

POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2017



CLEVELAND UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT
UNIVERSITY HEIGHTS, OHIO





PUBLIC SCHOOL FUNDING 101

Ohio's school finance structure is based on the premise of a shared responsibility between the state and local school districts to fund the cost of public education. However, the sharing is disproportionate, with local school districts funding the majority via property taxes. This system has been found unconstitutional four times by the Ohio Supreme Court due to the overreliance on property taxes, but nothing has been done by the legislature to address the issue.

Districts are funded by placing property tax levies on the ballot for a specified millage, which is the unit of value for expressing the rate of property taxes in Ohio. Each mill equals \$1 for every \$1,000 of assessed property value. Homeowners only pay taxes on the assessed value, which is 35% of the property's market value.

Unfortunately the property tax revenue does not grow with inflation due to House Bill 920, which freezes what districts receive at the amount at the time each levy is passed. As property values increase, the amount of revenue to the district remains the same. This is why all districts are periodically required to return to voters to ask for a new levy—costs continue to rise while revenue is flat.

The amount of state funds that a district receives is based on a formula that takes into account the student enrollment and the property wealth of the district. Districts may also receive additional funding based on disadvantaged pupils or students with special needs.

Additionally, districts may receive a small amount of money from the federal government for things such as partial reimbursement for serving Medicaid-eligible students.

More detailed explanations on school funding topics written by Jayne Geneva, Chair of the CH-UH Lay Finance Committee, can be viewed on the Finance and Development page of chuh.org.

The 2017-2018 Popular Annual Financial Report is a publication of the Cleveland Heights-University Heights CSD Communications Department. Photography provided courtesy of Carl Jenks, Jeff Holbury, Scott Pease, Gabe Schaffer, LifeTouch, the CH-UH Communications Department and the CH-UH archives.

FROM THE CFO

I am pleased to present the second Popular Annual Financial Report (PAFR) of the Cleveland Heights-University Heights City School District. This document is a result of **District Strategic Plan Goal 5** and is another tool to keep the community well-informed about how resources are being used for school and student performance.

We have long been committed to quality reporting and transparency, preparing a voluntary Comprehensive Annual Financial Report (CAFR) for the last 17 years. We are also excited to have been recently recognized with the **Auditor of State Award with Distinction for the high quality of our reporting** and our continued work to ensure clean, accountable, and efficient government.

Despite our District's history of financial transparency, improving the school finance knowledge of our community is now more critical than ever as we face increased

funding challenges in public education, particularly in Ohio, from the continued overreliance on property taxes to the growing loss of dollars through voucher programs—now in excess of \$8.3 million annually in CH-UH.



Scott Gainer, CPA
Treasurer/CFO



I am happy to share that in the last year we refinanced the bond debt originally issued in 2014 for the high school and middle school facilities projects, **saving our taxpayers \$5 million in interest** over the life of the bonds. Additionally, the District partnered with Heights Libraries to sell the former Coventry Elementary School building, further streamlining District operations. I truly appreciate the history of strong financial support by our community, and these actions are examples of our serious commitment to fiscal responsibility.

Thank you for taking the time to review this PAFR. I encourage you to contact my office with questions or feedback on this report so that we can continue to refine it and make it as informative as possible moving forward.



GENERAL FUND REPORT

RECEIPTS & RESOURCES

TOTAL (FY17) \$112,970

(shown in thousands)

The graph below displays the cash-basis receipts and resources for the General Fund for fiscal year 2017.

64%

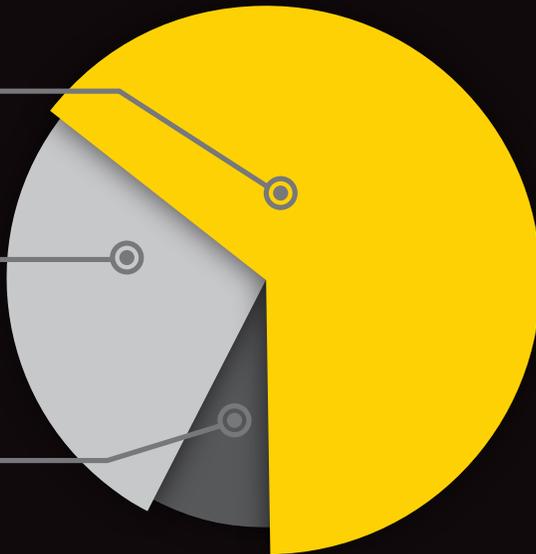
Property Taxes

28%

Intergovernmental-
State

8%

All Other Revenues
and Resources



VOUCHER PROGRAMS

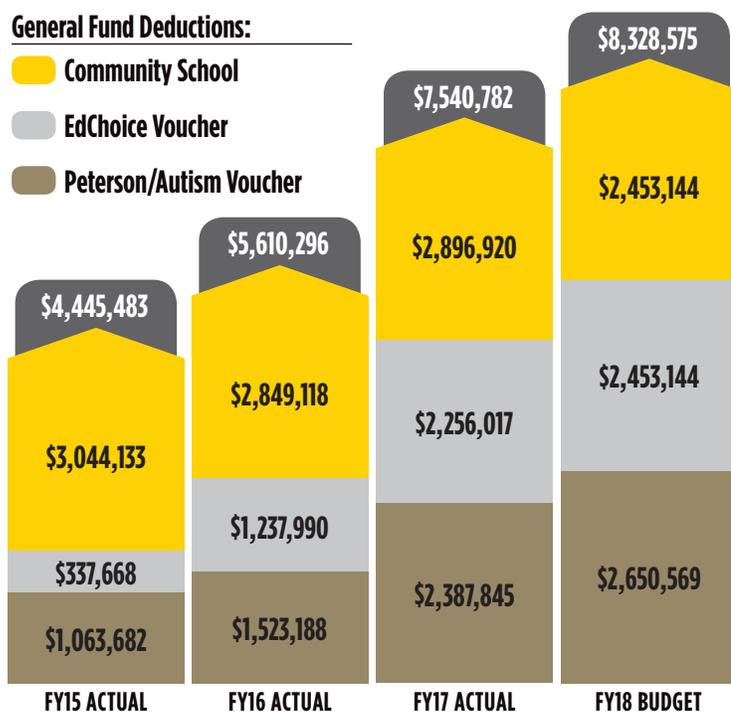
The revenue the District receives from the state is offset by voucher program payments. CH-UH will lose more than \$8.3 million during the 2017-2018 school year alone to charter schools and vouchers, and this number continues to grow.

General Fund Deductions:

Community School

EdChoice Voucher

Peterson/Autism Voucher



DID YOU KNOW...

83% Property tax revenue received by the CH-UH City School District is 83% residential. The District does not have a significant commercial or industrial tax base to support public education.

35% Homeowners pay property taxes on 35% of the market value of their home. If a home has a market value of \$100,000 the owner pays property taxes on \$35,000.

93% Due to delinquencies and property foreclosures, the District currently only collects 93% of the property taxes that are assessed.

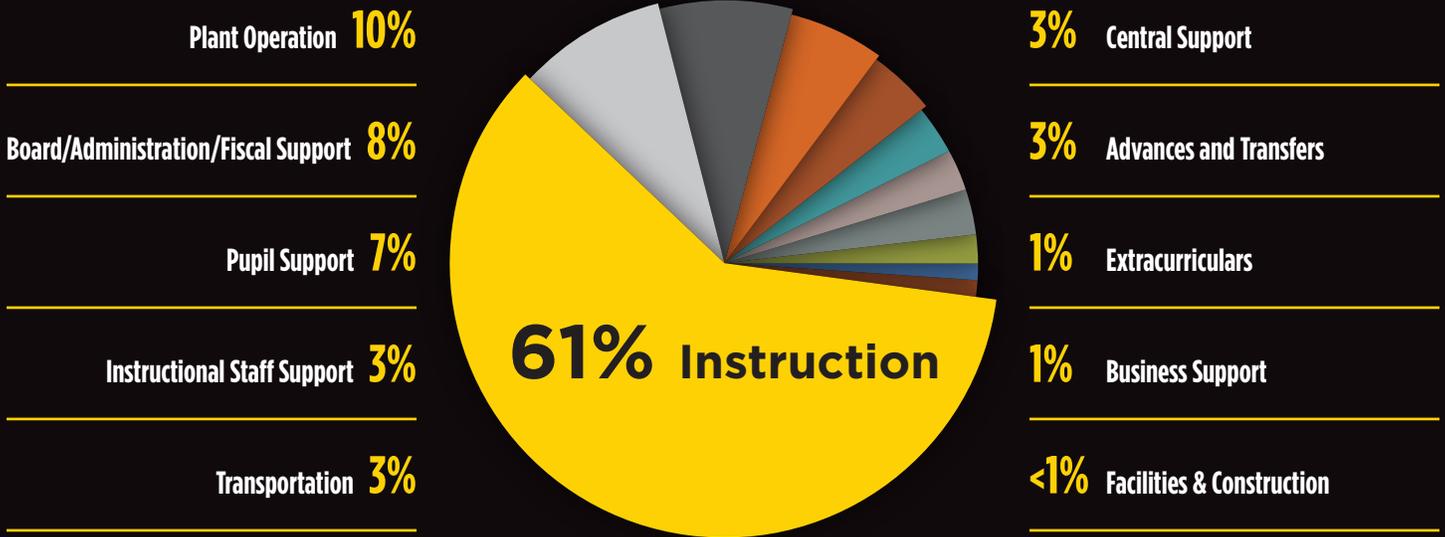
\$8.3 million The revenue the District receives from the state is reduced by voucher programs. The District will lose \$8.3 million during the 2017-2018 school year alone to charter schools and vouchers.

DISBURSEMENTS & SERVICES

TOTAL (FY17) \$111,908

(shown in thousands)

The graph below displays the cash-basis disbursements and services for the General Fund for fiscal year 2017.



INSTRUCTION is the largest disbursement category and relates to the direct instruction of our students. Students are directly impacted by expenditures from this category.

PLANT OPERATION disbursements relate to the safe and efficient environment of the school including building maintenance, grounds, and custodial services.

BOARD/ADMINISTRATION/FISCAL SUPPORT costs represent those of the administration and Board of Education's operation of the District. Also included in this category are school building secretarial support, financial services, payroll, accounts payable and receivable, auditing, budgeting and reporting, and fringe benefits administration.

PUPIL SUPPORT areas comprise all guidance services, speech, hearing, occupational therapy, physical therapy, and psychological services.

TRANSPORTATION disbursements relate to providing transportation--primarily by school bus--to all students who live in the CH-UH School District consistent with Board of Education policies and the laws of the State of Ohio.

INSTRUCTIONAL STAFF SUPPORT costs include library services, technology integration support, and literacy collaborative support.

CENTRAL SUPPORT disbursements include community relations and technology maintenance staff, computer network maintenance contracts, district-wide postage costs, and strategic planning type activities.

TRANSFERS AND ADVANCES are accounting transactions forwarding amounts to other funds to comply with statutory requirements.

EXTRACURRICULAR disbursements account for the salaries and benefits of club advisors and athletic coaches.

BUSINESS SUPPORT costs include business services such as risk management, construction management, central warehousing, courier services, and copy disbursements.

FACILITIES AND CONSTRUCTION costs include disbursements for building improvements, site improvements, installing or extending service systems and other built-in equipment, and the acquisition of other capital assets.

SPENDING BY OBJECT CODE

	FY16 ACTUAL	FY17 ACTUAL	FY18 BUDGET
TOTALS	\$112,454	\$111,908	\$111,813
Salaries & Wages	\$58,929	\$56,313	\$57,163
Fringe Benefits	\$26,267	\$26,983	\$27,190
Purchased Services/Vouchers	\$17,686	\$19,585	\$21,165
Materials & Supplies	\$2,736	\$2,751	\$2,735
Capital Outlay	\$1,011	\$454	\$1,000
Fees/Other	\$2,186	\$2,254	\$2,260
Transfers & Advances	\$3,639	\$3,567	\$300

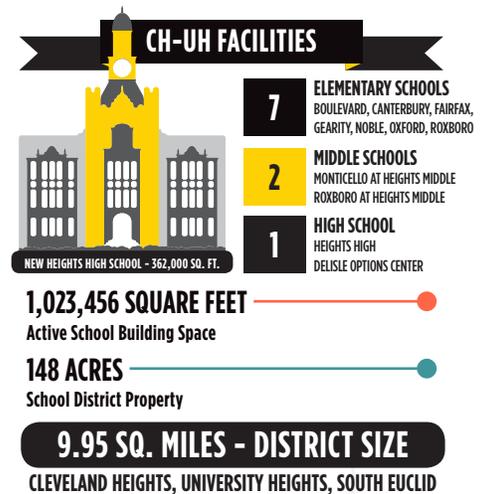
TOTALS SHOWN IN THOUSANDS

- Salaries & Wages
- Fringe Benefits
- Purchased Services/Vouchers
- Materials & Supplies
- Capital Outlay
- Fees/Other
- Transfers & Advances



PERMANENT IMPROVEMENT FUNDS

The Cleveland Heights-University Heights City School District passed a Permanent Improvement Levy in 2001. This levy generates \$3 million annually to fund facility maintenance, repairs, and improvements throughout the District. The annual projects completed with Permanent Improvement funds over the past two years are listed below, in addition to what is planned for the 2018-2019 school year.



2018-2019 (Planned)	2017-2018	2016-2017
Canterbury - Masonry repairs District - Bus purchase (3 each) Gearity - Roof Section E & F High School - Baseball field and dugouts Middle Schools - Furniture storage Noble - Dumbwaiter replacement Oxford - Playground Roxboro Middle - Tennis courts	Canterbury - Chair lift Canterbury - Monumental sign Delisle - Roof District - Bus purchase (3 each) District - Security camera upgrade High School - Cleaning equipment High School - Hand dryers Monticello - Façade Roxboro Elementary - Playground phase II Roxboro Elementary - Masonry repairs	Coventry - Playground pressure washing Delisle - Roof District - Bus equipment District - Parking lot repairs & sealcoating Millikin - Parking lot repairs & sealcoating Millikin - Playground Monticello - Track repairs Noble - Chair lift Oxford - Chair lift Oxford - Playground Oxford - Preschool and furnishings Roxboro Middle - Chair lift Roxboro Middle - Playground Roxboro Middle - Track repairs

COMMITMENT TO QUALITY REPORTING AND TRANSPARENCY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The District has prepared a Comprehensive Annual Financial Report (CAFR) for the past 17 years. The CAFR is a voluntary, expanded report prepared on a GAAP (Generally Accepted Accounting Principles) basis of accounting which provides detailed financial information and supplementary information. The CAFR can be viewed on the Finance and Development page of chuh.org.

FIVE-YEAR FORECAST

The District also prepares a Five-Year Forecast, a cash-basis model providing an estimate of the financial condition of the District for long-term planning purposes and created using historical trends and conservative estimates based upon the most current data available at the time the forecast is prepared. This forecast is approved monthly by the Board of Education and submitted twice annually to the Ohio Department of Education, and can be viewed at education.ohio.gov or on chuh.org.

FINANCE AWARDS AND RECOGNITION



The District is audited annually by Auditor of State Dave Yost. For the fiscal year ended 2017, CH-UH received the **Auditor of State Award with Distinction** for the high quality of our reporting. The clean audit report indicates that the CH-UH City School District audit did not contain findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or any questioned costs. This report can be found on ohioauditor.gov.

The District has received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials for 17 straight years. This award is one of the highest forms of recognition in the area of governmental accounting and financial reporting.



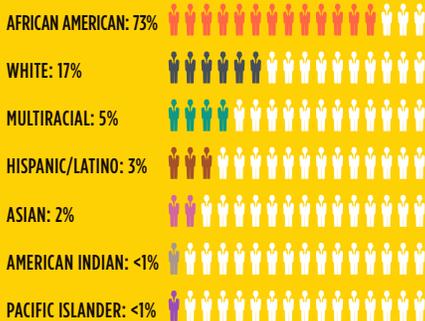
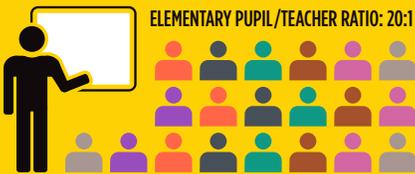
The District has also been honored for each of the past 17 years with the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States for the CAFR.



CH-UH was honored with the Auditor of State Award with Distinction at its Board Meeting on April 10, 2018. L-R: AOS State Liaison Director Michelle Stys; Superintendent Dr. Talisa Dixon; Treasurer Scott Gainer; Assistant Treasurer Bob Rinehart; Board of Education President Jim Posch.

STUDENTS

5,214 TOTAL STUDENTS



HEIGHTS GRADS

85.6% GRADUATION RATE (4-YEAR)
Class of 2016

92.7% GRADUATION RATE (5-YEAR)
Class of 2016

355 NUMBER OF GRADUATES
May 2017

\$11.6 MILLION SCHOLARSHIPS EARNED
Class of 2017



NUTRITION

The District operates under the federal Community Eligibility Provision (CEP) program, which allows all students to eat for free each school day - breakfast, lunch, and snack - regardless of family income status.



2016-2017 MEALS SERVED:
 BREAKFAST - 343,436
 LUNCH - 659,899
 SNACKS - 48,752



1,052,087 MEALS SERVED IN 2016-2017

CH-UH STAFF

918 FULL TIME DISTRICT EMPLOYEES



- Administrators
- Principals & Assistant Principals
- Classroom Teachers
- Teachers' Aides
- Skilled Crafts & Service Workers
- Instructional & Operational Support
- Administrative Support

CLASSROOM TEACHER SALARY RANGE

\$43,011 → \$93,320

BARGAINING UNITS

Bargaining units represent teachers and professional staff, administrative support staff, security staff, cleaners, cafeteria employees, paraprofessionals/lunchroom non-paraprofessionals, custodial and maintenance staff, transportation staff and technology staff.

TRANSPORTATION



62 TOTAL VEHICLES

Transport 1,393 CH-UH, special education, non-public & community school students in grades K-8 traveling to 50 educational and training sites.

35 YELLOW BUSES

Transport students to 32 school and training locations, traveling 1,538 miles daily, 276,840 miles yearly.

27 VANS

Transport students to 18 school and training locations, traveling 3,897 miles daily, 701,460 miles yearly.

\$1,525

AVERAGE COST PER STUDENT
2016-2017

\$9,988

AVERAGE COST PER SPECIAL
EDUCATION STUDENT 2016-2017



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

For more than 100 years, the Cleveland Heights-University Heights City School District has been one of the most storied, unique and successful school districts in Northeast Ohio.

We serve a vibrant, diverse community, made up of Cleveland Heights, University Heights, and a section of South Euclid. We educate more than 5,100 students each year, from pre-Kindergarten through 12th grade, in seven elementary schools, two middle schools, one high school, a career and technical education consortium, an alternative options school, and an early childhood learning center.

The CH-UH School District has long been known for providing exceptional academic programs that help prepare students of diverse abilities and backgrounds for lifelong success. We offer esteemed extracurricular activities at every grade level, including our world-renowned vocal and instrumental music programs, in addition to accomplished athletic teams.

The CH-UH School District employs a dedicated staff committed to helping all students achieve and excel. CH-UH teachers and administrators work with the nation's foremost educational experts during professional development days and strive throughout the year to enhance classroom experiences.



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