b>103,506,824</b>	<b>106,355,603</b>	<b>112,091,430</b>	<b>116,993,788</b>	<b>120,550,647</b>	<b>120,514,978</b>	<b>127,839,231</b>	<b>150,154,748</b>	<b>161,845,163</b>	<b>180,861,048</b>

Continued

# Cleveland Heights-University Heights City School District

## Changes in Fund Balances, Governmental Funds (continued)

**Last Ten Fiscal Years** **Table 5**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess of revenues over (under) expenditures	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)	(62,246,301)
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	1,383,323	2,077,014	570,000	1,303,351	914,388	625,321	805,350	1,670,886	253,500	150,000
Transfers-out	(1,528,299)	(2,427,386)	(570,000)	(1,472,669)	(914,388)	(625,321)	(11,861,770)	(336,540)	(253,500)	(1,718,435)
Payment to refunded bond escrow agent	-	-	-	-	-	(6,825,000)	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	10,307	-
<b>Total other financing sources (uses)</b>	<b>651,327</b>	<b>328,356</b>	<b>2,600,966</b>	<b>228,028</b>	<b>-</b>	<b>211,799</b>	<b>146,461,936</b>	<b>1,334,346</b>	<b>405,415</b>	<b>(1,568,435)</b>
<b>Net change in fund balances</b>	<b>\$ 9,915,136</b>	<b>\$ 2,047,918</b>	<b>\$ (5,246,169)</b>	<b>\$ (9,492,188)</b>	<b>\$ (7,791,650)</b>	<b>\$ (2,337,990)</b>	<b>\$ 146,200,570</b>	<b>\$ (18,863,675)</b>	<b>\$ (29,097,308)</b>	<b>\$ (63,814,736)</b>
Debt service as a percentage of noncapital expenditures	1.83%	2.16%	2.52%	2.07%	1.86%	1.55%	2.36%	6.72%	6.48%	6.49%

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		
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
2017	1,037,664,430	2,964,755,514	18,981,440	21,569,818	-	-	1,056,645,870	2,986,325,332	155.59	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, 2016 (1)	
	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Co.	\$ 12,376,140	1.19%
HS Acquisition	11,686,290	1.13%
Inland Cedar Center South, LLC	6,475,040	0.62%
University Square Real Estate Holdings, LLC	6,325,600	0.61%
Wal-Mart Real Estate Business Trust	5,278,390	0.51%
Severance Realty LLC	3,675,020	0.35%
East Ohio Gas Co.	3,610,610	0.35%
Murphy Hall, LLC	3,360,000	0.32%
Inland Cedar Center North, LLC	3,274,120	0.32%
American Transmission System	2,993,970	0.29%
<b>Total</b>	<b>\$ 59,055,180</b>	<b>5.69%</b>

Name of Taxpayer	December 31, 2007 (2)	
	Assessed Value (2)	Percent of Total Assessed Value
Severance SPC Lease Co, LLC	\$ 15,923,180	1.29%
Inland Western University	14,671,900	1.19%
Kaiser Foundation Health Plan of Ohio	11,616,780	0.94%
The May Department Stores Co.	8,552,780	0.69%
University Square	7,827,610	0.64%
Target Corp.	6,279,500	0.51%
Coral Cedar Center, LLC	4,575,910	0.37%
ARC Cleveland Heights, LLC	3,415,590	0.28%
Severance SPE Feeco, LLC	3,218,680	0.26%
Concord Park I, II, & III	2,591,190	0.21%
<b>Total</b>	<b>\$ 78,673,120</b>	<b>6.38%</b>

Source: Cuyahoga County Fiscal Officer

(1) Assessed values are for the 2017 collection year.

(2) Assessed values are for the 2008 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>Total Levy</u>	<u>City</u>	<u>Total</u>
				<u>Parks Levy</u>	<u>Authority Levy</u>			<u>School</u>	<u>County</u>	<u>Levy</u>	<u>Levy</u>			
2007/2008	\$ 136.70 <sup>(1)</sup>	\$ 13.42	\$ 12.90	\$ 1.85	\$ 5.90	\$ 2.80	\$ 0.13	\$ 173.70	\$ 3.80	\$ 0.74	\$ 6.48	\$ 11.02	\$ 6.48	\$ 11.02
2008/2009	136.70 <sup>(1)</sup>	13.32	12.90	1.85	7.80	2.80	0.13	175.50	3.80	0.74	6.48	11.02	6.48	11.02
2009/2010	136.80 <sup>(2)</sup>	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02	6.48	11.02
2010/2011	136.80 <sup>(2)</sup>	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02	6.48	11.02
2011/2012	143.70 <sup>(3)</sup>	13.22	12.90	1.85	7.80	3.10	0.13	182.70	0.70	0.85	2.90	4.45	3.00	4.55
2012/2013	143.70 <sup>(3)</sup>	13.22	13.00	1.85	7.80	3.10	0.13	182.80	0.70	0.85	3.00	4.55	3.00	4.55
2013/2014	149.59 <sup>(4)</sup>	14.05	12.90	2.75	7.80	3.10	0.13	190.32	6.59	0.85	2.55	9.99	2.65	10.09
2014/2015	149.59 <sup>(4)</sup>	14.05	13.92	2.75	10.00	4.00	0.13	194.44	6.59	0.85	2.65	10.09	3.00	10.54
2015/2016	149.59 <sup>(4)</sup>	14.05	13.92	2.75	10.00	4.00	0.13	194.44	6.59	0.95	3.00	10.54	3.00	11.04
2016/2017	155.59 <sup>(5)</sup>	14.05	13.92	2.75	10.00	4.00	0.13	200.44	7.09	0.95	3.00	11.04	3.00	11.04

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.
- (5) District's direct rate is comprised of \$144.70 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$7.09 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
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
2015/2016	90,097,918	16,044,426	106,142,344	84,289,202	93.55	3,512,990	87,802,192	82.72

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, 2016 Table 10

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District <sup>(1)</sup>	Amount Applicable to School District
<b>Direct:</b>			
Cleveland Heights-University Heights City School District	\$ 167,518,899	100.00%	\$ 167,518,899
Total direct	<u>167,518,899</u>		<u>167,518,899</u>
<b>Overlapping:</b>			
City of Cleveland Heights	16,267,000	95.52	15,537,944
City of South Euclid	18,840,482	7.65	1,441,882
City of University Heights	3,145,000	100.00	3,145,000
Cuyahoga County	226,090,000	3.83	8,648,251
Regional Transit Authority	<u>3,910,000</u>	<u>3.83</u>	<u>149,563</u>
Total overlapping	<u>268,252,482</u>		<u>28,922,640</u>
<b>Grand total</b>	\$ <u>435,771,381</u>		\$ <u>196,441,539</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 2017 collection year.

# Cleveland Heights-University Heights City School District

## Computation of Legal Debt Margin

	2008 <sup>(2)</sup>	2009 <sup>(2)</sup>	2010	2011	2012	2013	2014	2015	2016	2017
Assessed valuation	\$ 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	\$ 1,056,645,870
Debt limit - 9% of assessed value	\$ 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	\$ 95,098,128
Amount of debt applicable to debt limit:										
General obligation bonds	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	140,628,654
Exempt debt	-	-	-	-	-	-	(40,803,518)	(40,876,406)	(41,881,632)	(42,254,977)
Total	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	98,373,677
Less: amount available in debt service funds	(626,363)	(634,411)	(289,163)	(619,703)	(683,128)	(162,985)	(2,712,863)	(3,276,557)	(3,989,782)	(3,275,549)
Amount of debt subject to the limit	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	95,098,128
Overall debt margin	\$ 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)	\$ 1,242,263	\$ 1,226,213	\$ 1,144,796	\$ 1,146,674	\$ 1,134,389	\$ 1,083,515	\$ 1,084,761	\$ 1,075,510	\$ 1,054,686	\$ 1,056,646
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ 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	\$ 1,056,646
Total net debt applicable to the limit as a percentage of debt limit	10.18%	9.55%	9.71%	8.50%	7.61%	7.62%	100%	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							
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				
2017	141,319,924	948,739	19,413,107	-	337,129	5,500,000	167,518,899	12.00	2,807.89				

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

Table 13

<u>Last Ten Fiscal Years</u>						<u>Ratio of Net Debt to Estimated Actual Value</u>	<u>Debt Per Capita</u>
<u>Fiscal Year</u>	<u>Gross General Bonded Debt<sup>(1)</sup></u>	<u>Less Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value<sup>(2)</sup></u>	<u>Population<sup>(3)</sup></u>	<u>Actual Value</u>	<u>Capita</u>
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	2,311
2016/2017	141,319,924	3,275,549	138,044,375	2,986,325,332	59,660	4.62	2,314

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
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
2017	1,280,122	46,121	13,539	4,957	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, 2007		December 31, 2016	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
Cleveland Heights-University Heights Board of Education	1,011	21.70%	2,332	36.56%
Cleveland Heights City Hall	921	19.77	888	13.92
John Carroll University	684	14.68	727	11.40
Bellefaire Jewish Children's Bureau	506	10.86	697	10.93
Kaiser Foundation	349	7.49	336	5.27
Wal Mart	300	6.44	318	4.99
Al Healthcare	245	5.26	311	4.88
Target	220	4.72	282	4.42
Hebrew Academy	214	4.59	268	4.20
Motorcars	209	4.49	220	3.43
Total	4,659	100.00%	6,379	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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Boulevard Elementary School</b>										
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	392	398	338	340	332	296	304	325	305	286
Regular Instruction Teachers	25	23	21	24	22	24	24	24	25	22
Special Instruction Teachers	6	5	4	5	3	5	5	5	3	6
<b>Canterbury Elementary School</b>										
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	401	395	391	391	354	374	380	345	373	389
Regular Instruction Teachers	23	23	23	26	24	25	25	24	24	26
Special Instruction Teachers	2	4	4	5	5	5	5	5	3	5
<b>Bellefaire School</b>										
Constructed in 1928										
Total Building Square Footage	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	-	-	-	-
<b>Coventry Elementary School</b>										
Constructed in 1975										
Total Building Square Footage	61,200	61,200	61,200	61,200	61,200	61,200	61,200	61,200	-	-
Enrollment Grades K-5	-	-	-	-	-	-	-	-	-	-
Regular Instruction Teachers	-	-	-	-	-	-	-	-	-	-
Special Instruction Teachers	-	-	-	-	-	-	-	-	-	-
<b>Fairfax Elementary School</b>										
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	430	412	409	412	386	392	299	334	327	339
Regular Instruction Teachers	25	23	24	27	26	26	22	24	30	28
Special Instruction Teachers	6	6	6	6	6	6	5	5	3	7
<b>Gearity Professional Development School</b>										
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	287	289	297	297	360	338	365	268	252	261
Regular Instruction Teachers	16	17	18	22	20	24	24	24	31	30
Special Instruction Teachers	8	10	10	12	11	10	10	5	3	7
<b>Noble Elementary School</b>										
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	425	406	401	401	424	423	381	421	415	369
Regular Instruction Teachers	24	23	23	26	24	30	30	30	31	30
Special Instruction Teachers	5	5	4	4	4	7	7	7	4	4
<b>Deborah S. Delisle Educational Options Center</b>										
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	116
Regular Instruction Teachers	-	-	-	-	-	11	11	10	11	11
Special Instruction Teachers	-	-	-	-	-	1	1	1	-	2
<b>Oxford Elementary School</b>										
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	351	360	357	358	325	340	328	294	291	270
Regular Instruction Teachers	22	23	23	25	23	25	25	24	24	24
Special Instruction Teachers	4	3	3	3	3	4	4	4	3	6

Continued

# Cleveland Heights-University Heights City School District

## Building Statistics by Function/Program (continued)

### Last Ten Fiscal Years

Table 16

	<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>	<u>2017</u>
<b>Roxboro Elementary School</b>										
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	330	335	338	338	410	408	404	423	365	328
Regular Instruction Teachers	19	20	22	23	23	29	29	29	27	26
Special Instruction Teachers	6	5	4	5	4	3	3	4	3	4
<b>Monticello Middle School</b>										
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	486	468	455	462	367	400	400	597	591	558
Regular Instruction Teachers	34	30	34	36	34	31	31	37	52	46
Special Instruction Teachers	8	7	10	11	10	9	9	11	7	9
<b>Roxboro Middle School</b>										
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	508	523	527	534	517	436	487	645	619	611
Regular Instruction Teachers	36	35	42	44	41	39	39	41	52	50
Special Instruction Teachers	10	8	9	9	9	9	9	9	7	9
<b>Wiley Middle School</b>										
Constructed in 1954										
Total Building Square Footage	133,127	133,127	133,127	133,127	133,127	133,127	133,127	133,127	-	-
Enrollment Grades 6-8	405	412	423	425	387	403	402	-	-	-
Regular Instruction Teachers	33	30	33	35	35	30	30	-	-	-
Special Instruction Teachers	9	8	8	8	8	8	8	-	-	-
<b>Cleveland Heights High School</b>										
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	1,752	1,832	1,809	1,842	1,828	1,400	1,254	1,522	1,597	1,430
Regular Instruction Teachers	96	92	108	112	115	110	113	113	120	113
Special Instruction Teachers	38	40	25	27	24	24	25	25	11	25

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>
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
2017	109,836,875	4,957	22,158	5.99	459	10.80	100.00

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.

**Note:**

In 2017 the District became eligible for the Community Eligibility Provision. This allows the District to serve breakfast and lunch at no cost to all enrolled students without collection household applications.

# Cleveland Heights-University Heights School District

## Teacher Education and Experience

Table 18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Degree</u>										
Bachelor's Degree	102	94	102	112	89	94	127	63	71	56
Master's Degree	350	362	373	403	402	431	380	410	393	397
PhD	3	3	5	5	5	6	6	6	5	6
Total	<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>459</u>
<u>Years of Experience</u>										
0-5	48	50	90	103	52	116	157	46	127	79
6-10	56	50	68	98	177	142	113	104	122	143
11 and over	351	359	322	319	267	273	243	329	220	237
Total	<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>459</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>
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	93.0	94.1	85.6*	83.5*
2017	92.8	93.9	(a)	(a)

Source: Ohio Department of Education Local Report Card.

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

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

# Cleveland Heights-University Heights City School District

## Full-time School District Employees by Function

Function:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Instruction:</b>										
Regular	353	345	378	410	382	374	360	367	369	365
Special	102	114	102	110	148	161	155	153	86	85
Vocational	14	13	18	18	21	19	20	17	14	14
Adult/continuing	-	-	3	3	1	-	-	-	-	-
Other	2	2	2	2	13	15	11	10	11	11
<b>Support services:</b>										
Pupil	196	196	164	158	113	125	115	135	130	132
Instructional staff	51	53	51	49	63	68	64	52	56	56
Administration	65	65	65	59	65	62	63	61	43	43
Fiscal	10	10	11	11	10	10	10	10	7	7
Business	4	4	4	4	4	3	3	3	1	1
Operations of maintenance of plant	102	102	96	96	96	93	90	85	74	76
Pupil transportation	49	49	43	32	42	34	40	44	39	36
Central	18	18	21	22	23	19	20	20	19	19
<b>Operations of non-instructional services:</b>										
Community services (1)	42	42	39	36	42	51	45	39	39	40
Other	1	1	1	1	1	1	1	1	1	1
Extracurricular activities	2	2	3	3	12	2	2	2	1	2
<b>Total</b>	<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>	<u>888</u>

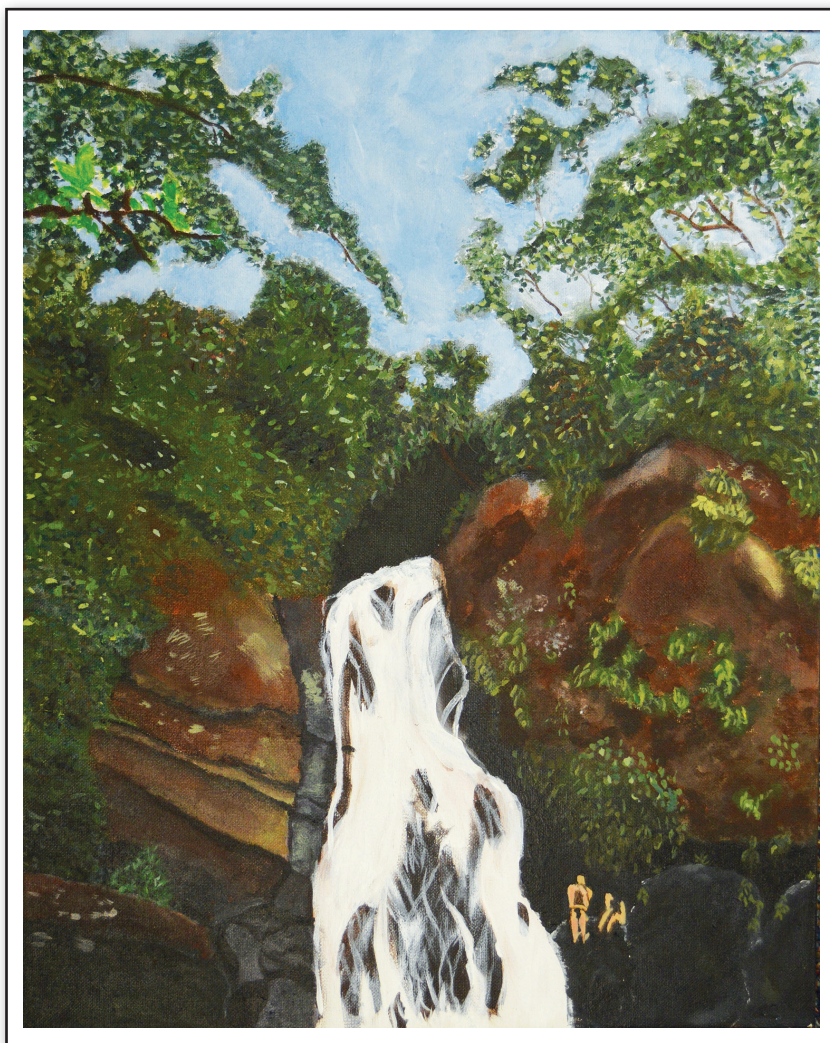
Source: School District personnel records.

(1) Includes food services personnel.

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

# 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.



*Londyn Crenshaw*  
Grade 12 • CHHS

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