

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

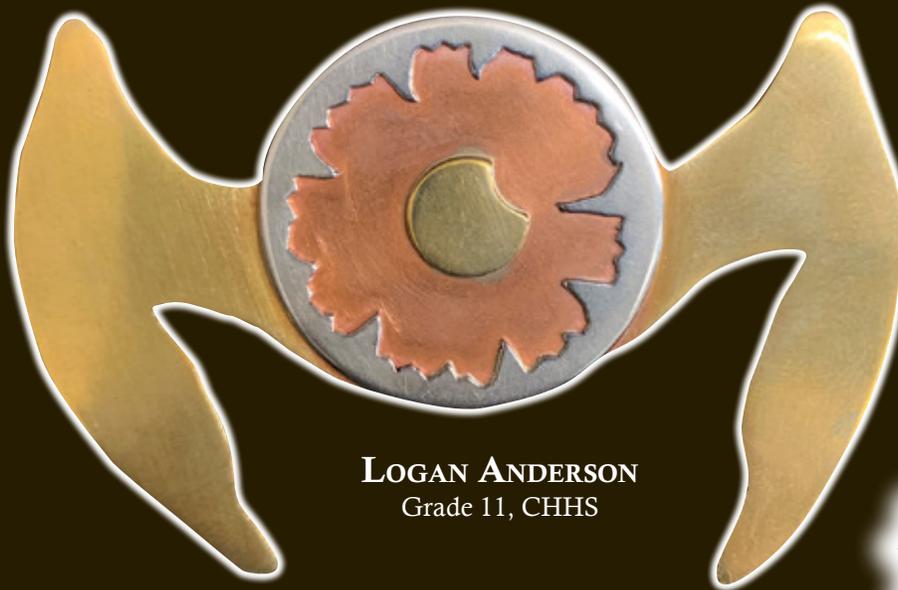


CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2019

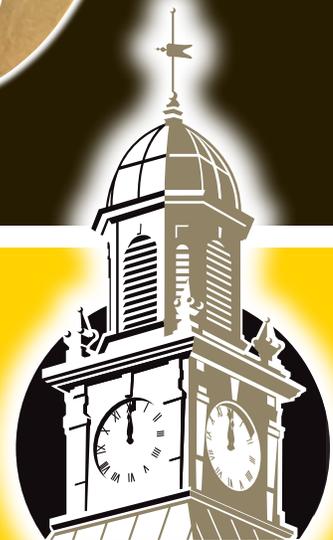
ISSUED BY: FINANCE DEPARTMENT
A. SCOTT GAINER, CHIEF FINANCIAL OFFICER



LOGAN ANDERSON
Grade 11, CHHS

CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



DISTRICT MISSION VISION AND CORE VALUES

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

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

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

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

STUDENTS – They know they are valued and can achieve.

DIVERSITY – It strengthens us.

PARTNERSHIPS – Collaborations that benefit our students are essential.

RESPONSIBILITY – Each of us is accountable for student success.

STEWARDSHIP – Community resources are managed wisely.

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

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

HEIGHTS



Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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Cleveland Heights-University Heights City School District

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Cleveland Heights-University Heights City School District

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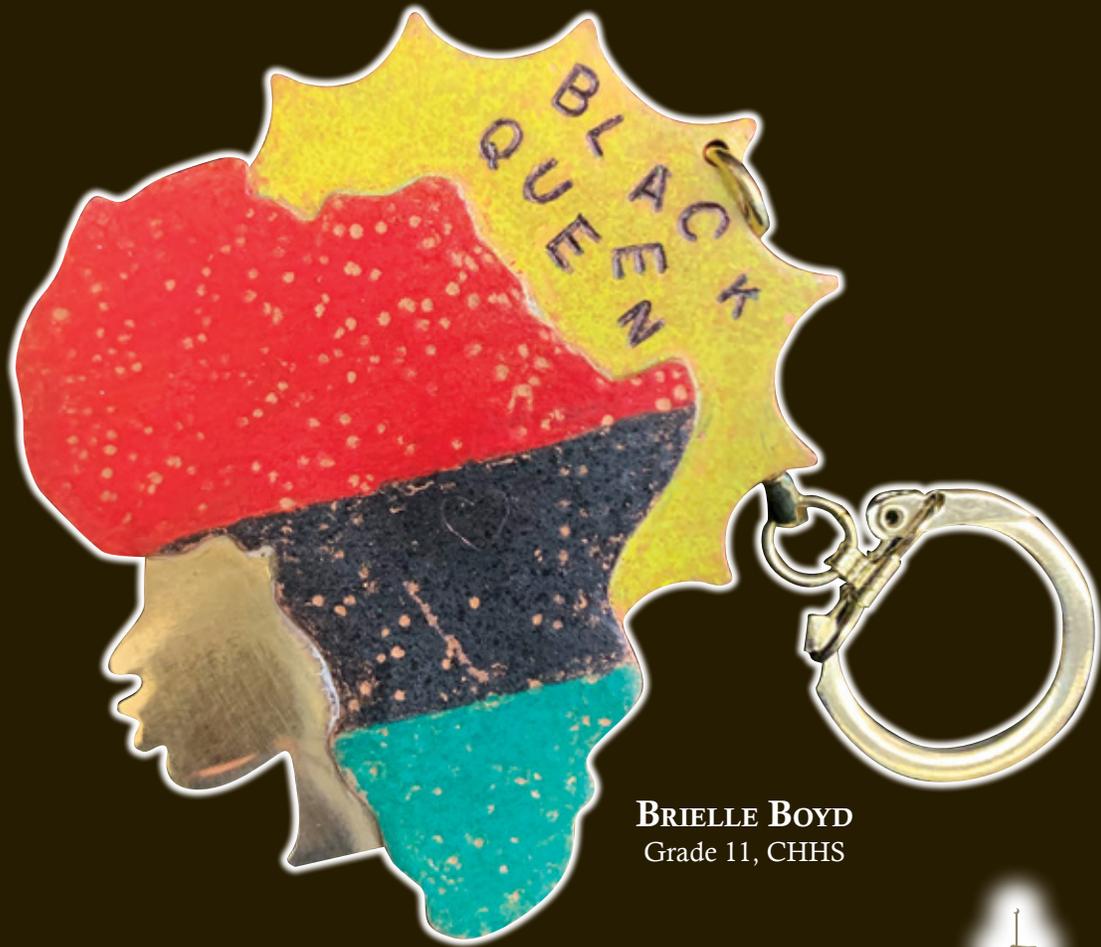
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INTRODUCTORY SECTION



BRIELLE BOYD
Grade 11, CHHS

CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO





A. Scott Gainer
Chief Financial Officer

December 31, 2019

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, 2019.

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, Keith Faber, has issued an unmodified (“clean”) opinion on the Cleveland Heights-University Heights City School District’s financial statements for the year ended June 30, 2019. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

Profile of the School District

The Cleveland Heights-University Heights City School District is one of 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 5,029 students in grades kindergarten through twelve. Additionally, the District provides preschool 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
- 2017 High School reopened after renovation

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. It is expected that tax collections will remain relatively constant for the foreseeable future. Student enrollment for the 2010 school year was 5,322. Enrollment for the 2019 school year was 5,029.

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 \$4,556,161 at June 30, 2019 compared with a net position of \$4,485,790 at June 30, 2018. The District is meeting its claim liability.

The most recent District five-year forecast indicates a positive cash balance through 2021, with an \$8.8 million deficit beginning in 2022. To compensate for declining property tax revenue and losses from vouchers, 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 Money Markets, Negotiable Certificates of Deposit, 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 2019, the District earned \$1,949,799 in investment income of which \$1,220,197 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 was reopened for the 2017-2018 school year. The two middle schools were renovated and reopened for the 2019-2020 school year. 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, 2018.

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, 2019.

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, 2018. 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.

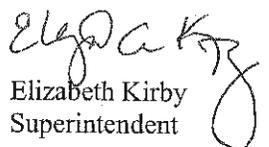
Acknowledgements

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



Elizabeth Kirby
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, 2018.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer



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, 2018

Christopher P. Morill

Executive Director/CEO

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

PRINCIPAL OFFICIALS

As of June 30, 2019

CHIEF FINANCIAL OFFICER

Mr. A. Scott Gainer

SUPERINTENDENT

Dr. Talisa L. Dixon

BOARD OF EDUCATION

Ms. Jodi Sourini, President

Mr. James Posch, Vice President

Mr. Dan Heintz, Member

Ms. Malia Lewis, Member

Ms. Beverly Wright, Member



KE'AIRA REED

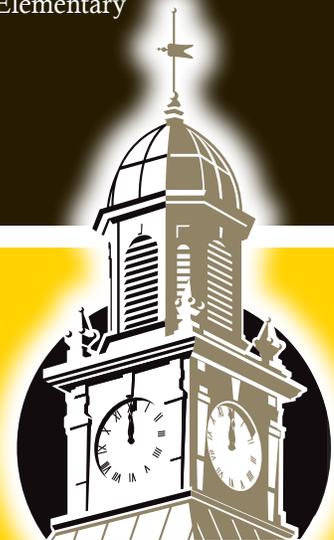
Grade 2, Boulevard Elementary



ELLE CROWE

Grade 1

Boulevard Elementary

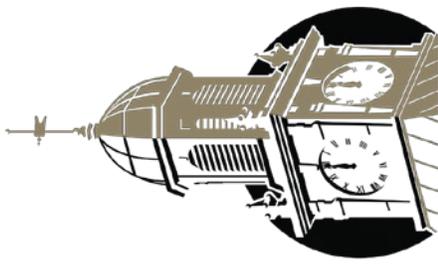
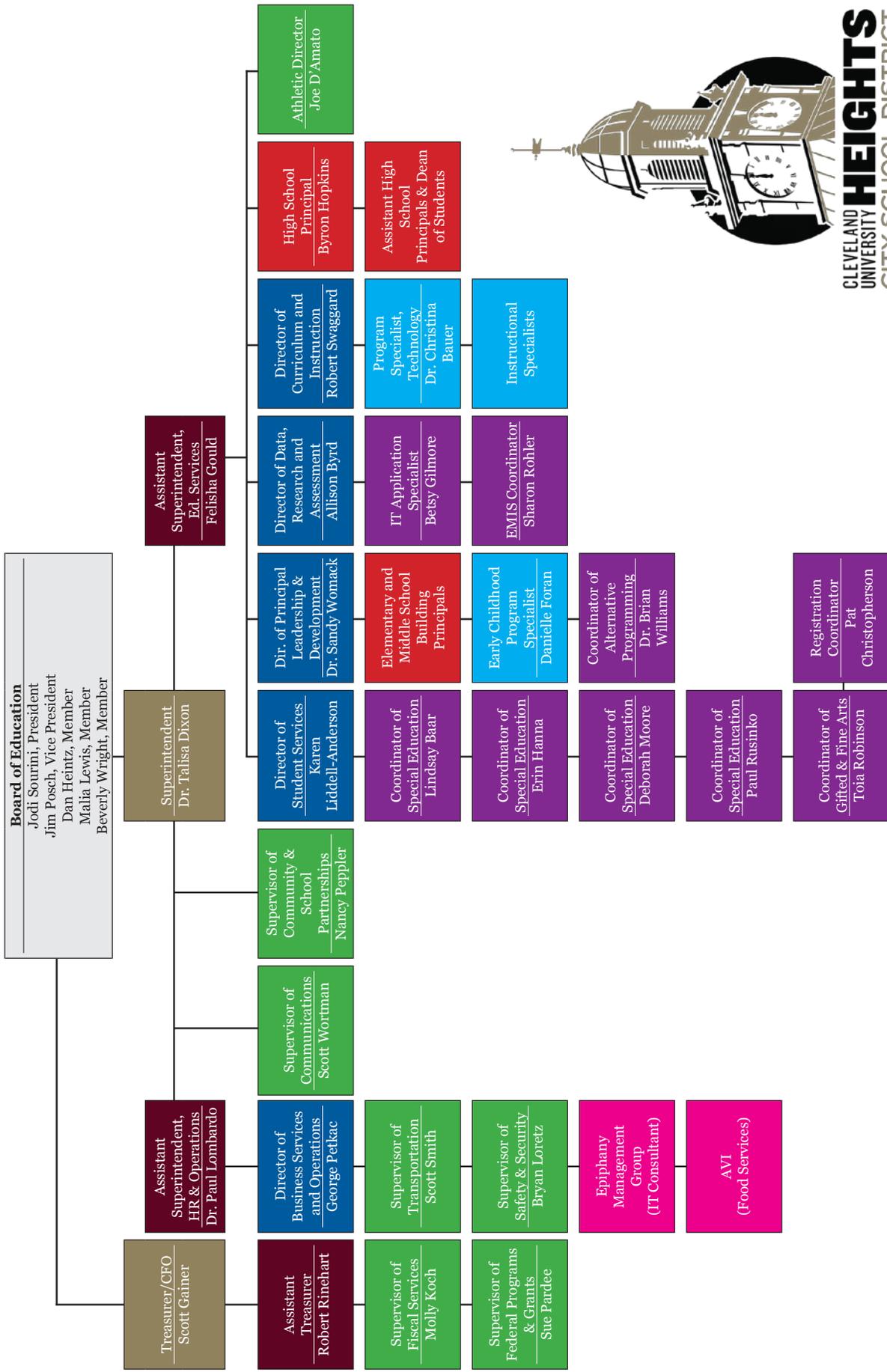


CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

Cleveland Heights-University Heights City School District

Central Office Organizational Chart • 2018-2019



CLEVELAND HEIGHTS
UNIVERSITY
CITY SCHOOL DISTRICT

FINANCIAL SECTION



ZOE BURNS
Grade 11, CHHS



MILO BROWN
Grade 10, CHHS



BRIELLE BOYD
Grade 11, CHHS

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





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NortheastRegion@ohioauditor.gov

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, 2019, 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.

Efficient • Effective • Transparent

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, 2019, 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 and other post-employment benefit liabilities and pension and other post-employment benefit 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 will also issue our report dated December 31, 2019, 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.



Keith Faber
Auditor of State

Columbus, Ohio

December 31, 2019



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2019

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, 2019. 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 2019 are as follows:

- In total, net position increased \$9,882,041. Net position of governmental activities increased \$9,525,098 from 2018. Net position of business-type activities increased \$356,943 from 2018.
- For governmental activities, general revenues accounted for \$118,475,072, or 91% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$11,919,128 of total revenues of \$130,394,200.
- The District had \$120,868,772 in expenses related to governmental activities; only \$11,919,128 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 \$118,475,072 which were able to provide for these programs resulting in an increase of net position from \$(48,217,048) to \$(38,691,950).
- Governmental activities expenses increased approximately 58% from the prior year due to GASB 68 and GASB 75. Instructional expenses made up 54% of total governmental activities expenses while support services account for 36%. Other expenses rounded out the remaining 10%.
- The District had \$2,614,425 in expenses related to business-type activities; a total of \$2,971,038 was offset by program specific charges for services and grants, which were able to provide for these programs, resulting in an increase of net position from \$(2,051,962) to \$(1,695,019).
- The District's major governmental funds are the General Fund, Building Fund and Permanent Improvement Fund. The General Fund had \$111,947,738 in revenues and other financing sources and \$116,458,084 in expenditures and other financing uses. The General Fund balance decreased \$4,510,346, from \$27,658,091 to \$23,147,745.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2019

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, Building Fund and Permanent Improvement 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, Building Fund and Permanent Improvement Fund.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2019

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 36. 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, 2019

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 2019 and 2018.

Net Position

	Governmental Activities <u>2019</u>	Business-Type Activities <u>2019</u>	Governmental Activities <u>2018</u>	Business-Type Activities <u>2018</u>
Assets:				
Current and other assets	\$ 160,823,745	\$ (131,952)	\$ 187,932,556	\$ (298,658)
Capital assets, net	<u>179,654,901</u>	<u>303,786</u>	<u>156,351,589</u>	<u>58,826</u>
Total assets	<u>340,478,646</u>	<u>171,834</u>	<u>344,284,145</u>	<u>(239,832)</u>
Deferred outflows of resources:				
Loss on refunding	8,308,645	-	8,564,296	-
Pension	30,630,498	136,191	40,496,547	179,079
OPEB	<u>1,231,830</u>	<u>17,233</u>	<u>1,222,223</u>	<u>12,526</u>
Total deferred outflows of resources	<u>40,170,973</u>	<u>153,424</u>	<u>50,283,066</u>	<u>191,605</u>
Liabilities:				
Current liabilities	17,092,626	417,601	15,245,558	230,532
Long-term liabilities:				
Due within one year	7,593,091	8,951	2,083,834	2,567
Due in more than one year	173,697,062	23,773	180,169,443	34,105
Net pension liability	111,877,881	842,559	122,339,114	1,047,351
Net OPEB liability	<u>11,463,716</u>	<u>415,783</u>	<u>27,444,278</u>	<u>478,309</u>
Total liabilities	<u>321,724,376</u>	<u>1,708,667</u>	<u>347,282,227</u>	<u>1,792,864</u>
Deferred inflows of resources				
Property taxes	66,252,967	-	71,702,402	-
Payments in lieu of taxes	373,879	-	99,792	-
Pension	17,657,159	179,527	18,233,408	125,273
OPEB	<u>13,333,188</u>	<u>132,083</u>	<u>5,466,430</u>	<u>85,598</u>
Total deferred inflows of resources	<u>97,617,193</u>	<u>311,610</u>	<u>95,502,032</u>	<u>210,871</u>
Net position:				
Net investment in capital assets	24,910,830	146,412	25,104,971	58,826
Restricted	16,344,070	-	15,756,063	-
Unrestricted (deficit)	<u>(79,946,850)</u>	<u>(1,841,431)</u>	<u>(89,078,082)</u>	<u>(2,110,788)</u>
Total net position (deficit)	<u>\$ (38,691,950)</u>	<u>\$ (1,695,019)</u>	<u>\$ (48,217,048)</u>	<u>\$ (2,051,962)</u>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2019 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*. For fiscal year 2018, the School District adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2019

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2019

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District's liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$40,386,969. During fiscal year 2019, the District's net position increased \$9,882,041. The main reason for the deficit net position is a result of the District recording the activity related to GASB 68 and GASB 75. As of June 30, 2019, there is no expectation that the District will be required to increase pension or OPEB funding to cover the net pension or OPEB liabilities.

Total assets decreased by \$3,393,833 as the decreases in cash and cash equivalents exceeded the increase in capital assets.

Capital assets, net increased approximately \$23.5 million as a result of the ongoing facilities construction projects. These projects also explain the decrease in cash of approximately \$28.9 million. Last year's cash balance of \$80,252,264 included restricted assets of \$5,146,803. This year's cash balance of \$51,259,533 includes restricted assets of \$5,355,823.

Net investment in capital assets for governmental activities reported on the government-wide statements was \$24,910,830 for fiscal year 2019. 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, \$16,344,070, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted governmental activities net position, \$5,355,823 is restricted for debt service payments, including the Qualified Zone Academy Bonds, \$10,376,347 is restricted for capital projects, and \$611,900 is restricted for other purposes. The remaining balance of governmental activities net position \$(79,946,850) 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/OPEB 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, 2019

	Changes in Net Position			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Revenues:				
Program revenues:				
Charges for services	\$ 3,044,674	\$ 214,851	\$ 4,317,588	\$ 209,357
Operating grants	<u>8,874,454</u>	<u>2,756,187</u>	<u>7,265,542</u>	<u>2,713,260</u>
Total program revenues	<u>11,919,128</u>	<u>2,971,038</u>	<u>11,583,130</u>	<u>2,922,617</u>
General revenues:				
Property taxes	81,225,327	-	87,825,613	-
Grants and entitlements	32,324,850	-	32,960,944	-
Investment earnings	1,949,799	-	1,178,732	-
Miscellaneous	<u>2,975,096</u>	<u>-</u>	<u>2,655,846</u>	<u>-</u>
Total general revenues	<u>118,475,072</u>	<u>-</u>	<u>124,621,135</u>	<u>-</u>
Total revenues	<u>130,394,200</u>	<u>2,971,038</u>	<u>136,204,265</u>	<u>2,922,617</u>
Program expenses:				
Instruction:				
Regular	33,772,850	-	12,949,352	-
Special	21,612,647	-	12,702,297	-
Vocational	1,785,442	-	733,208	-
Other	8,628,069	-	6,135,377	-
Support services:				
Pupil	6,515,947	-	2,740,833	-
Instructional staff	4,135,898	-	2,635,760	-
Board of education	674,582	-	556,874	-
Administration	6,036,398	-	3,147,054	-
Fiscal	3,081,101	-	3,510,872	-
Business	858,780	-	934,024	-
Operation and maintenance of plant	14,284,656	-	12,114,146	-
Pupil transportation	3,978,709	-	3,660,423	-
Central	3,701,731	-	3,242,196	-
Food service operations	5,623	-	9,418	-
Community services	3,689,807	-	3,005,501	-
Other non-instructional services	206	-	584	-
Extracurricular activities	1,461,395	-	1,082,469	-
Interest and fiscal charges	6,644,931	-	7,184,831	-
Food services	-	2,602,197	-	2,354,594
Uniform school supplies	-	3,854	-	1,481
Customer services	<u>-</u>	<u>8,374</u>	<u>-</u>	<u>9,578</u>
Total program expenses	<u>120,868,772</u>	<u>2,614,425</u>	<u>76,345,219</u>	<u>2,365,653</u>
Change in net position before transfers	9,525,428	356,613	59,859,046	556,964
Transfers	<u>(330)</u>	<u>330</u>	<u>-</u>	<u>-</u>
Change in net position	9,525,098	356,943	59,859,046	556,964
Net position at beginning of year	<u>(48,217,048)</u>	<u>(2,051,962)</u>	<u>(108,076,094)</u>	<u>(2,608,926)</u>
Net position at end of year	<u>\$ (38,691,950)</u>	<u>\$ (1,695,019)</u>	<u>\$ (48,217,048)</u>	<u>\$ (2,051,962)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2019

Effects of GASB 75

Under GASB 75, OPEB expense represents additional amounts earned based on a proportionate share of the net OPEB liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 75, the OPEB expense for 2019 is \$(14,324,203), while in 2018 OPEB expense was \$(4,751,474). The District was required to contribute \$298,453 and \$313,159 during 2019 and 2018, respectively.

Effects of GASB 68

Under GASB 68, pension expense represents additional amounts earned based on a proportionate share of the net pension liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 68, the pension expense for 2019 is \$7,485,765, while in 2018 pension expense was \$(40,578,211). The District was required to contribute \$8,764,848 and \$8,418,514 during 2019 and 2018, 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, \$5 million in permanent budget cuts for fiscal year 2015-2016 and \$3.25 million in fiscal year 2016-2017.

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 62% of total governmental activities revenues for the District in fiscal year 2019.

Instruction and support services comprise 90% of governmental program expenses. The operation of non-instructional services and interest expense make up the remaining 10% of governmental program expenses. Interest expense was attributable to the outstanding bonds and other borrowings for capital projects. Overall, governmental program expenses increased approximately \$44.5 million which was mainly due to an increase in pension (\$48.1 million) and a decrease in OPEB (\$9.6 million) expenses. Regular and special education costs were the most affected as these costs increased \$27.1 million in fiscal year 2019 due to GASB 68 and 75.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2019

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 2019 and 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Governmental Activities			
	<u>Total Cost of</u>	<u>Net Cost of</u>	<u>Total Cost of</u>	<u>Net Cost of</u>
	<u>Services 2019</u>	<u>Services 2019</u>	<u>Services 2018</u>	<u>Services 2018</u>
Program expenses:				
Instruction	\$ 65,799,008	\$ 56,711,592	\$ 32,520,234	\$ 23,589,718
Pupil and instructional staff	10,651,845	10,633,845	5,376,593	5,358,593
Board of education, administration, fiscal and business	10,650,861	10,511,457	8,148,824	7,992,616
Operation and maintenance - plant	14,284,656	14,284,656	12,114,146	12,114,146
Pupil transportation	3,978,709	3,936,441	3,660,423	3,622,019
Central services	3,701,731	3,701,731	3,242,196	3,242,196
Food service operations	5,623	5,623	9,418	9,418
Community services	3,689,807	1,167,854	3,005,501	684,579
Other non-instructional services	206	206	584	584
Extracurricular activities	1,461,395	1,351,308	1,082,469	963,389
Interest and fiscal charges	<u>6,644,931</u>	<u>6,644,931</u>	<u>7,184,831</u>	<u>7,184,831</u>
Total program expenses	\$ <u>120,868,772</u>	\$ <u>108,949,644</u>	\$ <u>76,345,219</u>	\$ <u>64,762,089</u>

The dependence upon tax revenues during fiscal year 2019 for governmental activities is apparent.

Business-Type Activities

Business-type activities include food service operation, uniform school supplies, and customer services. These programs had revenues and other sources of \$2,971,368 and expenses of \$2,614,425 for fiscal year 2019. This resulted in an increase to net position for the fiscal year of \$356,943.

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.

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$47,792,223, a decrease of \$27,609,209 in comparison with the prior year. Approximately 25% of this total amount, \$12,076,752, 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, \$24,838,198; has already been assigned, \$10,265,497; or is in a nonspendable form, \$611,776.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2019

The General Fund is the chief operating fund of the District. The District's General Fund balance decreased by \$4,510,346 in fiscal year 2019 due to an increase in instruction expenditures of \$4.5 million.

<u>Revenues</u>	2019 <u>Amount</u>	2018 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 73,516,536	\$ 75,057,676	(2)%
Interest earnings	1,220,197	413,586	195%
Intergovernmental	32,394,514	31,570,359	3%
Other revenue and financing sources	<u>4,816,491</u>	<u>6,376,731</u>	(24)%
Total	\$ <u>111,947,738</u>	\$ <u>113,418,352</u>	

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

<u>Expenditures by Function</u>	2019 <u>Amount</u>	2018 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 73,071,552	\$ 68,504,179	7%
Support services	41,777,941	40,580,690	3%
Food service operations	284	79	259%
Other non-instructional services	34,817	24,906	40%
Extracurricular activities	1,211,897	1,171,491	3%
Debt service	118,271	107,409	10%
Transfers - out	<u>243,322</u>	<u>276,974</u>	(12)%
Total	\$ <u>116,458,084</u>	\$ <u>110,665,728</u>	

Overall, expenses in the General Fund are up 5% from 2018. The main factors resulting in this fluctuation is an increase in instruction and support services during 2019.

The Building Fund is one of the District's major governmental funds. During fiscal year 2019, the major source of revenue in this fund was miscellaneous revenues for insurance proceeds. The total expenses in the Building Fund were \$24,765,838 and were mostly capital outlay related to the same projects referenced above. The fund balance of the Building Fund decreased \$23,295,085 from \$32,100,858 to \$8,805,773 in 2019.

The Permanent Improvement Fund is the District's other major governmental fund. During fiscal year 2019, the major source of revenue in this fund was tax income, \$3,223,549. The total expenses and other financing uses in the Permanent Improvement Fund were \$4,537,426 and were mostly capital outlay related to construction projects and repair and maintenance projects still ongoing. The fund balance of the Permanent Imprvment Fund decreased \$651,503 from \$11,914,215 to \$11,262,712 in 2019.

The fund balance of the other governmental funds increased \$847,725 to \$4,575,993 during the year ended June 30, 2019. The largest expenditure is for debt service 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, 2019

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 2019, 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 2019. During the course of fiscal year 2019, the total budget was changed multiple times. For the General Fund, final budgeted revenues and other financing sources were \$106,041,754, or \$3,909,665 lower than the original budget. Actual revenues and other financing sources for fiscal year 2019 were \$111,157,040. Actual differed from the final budget mainly due to higher than anticipated collection of taxes and intergovernmental revenue. General Fund original appropriations and other financing uses of \$118,900,990 increased to \$124,894,984 in the final budget. The actual expenditures and other financing uses for fiscal year 2019 totaled \$121,177,945, which was \$3,717,039 less than the final budget appropriations. Actual differed from final budget due to lower than anticipated costs associated with regular instruction.

Capital Assets

The District had \$179,958,687 invested in capital assets net of depreciation, with \$179,654,901 attributed to government activities. Net acquisition for governmental activities totaled \$28,537,400 and depreciation was \$5,234,088. The majority of the additions were for construction in progress 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, 2019, the District has \$155,144,223 in outstanding long-term bond debt and of this amount \$6,329,207 is due within one year. The District paid \$1,045,000 in principal on bonds outstanding. The District also has \$18,500,027 of certificates of participation outstanding at June 30, 2019 and of this amount \$470,000 is due within one year. The District has capital leases of \$210,785 outstanding at June 30, 2019, with \$97,249 due within one year. The District paid \$106,767 on capital leases outstanding during the fiscal year ended June 30, 2019. October 4, 2018, Moody's downgraded the District's general obligation unlimited tax (GOULT) to A1 from Aa3 as well as its certificates of participation (COPs) to A2 from A1. 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, 2019

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 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

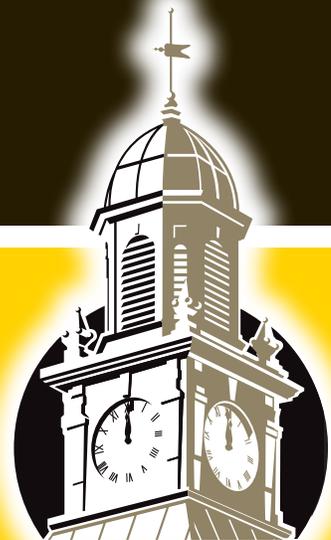
This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact 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

SAVANNAH GOINS
Grade 12, CHHS



AMINAH ABDUL-HAFEEZ
Grade 12, CHHS



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



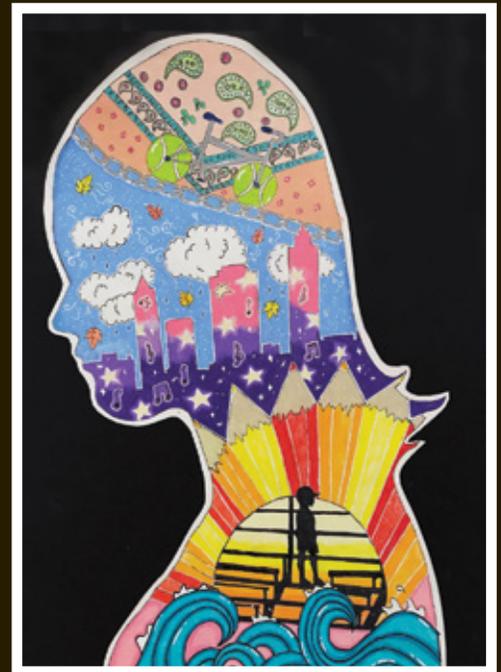
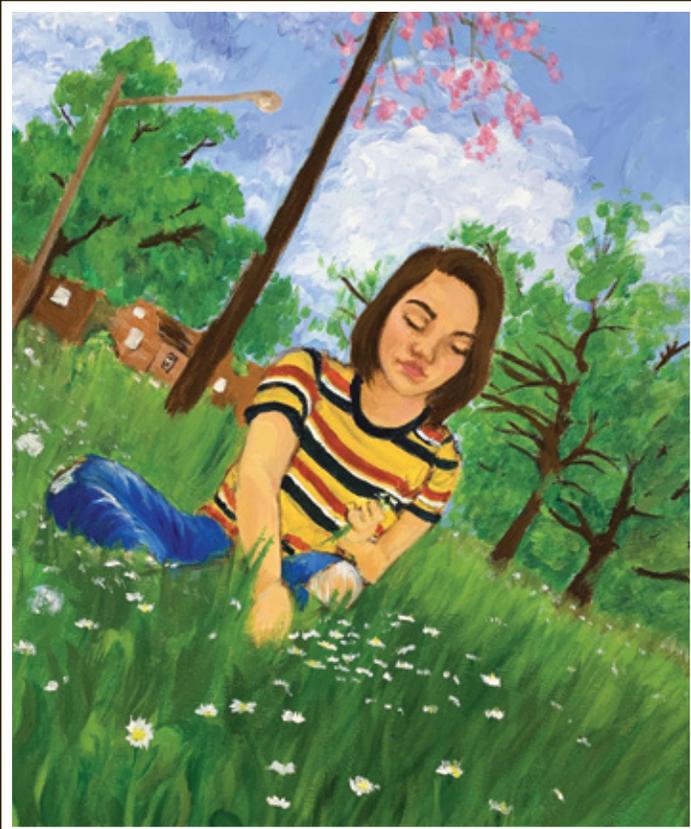
CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

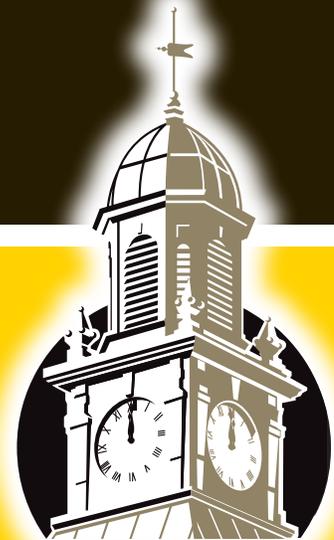
CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio

BASIC FINANCIAL STATEMENTS

AVA COLLYER
Grade 11, CHHS



ADELE DOONER
Grade 10, CHHS



CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

Cleveland Heights-University Heights City School District

Statement of Net Position

June 30, 2019

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 45,580,064	\$ 323,646	\$ 45,903,710
Accounts receivable	114,731	-	114,731
Prepaid items	360,006	1,725	361,731
Intergovernmental receivable	3,427,646	74,949	3,502,595
Internal balances	550,000	(550,000)	-
Materials and supplies inventory	404,870	3,279	408,149
Inventory held for resale	-	14,449	14,449
Taxes receivable	98,552,108	-	98,552,108
Restricted cash and investments	5,355,823	-	5,355,823
Net OPEB asset	6,478,497	-	6,478,497
Nondepreciable capital assets	32,706,908	256,285	32,963,193
Depreciable capital assets, net	<u>146,947,993</u>	<u>47,501</u>	<u>146,995,494</u>
Total assets	<u>340,478,646</u>	<u>171,834</u>	<u>340,650,480</u>
Deferred outflows of resources:			
Deferred loss on refunding	8,308,645	-	8,308,645
Pension	30,630,498	136,191	30,766,689
OPEB	<u>1,231,830</u>	<u>17,233</u>	<u>1,249,063</u>
Total deferred outflows of resources	<u>40,170,973</u>	<u>153,424</u>	<u>40,324,397</u>
Liabilities:			
Accounts payable	5,312,984	372,224	5,685,208
Accrued wages and benefits	7,619,091	33,784	7,652,875
Matured compensated absences	295,603	-	295,603
Intergovernmental payable	1,476,629	11,593	1,488,222
Accrued interest payable	614,219	-	614,219
Claims payable	1,774,100	-	1,774,100
Long-term liabilities:			
Due within one year	7,593,091	8,951	7,602,042
Due in more than one year:			
Net pension liability	111,877,881	842,559	112,720,440
Net OPEB liability	11,463,716	415,783	11,879,499
Other amounts due in more than one year	<u>173,697,062</u>	<u>23,773</u>	<u>173,720,835</u>
Total liabilities	<u>321,724,376</u>	<u>1,708,667</u>	<u>323,433,043</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, 2019

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business - Type Activities</u>	
Deferred inflows of resources:			
Property taxes	66,252,967	-	66,252,967
Payments in lieu of taxes	373,879	-	373,879
Pension	17,657,159	179,527	17,836,686
OPEB	<u>13,333,188</u>	<u>132,083</u>	<u>13,465,271</u>
Total deferred inflows of resources	<u>97,617,193</u>	<u>311,610</u>	<u>97,928,803</u>
Net position:			
Net investment in capital assets	24,910,830	146,412	25,057,242
Restricted for:			
Capital projects	10,376,347	-	10,376,347
State programs	110,664	-	110,664
Federal programs	172,262	-	172,262
Qualified Zone Academy Bond retirement	5,355,823	-	5,355,823
Other	328,974	-	328,974
Unrestricted (deficit)	<u>(79,946,850)</u>	<u>(1,841,431)</u>	<u>(81,788,281)</u>
Total net position (deficit)	<u>\$ (38,691,950)</u>	<u>\$ (1,695,019)</u>	<u>\$ (40,386,969)</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, 2019

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Instruction:			
Regular	\$ 33,772,850	\$ 1,970,795	\$ 1,497,527
Special	21,612,647	770,369	4,580,498
Vocational	1,785,442	11,751	256,476
Other	8,628,069	-	-
Support services:			
Pupil	6,515,947	-	18,000
Instructional staff	4,135,898	-	-
Board of education	674,582	-	-
Administration	6,036,398	139,404	-
Fiscal	3,081,101	-	-
Business	858,780	-	-
Operations and maintenance of plant	14,284,656	-	-
Pupil transportation	3,978,709	42,268	-
Central	3,701,731	-	-
Operation of non-instructional services:			
Food service operations	5,623	-	-
Community services	3,689,807	-	2,521,953
Other operation of non-instructional services	206	-	-
Extracurricular activities	1,461,395	110,087	-
Interest and fiscal charges	6,644,931	-	-
Total governmental activities	<u>120,868,772</u>	<u>3,044,674</u>	<u>8,874,454</u>
Business-type activities:			
Food services	2,602,197	194,028	2,756,187
Uniform school supplies	3,854	12,274	-
Customer services	8,374	8,549	-
Total business-type activities	<u>2,614,425</u>	<u>214,851</u>	<u>2,756,187</u>
Totals	<u>\$ 123,483,197</u>	<u>\$ 3,259,525</u>	<u>\$ 11,630,641</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
- 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
\$ (30,304,528)	\$ -	\$ (30,304,528)
(16,261,780)	-	(16,261,780)
(1,517,215)	-	(1,517,215)
(8,628,069)	-	(8,628,069)
(6,497,947)	-	(6,497,947)
(4,135,898)	-	(4,135,898)
(674,582)	-	(674,582)
(5,896,994)	-	(5,896,994)
(3,081,101)	-	(3,081,101)
(858,780)	-	(858,780)
(14,284,656)	-	(14,284,656)
(3,936,441)	-	(3,936,441)
(3,701,731)	-	(3,701,731)
(5,623)	-	(5,623)
(1,167,854)	-	(1,167,854)
(206)	-	(206)
(1,351,308)	-	(1,351,308)
<u>(6,644,931)</u>	<u>-</u>	<u>(6,644,931)</u>
<u>(108,949,644)</u>	<u>-</u>	<u>(108,949,644)</u>
-	348,018	348,018
-	8,420	8,420
<u>-</u>	<u>175</u>	<u>175</u>
<u>-</u>	<u>356,613</u>	<u>356,613</u>
<u>(108,949,644)</u>	<u>356,613</u>	<u>(108,593,031)</u>
71,980,283	-	71,980,283
6,090,617	-	6,090,617
3,154,427	-	3,154,427
32,324,850	-	32,324,850
1,949,799	-	1,949,799
<u>2,975,096</u>	<u>-</u>	<u>2,975,096</u>
<u>118,475,072</u>	<u>-</u>	<u>118,475,072</u>
<u>(330)</u>	<u>330</u>	<u>-</u>
<u>118,474,742</u>	<u>330</u>	<u>118,475,072</u>
9,525,098	356,943	9,882,041
<u>(48,217,048)</u>	<u>(2,051,962)</u>	<u>(50,269,010)</u>
\$ <u><u>(38,691,950)</u></u>	\$ <u><u>(1,695,019)</u></u>	\$ <u><u>(40,386,969)</u></u>

Cleveland Heights-University Heights City School District

Balance Sheet – Governmental Funds

June 30, 2019

	<u>General</u>	<u>Building</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 16,644,564	\$ 11,142,328	\$ 5,921,907	\$ 5,684,466	\$ 39,393,265
Accounts receivable	114,731	-	-	-	114,731
Intergovernmental receivable	2,437,683	-	-	989,963	3,427,646
Interfund receivable	2,412,300	-	-	-	2,412,300
Materials and supplies inventory	404,870	-	-	-	404,870
Prepaid items	206,906	-	-	-	206,906
Taxes receivable	88,185,299	-	3,759,820	6,606,989	98,552,108
Restricted cash and investments	-	-	<u>5,355,823</u>	-	<u>5,355,823</u>
Total assets	<u>\$110,406,353</u>	<u>\$ 11,142,328</u>	<u>\$ 15,037,550</u>	<u>\$ 13,281,418</u>	<u>\$ 149,867,649</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	\$ 1,660,904	\$ 2,336,555	\$ 638,420	\$ 677,105	\$ 5,312,984
Accrued wages and benefits	7,341,180	-	-	268,273	7,609,453
Interfund payable	-	-	-	1,862,300	1,862,300
Matured compensated absences	295,603	-	-	-	295,603
Intergovernmental payable	<u>1,419,494</u>	<u>-</u>	<u>-</u>	<u>57,135</u>	<u>1,476,629</u>
Total liabilities	<u>10,717,181</u>	<u>2,336,555</u>	<u>638,420</u>	<u>2,864,813</u>	<u>16,556,969</u>
Deferred inflows of resources:					
Property taxes	59,292,054	-	2,492,557	4,468,356	66,252,967
Payments in lieu of taxes	373,879	-	-	-	373,879
Unavailable revenue	<u>16,875,494</u>	<u>-</u>	<u>643,861</u>	<u>1,372,256</u>	<u>18,891,611</u>
Total deferred inflows of resources	<u>76,541,427</u>	<u>-</u>	<u>3,136,418</u>	<u>5,840,612</u>	<u>85,518,457</u>
Fund balances:					
Nonspendable	611,776	-	-	-	611,776
Restricted	-	8,805,773	11,262,712	4,769,713	24,838,198
Assigned	10,265,497	-	-	-	10,265,497
Unassigned (deficit)	<u>12,270,472</u>	<u>-</u>	<u>-</u>	<u>(193,720)</u>	<u>12,076,752</u>
Total fund balances	<u>23,147,745</u>	<u>8,805,773</u>	<u>11,262,712</u>	<u>4,575,993</u>	<u>47,792,223</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$110,406,353</u>	<u>\$ 11,142,328</u>	<u>\$ 15,037,550</u>	<u>\$ 13,281,418</u>	<u>\$ 149,867,649</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, 2019

Total governmental funds balances	\$	47,792,223	
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.			179,654,901
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	\$	16,633,352	
Intergovernmental		315,016	
Investment earnings		59,206	
Tuition		1,558,779	
Grants		<u>325,258</u>	
Total			18,891,611
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.			4,556,161
In the government-wide financial statements, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.			(614,219)
The net pension liability and net OPEB liability/asset are not due in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:			
Net OPEB asset		6,478,497	
Deferred outflows – pension		30,630,498	
Deferred inflows – pension		(17,657,159)	
Net pension liability		(111,877,881)	
Deferred outflows – OPEB		1,231,830	
Deferred inflows – OPEB		(13,333,188)	
Net OPEB liability		<u>(11,463,716)</u>	
Total			(115,991,119)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.			
Library improvement refunding bonds		(4,100,000)	
Qualified zone academy bonds		(5,500,000)	
Certificates of participation		(18,525,000)	
General obligation school improvement bonds		(133,514,915)	
Accretion of CABs		(1,774,288)	
Deferred charge on refunding		8,308,645	
Unamortized charges – premium		(10,255,020)	
Unamortized charges – discount		24,973	
Capital leases		(210,785)	
Early retirement incentive		(132,000)	
Compensated absences		<u>(7,303,118)</u>	
Total			<u>(172,981,508)</u>
Net position of governmental activities	\$		<u><u>(38,691,950)</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, 2019

	<u>General</u>	<u>Building</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 73,516,536	\$ -	\$ 3,223,549	\$ 6,547,562	\$ 83,287,647
Intergovernmental	32,394,514	-	442,262	8,917,966	41,754,742
Grants	-	-	-	204,066	204,066
Tuition and fees	2,572,132	-	-	-	2,572,132
Earnings on investments	1,220,197	635,074	209,020	7,886	2,072,177
Extracurricular activities	69,076	-	-	165,184	234,260
Classroom materials and fees	5,684	-	-	-	5,684
Miscellaneous	<u>2,093,908</u>	<u>835,679</u>	<u>-</u>	<u>45,926</u>	<u>2,975,513</u>
Total revenues	<u>111,872,047</u>	<u>1,470,753</u>	<u>3,874,831</u>	<u>15,888,590</u>	<u>133,106,221</u>
Expenditures:					
Current:					
Instruction:					
Regular	40,161,638	9,083	-	583,594	40,754,315
Special	22,214,495	-	-	2,209,441	24,423,936
Vocational	2,012,708	-	-	175,257	2,187,965
Other	8,682,711	-	-	23,940	8,706,651
Support services:					
Pupil	7,541,133	-	-	449,499	7,990,632
Instructional staff	4,508,807	-	-	535,889	5,044,696
Board of education	678,367	-	-	-	678,367
Administration	6,507,873	-	-	489,050	6,996,923
Fiscal	2,988,769	15,490	60,728	154,614	3,219,601
Business	828,438	-	-	18,000	846,438
Operations and maintenance of plant	10,733,761	-	3,242,604	29,030	14,005,395
Pupil transportation	4,128,141	-	-	32,434	4,160,575
Central	3,862,652	-	-	28,473	3,891,125
Operation of non-instructional services:					
Food service operations	284	-	-	-	284
Community services	34,611	-	-	3,624,489	3,659,100
Other non-instructional services	206	-	-	-	206
Extracurricular activities	1,211,897	-	-	409,447	1,621,344
Facilities acquisition and construction services	-	24,741,265	-	-	24,741,265
Debt service:					
Principal	106,767	-	460,000	1,045,000	1,611,767
Interest and fiscal charges	<u>11,504</u>	<u>-</u>	<u>774,094</u>	<u>5,475,700</u>	<u>6,261,298</u>
Total expenditures	<u>116,214,762</u>	<u>24,765,838</u>	<u>4,537,426</u>	<u>15,283,857</u>	<u>160,801,883</u>
Excess of revenues over (under) expenditures	<u>(4,342,715)</u>	<u>(23,295,085)</u>	<u>(662,595)</u>	<u>604,733</u>	<u>(27,695,662)</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, 2019

	<u>General</u>	<u>Building</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):					
Transfers - in	-	-	-	242,992	242,992
Transfers - out	(243,322)	-	-	-	(243,322)
Proceeds from inception of capital lease	75,691	-	-	-	75,691
Proceeds from sale of asset	-	-	11,092	-	11,092
Total other financing sources (uses)	<u>(167,631)</u>	<u>-</u>	<u>11,092</u>	<u>242,992</u>	<u>86,453</u>
Net change in fund balance	(4,510,346)	(23,295,085)	(651,503)	847,725	(27,609,209)
Fund balance at beginning of year	<u>27,658,091</u>	<u>32,100,858</u>	<u>11,914,215</u>	<u>3,728,268</u>	<u>75,401,432</u>
Fund balance at end of year	\$ <u>23,147,745</u>	\$ <u>8,805,773</u>	\$ <u>11,262,712</u>	\$ <u>4,575,993</u>	\$ <u>47,792,223</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, 2019

Net change in fund balances - total governmental funds \$ (27,609,209)

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 depreciation differed in the current period.

Capital outlay	\$ 28,537,400	
Depreciation	<u>(5,234,088)</u>	
Total		23,303,312

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	(2,062,320)	
Investment earnings	(122,378)	
Tuition	142,177	
Accounts receivable	(19,539)	
Intergovernmental	<u>(661,053)</u>	
Total		(2,723,113)

Other financing sources in the governmental funds that increase long-term liabilities in the Statement of Net Position.

Capital lease		(75,691)
---------------	--	----------

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.

1,611,767

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.

70,371

Continued

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 (continued)

For the Fiscal Year Ended June 30, 2019

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	(382,047)	
Early retirement incentive	(60,000)	
Amortization of premium and discount	324,617	
Amortization of deferred loss on refunding	(255,651)	
Accretion on capital appreciation bonds	(455,522)	
Interest expense	<u>2,923</u>	
Total		(825,680)

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

Pension	8,693,891	
OPEB	<u>288,007</u>	
Total		8,981,898

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

Pension	(7,522,458)	
OPEB	<u>14,313,901</u>	
Total		<u>6,791,443</u>

Change in net position of governmental activities \$ 9,525,098

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 71,597,407	\$ 68,184,731	\$ 69,515,074	\$ 1,330,343
Intergovernmental	29,619,253	29,234,646	32,187,174	2,952,528
Tuition and fees	3,402,066	3,357,891	3,697,017	339,126
Earnings on investments	880,519	869,085	956,858	87,773
Miscellaneous	2,402,905	2,371,703	2,611,232	239,529
Total revenues	<u>107,902,150</u>	<u>104,018,056</u>	<u>108,967,355</u>	<u>4,949,299</u>
Expenditures:				
Current:				
Instruction:				
Regular	39,982,904	42,011,517	40,472,375	1,539,142
Special	21,333,830	22,435,381	22,278,673	156,708
Vocational	1,956,249	2,057,130	2,034,560	22,570
Other	8,479,937	8,918,092	8,678,986	239,106
Support services:				
Pupil	7,345,448	7,724,220	7,569,530	154,690
Instructional staff	4,690,494	4,925,815	4,845,327	80,488
Board of education	945,536	979,461	989,143	(9,682)
Administration	6,448,111	6,779,103	6,616,592	162,511
Fiscal	3,000,844	3,152,962	3,009,092	143,870
Business	827,125	867,637	860,757	6,880
Operation and maintenance of plant	11,155,832	11,696,645	11,284,660	411,985
Pupil transportation	4,327,626	4,535,931	4,292,233	243,698
Central	4,494,064	4,698,195	4,282,286	415,909
Operation of non-instructional services:				
Food service operations	520	547	528	19
Community services	34,104	35,866	34,611	1,255
Extracurricular activities:				
Academic and subject oriented	233,988	246,067	238,811	7,256
Occupational oriented	3,040	3,196	3,085	111
Sports oriented	854,627	898,785	873,493	25,292
Co-curricular activities	77,271	81,262	80,896	366
Total expenditures	<u>116,191,550</u>	<u>122,047,812</u>	<u>118,445,638</u>	<u>3,602,174</u>
Excess of revenues (under) over expenditures	<u>(8,289,400)</u>	<u>(18,029,756)</u>	<u>(9,478,283)</u>	<u>8,551,473</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - in	80,000	80,000	49,685	(30,315)
Transfers - out	(288,711)	(303,628)	(293,007)	10,621
Advances - in	1,969,269	1,943,698	2,140,000	196,302
Advances - out	<u>(2,420,729)</u>	<u>(2,543,544)</u>	<u>(2,439,300)</u>	<u>104,244</u>
Total other financing sources (uses)	<u>(660,171)</u>	<u>(823,474)</u>	<u>(542,622)</u>	<u>280,852</u>
Net change in fund balance	(8,949,571)	(18,853,230)	(10,020,905)	8,832,325
Fund balance beginning of year	20,179,320	20,179,320	20,179,320	-
Prior year encumbrances appropriated	<u>2,814,984</u>	<u>2,814,984</u>	<u>2,814,984</u>	<u>-</u>
Fund balance end of year	\$ <u>14,044,733</u>	\$ <u>4,141,074</u>	\$ <u>12,973,399</u>	\$ <u>8,832,325</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, 2019

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 323,646	\$ 6,186,799
Prepaid items	1,725	153,100
Intergovernmental receivable	74,949	-
Materials and supplies inventory	<u>17,728</u>	<u>-</u>
Total current assets	418,048	6,339,899
Non-current assets:		
Nondepreciable capital assets	256,285	-
Depreciable capital assets, net	<u>47,501</u>	<u>-</u>
Total non-current assets	<u>303,786</u>	<u>-</u>
Total assets	<u>721,834</u>	<u>6,339,899</u>
Deferred outflows of resources:		
Pension – SERS	136,191	-
OPEB – SERS	<u>17,233</u>	<u>-</u>
Total deferred outflows of resources	<u>153,424</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	372,224	-
Accrued wages and benefits	33,784	9,638
Interfund payable	550,000	-
Intergovernmental payable	11,593	-
Claims payable	-	1,774,100
Current portion of accrued compensated absences	<u>8,951</u>	<u>-</u>
Total current liabilities	976,552	1,783,738
Non-current liabilities:		
Net pension liability	842,559	-
Net OPEB liability	415,783	-
Accrued compensated absences	<u>23,773</u>	<u>-</u>
Total non-current liabilities	<u>1,282,115</u>	<u>-</u>
Total liabilities	<u>2,258,667</u>	<u>1,783,738</u>
Deferred inflows of resources:		
Pension – SERS	179,527	-
OPEB – SERS	<u>132,083</u>	<u>-</u>
Total deferred inflows of resources	<u>311,610</u>	<u>-</u>
Net position:		
Net investment in capital assets	146,412	-
Unrestricted (deficit)	<u>(1,841,431)</u>	<u>4,556,161</u>
Total net position (deficit)	<u>\$ (1,695,019)</u>	<u>\$ 4,556,161</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, 2019

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
Operating revenues:		
Charges for services	\$ -	\$ 18,613,662
Classroom materials and fees	12,274	-
Food services	192,211	-
Miscellaneous	10,366	10,683
Total operating revenues	<u>214,851</u>	<u>18,624,345</u>
Operating expenses:		
Salaries and wages	435,772	9,638
Fringe benefits	161,196	18,499,025
Purchased services	1,703,065	45,311
Supplies and materials	301,847	-
Depreciation	11,325	-
Other	1,220	-
Total operating expenses	<u>2,614,425</u>	<u>18,553,974</u>
Operating (loss) income	<u>(2,399,574)</u>	<u>70,371</u>
Non-operating revenues:		
Federal donated commodities	283,188	-
Intergovernmental grants	2,472,999	-
Total non-operating revenues	<u>2,756,187</u>	<u>-</u>
Change in net position before transfers	356,613	70,371
Transfers – in	<u>330</u>	<u>-</u>
Change in net position	356,943	70,371
Total (deficit) net position at beginning of year	<u>(2,051,962)</u>	<u>4,485,790</u>
Total (deficit) net position at end of year	<u>\$ (1,695,019)</u>	<u>\$ 4,556,161</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, 2019

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Fund</u>
Increase in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from customers	\$ 204,485	\$ 18,626,730
Cash received from other operating sources	10,366	-
Cash payments for materials and supplies	(9,950)	-
Cash payments for goods and services	(1,707,689)	(49,173)
Cash payments to employees for services	(443,756)	-
Cash payments for employee benefits	(251,203)	-
Cash payments for claims	-	(18,521,091)
Cash payments for other	(787)	-
Net cash (used) provided by operating activities	<u>(2,198,534)</u>	<u>56,466</u>
Cash flows from non-capital financing activities:		
Intergovernmental grants received	2,457,541	-
Transfers - in	330	-
Advances - in	550,000	-
Advances - out	(500,000)	-
Net cash provided by non-capital financing activities	<u>2,507,871</u>	<u>-</u>
Cash flows from capital financing activities:		
Acquisition of capital assets	<u>(98,911)</u>	<u>-</u>
Net increase in cash and cash equivalents	210,426	56,466
Cash and cash equivalents at beginning of year	<u>113,220</u>	<u>6,130,333</u>
Cash and cash equivalents at end of year	\$ <u><u>323,646</u></u>	\$ <u><u>6,186,799</u></u>
Non-cash capital and non-capital financing activities:		
Federal donated commodities	\$ 283,188	\$ -
Capital assets purchased on credit	157,374	-

Continued

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

Cleveland Heights-University Heights City School District

Statement of Cash Flows – Proprietary Funds (continued)

For the Fiscal Year Ended June 30, 2019

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
Reconciliation of operating (loss) income to net cash (used) provided by operating activities:		
Operating (loss) income	\$ (2,399,574)	\$ 70,371
Adjustments:		
Depreciation	11,325	-
Federal donated commodities	283,188	-
Changes in assets/liabilities:		
Accounts receivable	-	2,385
Prepaid items	469	(4,366)
Materials and supplies inventories	3,997	-
Inventory held for resale	4,712	-
Deferred outflows – pension	69,057	-
Deferred outflows – OPEB	3,335	-
Accounts payable	(4,191)	(3,862)
Accrued wages and benefits	28,688	9,638
Intergovernmental payable	5,198	-
Accrued compensated absences	(3,948)	-
Claims payable	-	(17,700)
Net pension liability	(102,345)	-
Net OPEB liability	7,288	-
Deferred inflows – pension	(74,362)	-
Deferred inflows – OPEB	(31,371)	-
Total adjustments	<u>201,040</u>	<u>(13,905)</u>
Net cash (used) provided by operating activities	<u>\$ (2,198,534)</u>	<u>\$ 56,466</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, 2019

Assets:	
Equity in pooled cash and investments	\$ <u>88,561</u>
Liabilities:	
Due to students	\$ <u>88,561</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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 thirteen instructional/support facilities staffed by 418 classified employees, 460 certificated full-time teaching personnel and approximately 45 administrators who provide services to 5,029 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, 2019

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.

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.

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, and customer services.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 1: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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.

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, 2019

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, 2019

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, grants, investment earning, and tuition.

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, 2019.

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 deferred charges on refunding, pension and OPEB in the Statements of Net Position. The deferred outflows of resources related to pension and OPEB are explained in Note 11 and Note 12.

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, payments in lieu of taxes, unavailable revenue, OPEB and pension. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 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, 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 and OPEB plans are reported in the Statements of Net Position (Note 11 and 12).

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, 2019

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 2019, investments were limited to money market accounts, negotiable certificates of deposits, commercial paper, United States government securities and State Treasury Asset Reserve of Ohio (STAR Ohio).

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 1: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents (continued)

For the fiscal year 2019, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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 2019 amounted to \$1,220,197. The amount allocated from the other funds during fiscal year 2019 amounted to \$442,357.

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, 2019, 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, 2019

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	3 - 20 years	N/A
Buildings and improvements	10 - 99 years	N/A
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, 2019

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, 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, 2019

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. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans 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, 2019, 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, 2019

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 2019, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*.

GASB 83, *Certain Asset Retirement Obligations*, issued in November 2016 and effective for periods beginning after June 15, 2018 requires a liability to be recognized by a government that will eventually retire, dispose of, or environmental remediate upon retirement, a capital asset and that retirement or disposal carries with it legally enforceable obligations. Implementation of this did not have any effect on the District's financial statements, and any impact going forward will be included in the notes to financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, issued in April 2018 and effective for periods beginning after June 15, 2018, this pronouncement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. Information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed thus providing users with better information to understand the effects of debt on a government's future resource flows. The District does not currently possess any debt eligible under this pronouncement as direct borrowings or direct placements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 2: Change in Accounting Principles (continued)

GASB Statements and guidance to be implemented in future reporting periods include GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, GASB Statement No. 87, *Leases* and GASB Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*. The District is currently evaluating the impact that these Statements will have on its financial statements and disclosures.

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	\$ (4,510,346)
Revenue accruals	(2,784,116)
Advances – in	2,140,000
Expenditure accruals	958,770
Advances – out	(2,439,300)
Encumbrances	(3,396,349)
To reclassify the net change in fund balance for funds combined with the General Fund	<u>10,436</u>
Budget basis	\$ <u><u>(10,020,905)</u></u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

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	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventory and prepaid items	\$ 611,776	\$ -	\$ -	\$ -	\$ 611,776
Restricted for:					
Community activities	-	-	-	234,199	234,199
Athletics	-	-	-	99,139	99,139
Auxiliary services	-	-	-	124,005	124,005
Improving teacher quality	-	-	-	4,235	4,235
Miscellaneous state and federal grants	-	-	-	2,500	2,500
Debt service payments	-	-	-	4,305,635	4,305,635
Capital improvements	-	8,805,773	11,262,712	-	20,068,485
Total restricted	<u>-</u>	<u>8,805,773</u>	<u>11,262,712</u>	<u>4,769,713</u>	<u>24,838,198</u>
Assigned to:					
Public school support	167,167	-	-	-	167,167
Subsequent year's budget:					
Appropriation of fund balance	8,606,834	-	-	-	8,606,834
Purchases on order:					
Instruction services and supplies	583,564	-	-	-	583,564
Transportation costs	51,280	-	-	-	51,280
Maintenance services and supplies	671,053	-	-	-	671,053
Utilities	185,599	-	-	-	185,599
Total assigned	<u>10,265,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,265,497</u>
Unassigned (deficit)	<u>12,270,472</u>	<u>-</u>	<u>-</u>	<u>(193,720)</u>	<u>12,076,752</u>
Total	\$ <u>23,147,745</u>	\$ <u>8,805,773</u>	\$ <u>11,262,712</u>	\$ <u>4,575,993</u>	\$ <u>47,792,223</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, 2019

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.

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 two hundred and seventy days in an amount not to exceed forty percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 5: Deposits and Investments (continued)

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 for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the District's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by establishing and pledging to the Treasurer of State a single pool of collateral for the benefit of every public depositor. The total market value of the securities pledged must meet either of the following:

One hundred two percent of the total amount of all uninsured public deposits; or

An amount determined by rules adopted by the treasurer of state that set forth the criteria for determining the aggregate market value of the pool of eligible securities pledged by a public depository.

At year-end, the carrying amount of the District's deposits was \$2,834,812 and the bank balance was \$3,444,108. Of the bank balance, \$494,439 was covered by federal depository insurance and \$2,949,669 was uninsured and was collateralized through the Ohio Pooled Collateral System. At fiscal year-end, the District had \$2,289 undeposited cash on hand, which is included on the balance sheet of the District as part of "equity in pooled cash and investments."

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 5: Deposits and Investments (continued)

Investments

Investments are reported at fair value. As of June 30, 2019, the District had the following investments:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Federal Home Loan Bank (FHLB)	\$ 3,125,028	\$ 1,619,411	\$ 1,505,617
Federal Farm Credit Bank (FFCB)	1,217,371	-	1,217,371
Federal National Mortgage Association (FNMA)	4,589,212	1,424,692	3,164,520
Federal Home Loan Mortgage Corporation (FHLMC)	9,225,999	5,725,375	3,500,624
Negotiable certificates of deposit	5,817,982	2,594,727	3,223,255
Money market	46,307	46,307	-
Commercial paper	1,520,186	791,183	729,003
STAR Ohio	<u>22,968,908</u>	<u>22,968,908</u>	<u>-</u>
Total portfolio	<u>\$ 48,510,993</u>	<u>\$ 35,170,603</u>	<u>\$ 13,340,390</u>

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

The District has the following recurring fair value measurements as of June 30, 2019:

- STAR Ohio is measured at amortized cost, which approximates fair value. At June 30, 2019, the average days to maturity was 53.3 days.
- FHLB, FFCB, FNMA, and FHLMC are measured based on Level 2 inputs, using matrix pricing.
- Negotiable certificates of deposit and commercial paper are measured based on Level 2 inputs, using matrix pricing.
- Money market is 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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 5: Deposits and Investments (continued)

Investments (continued)

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 Commercial Paper carries a rating of A1 by Standard and Poor's. STAR Ohio carries a rating AAAM by Standard & Poor's and the money market carries a rating of AAA by Standard & Poor's. The negotiable certificates of deposit are unrated.

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, 2019:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank	6.4%
Federal Farm Credit Bank	2.5
Federal National Mortgage Association	9.5
Federal Home Loan Mortgage Corporation	19.0
Money market	0.1
Negotiable certificates of deposit	12.0
Commercial paper	3.1
STAR Ohio	47.4

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 year 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, 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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 6: Property Taxes (continued)

Public utility property tax revenue received in calendar 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2017, were levied after April 1, 2018 and are collected in 2019 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, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which became measurable as of June 30, 2019 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, 2019 was \$13,950,752 for the General Fund, \$1,091,635 in the Bond Retirement Fund, and \$623,402 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018		2019	
	<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	\$ 1,025,158,440	98.03%	\$ 1,092,297,090	98.08%
Public utility	<u>20,548,510</u>	<u>1.97</u>	<u>21,381,610</u>	<u>1.92</u>
	<u>\$ 1,045,706,950</u>	<u>100.00%</u>	<u>\$ 1,113,678,700</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 156.09		\$ 154.20

Note 7: Interfund Transactions

Interfund transactions for the year ended June 30, 2019 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,862,300
General Fund	Nonmajor Enterprise Funds	<u>550,000</u>
		<u>\$ 2,412,300</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 7: Interfund Transactions (continued)

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, 2019, all interfund loans outstanding are anticipated to be repaid during fiscal year 2020.

Interfund transfers for the year ended June 30, 2019, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ 242,992
Transfers from General Fund to:	
Nonmajor Enterprise Funds	330

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.

Note 8: Receivables

Receivables at June 30, 2019, 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	\$ 1,588,034
Fuel reimbursement	21,029
Cuyahoga County	98,323
Casino tax	139,725
State Employees Retirement System refund	315,016
City of South Euclid	373,879
Early Childhood Education	18,943
Special Education Cluster	248,906
Carl D. Perkins grant	39,198
Title I grant	305,471
Title III grant	346
Title II-A grant	37,390
Miscellaneous federal grants	241,386
	3,427,646
Business-type activities:	
Department of Education	74,949
Total intergovernmental receivable	\$ 3,502,595

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance at 6/30/18	Additions	Disposals	Balance at 6/30/19
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>6,108,945</u>	<u>28,113,339</u>	<u>(3,496,999)</u>	<u>30,725,285</u>
Total capital assets, not being depreciated	<u>8,090,568</u>	<u>28,113,339</u>	<u>(3,496,999)</u>	<u>32,706,908</u>
Capital assets, being depreciated:				
Land improvements	6,646,066	734,248	-	7,380,314
Buildings and improvements	175,197,502	2,762,751	-	177,960,253
Furniture and equipment	8,623,352	86,772	(88,482)	8,621,642
Vehicles	<u>5,034,066</u>	<u>337,289</u>	<u>(192,860)</u>	<u>5,178,495</u>
Total capital assets, being depreciated	<u>195,500,986</u>	<u>3,921,060</u>	<u>(281,342)</u>	<u>199,140,704</u>
Less accumulated depreciation:				
Land improvements	(3,824,871)	(437,687)	-	(4,262,558)
Buildings and improvements	(32,719,734)	(4,186,235)	-	(36,905,969)
Furniture and equipment	(6,985,501)	(276,056)	88,482	(7,173,075)
Vehicles	<u>(3,709,859)</u>	<u>(334,110)</u>	<u>192,860</u>	<u>(3,851,109)</u>
Total accumulated depreciation	<u>(47,239,965)</u>	<u>(5,234,088)</u>	<u>281,342</u>	<u>(52,192,711)</u>
Total capital assets being depreciated, net	<u>148,261,021</u>	<u>(1,313,028)</u>	<u>-</u>	<u>146,947,993</u>
Governmental activities capital assets, net	\$ <u>156,351,589</u>	\$ <u>26,800,311</u>	\$ <u>(3,496,999)</u>	\$ <u>179,654,901</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 387,227
Vocational	9,759
Support services:	
Instructional staff	859
Business	95,275
Operations and maintenance of plant	4,585,496
Pupil transportation	101,177
Central	3,213
Food services	5,339
Community services	20,435
Extracurricular activities	<u>25,308</u>
	\$ <u>5,234,088</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 9: Capital Assets (continued)

	<u>Balance at 6/30/18</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/19</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ <u> -</u>	\$ <u> 256,285</u>	\$ <u> -</u>	\$ <u> 256,285</u>
Capital assets, being depreciated:				
Furniture and equipment	573,856	-	-	573,856
Less accumulated depreciation:				
Furniture and equipment	<u>(515,030)</u>	<u>(11,325)</u>	<u> -</u>	<u>(526,355)</u>
Total capital assets being depreciated, net	<u>58,826</u>	<u>(11,325)</u>	<u> -</u>	<u>47,501</u>
Business-type activities capital assets, net	\$ <u> 58,826</u>	\$ <u> 244,960</u>	\$ <u> -</u>	\$ <u> 303,786</u>

Note 10: Risk Management

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2019, 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	\$1,000 deductible \$332,107,154 limit
Flood and Earthquake Limit	\$50,000 deductible \$2,000,000 limit (each)
Crime	\$1,000 deductible \$2,000,000 limit
General Liability/Employer's Liability	\$15,000,000 limit \$17,000,000 aggregate
Employee Benefits Liability	\$-0- deductible \$15,000,000 limit
Educators' Legal Liability	\$5,000 deductible \$15,000,000 limit/aggregate
Automobile Liability	\$15,000,000 limit
Sexual Misconduct and Molestation	\$15,000,000 limit
Electronic Data Processing Equipment	\$12,273,299 limit
Law Enforcement	\$15,000,000 limit/aggregate

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 10: Risk Management (continued)

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 \$1,774,100 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2019, 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.

The claims liability of \$1,774,100 reported in the Self-Insurance Internal Service Fund at June 30, 2019, 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 2017, 2018, and 2019 are as follows:

	Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2017	\$ 1,602,900	\$ 15,513,263	\$ 15,321,663	\$ 1,794,500
June 30, 2018	1,794,500	17,841,271	17,843,971	1,791,800
June 30, 2019	1,791,800	18,503,391	18,521,091	1,774,100

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 11: Pension Plans (continued)

A. Net Pension Liability (continued)

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.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the state legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 11: Pension Plans (continued)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%, per House Bill 49.

Funding Policy – Plan members are required to contribute 10.0% of their annual covered salary and the District is required to contribute 14.0% 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 10.0% for plan members and 14.0% 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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5% while 0.5% as allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$2,027,353 for fiscal year 2019. Of this amount, \$112,756 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, 2019

Note 11: Pension Plans (continued)

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

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

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

The DB plan offers an annual retirement allowance, payable for life, based on the average of the member's five highest years of earnings multiplied by 2.2% for each year of credited service. For July 1, 2015 and earlier, the annual allowance is determined by multiplying final average salary (average of three highest years of earnings) by 2.2% for the first 30 years of credited service. Each year over 30 years is incrementally increased by 0.1% starting at 2.5% for the 31st year of contributing service up to a maximum allowance of 100% of final average salary. Upon reaching 35 years of Ohio service, the first 31 years of Ohio contributing service are multiplied by 2.5%, and each year over 31 years is incrementally increased by 0.1% starting at 2.6% for the 32nd year.

Effective August 1, 2017 through July 1, 2019 members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 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. Retirement eligibility for reduced benefits will be five years of service credit and age 60, or 30 years of service credit regardless of age.

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 9.53% of the 14.00% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14.00% 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. Employer contributions into member accounts are vested after the first anniversary of the first day of paid service. Members vest 20.00% per year in employer contributions and all gains and losses on those contributions. Members who become disabled are entitled only to their account balances. The member's beneficiary is entitled to receive the member's account balance should he/she die before retirement benefits begin.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 11: Pension Plans (continued)

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12.00% of the 14.00% member rate goes to the DC Plan and 11.53% 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. A member's defined benefit is determined by multiplying 1.00% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment 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.

A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans.

Administrative Expenses – The costs of administering the Defined Benefit and postemployment health care plans are financed by investment income. The administrative costs of the Defined Contribution Plan are financed by participant fees.

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, 2019, the employer rate was 14% and the plan members were also required to contribute 14% of covered salary. The fiscal year 2019 contribution rates were equivalent to the statutory maximum rates.

The District's contractually required contribution to STRS was \$6,737,495 for fiscal year 2019. Of this amount, \$1,147,924 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, 2019

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 for SERS and July 1, 2018 for STRS. 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	0.438239%	0.409185%	
Proportion of net pension liability current measurement date	<u>0.420330%</u>	<u>0.403167%</u>	
Change in proportionate share	<u>(0.017909)%</u>	<u>(0.006018)%</u>	
Proportionate share of the net pension liability	\$ 24,073,099	\$ 88,647,341	\$ 112,720,440
Pension expense	\$ 201,938	\$ 7,283,827	\$ 7,485,765

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 1,320,252	\$ 2,046,252	\$ 3,366,504
Change in assumptions	543,623	15,709,981	16,253,604
Changes in proportionate share and difference between District contributions and proportionate share of contributions	-	2,381,733	2,381,733
District contributions subsequent to the measurement date	<u>2,027,353</u>	<u>6,737,495</u>	<u>8,764,848</u>
Total deferred outflows of resources	\$ <u>3,891,228</u>	\$ <u>26,875,461</u>	\$ <u>30,766,689</u>
Deferred inflows of resources			
Changes in proportionate share and difference between District contributions and proportionate share of contributions	\$ 2,164,246	\$ 9,051,052	\$ 11,215,298
Differences between expected and actual experience	-	578,921	578,921
Difference between projected and actual earnings on pension plan investments	<u>666,991</u>	<u>5,375,476</u>	<u>6,042,467</u>
Total deferred inflows of resources	\$ <u>2,831,237</u>	\$ <u>15,005,449</u>	\$ <u>17,836,686</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

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 \$8,764,848 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, 2020. 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>
2020	\$ 340,676	\$ 6,489,070	\$ 6,829,746
2021	(313,460)	1,616,173	1,302,713
2022	(790,015)	(1,589,100)	(2,379,115)
2023	<u>(204,563)</u>	<u>(1,383,626)</u>	<u>(1,588,189)</u>
Total	\$ <u>(967,362)</u>	\$ <u>5,132,517</u>	\$ <u>4,165,155</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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 11: Pension Plans (continued)

E. Actuarial Assumptions - SERS (continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
Investment Rate of Return	7.50% net of investments expense, including inflation
Cost-of-living adjustment (COLA)	2.50% on and after April 1, 2018
COLA for future retirees will be delayed for three years following commencement	
Actuarial Cost Method	Entry Age Normal

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 Equity	22.50	4.75
International Equity	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>	

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 11: Pension Plans (continued)

E. Actuarial Assumptions - SERS (continued)

Discount Rate The total pension liability was calculated using the discount rate of 7.50%. 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%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, 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%), or one percentage point higher (8.50%) 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	\$ 33,908,777	\$ 24,073,099	\$ 15,826,544

F. Actuarial Assumptions - STRS

Actuarial assumptions used in the June 30, 2019 valuation are based on prior year measurement date of June 30, 2018. The actuarial assumptions used in the valuation are based on the results of an actuarial experience study, effective July 1, 2018. The actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected salary increases	2.50% at age 65 to 12.50% at age 20
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll increase	3.00%

Mortality rates were based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016; pre-retirement mortality rates were based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016; and post-retirement disabled mortality rates were based on RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

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	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	<u>1.00</u>	2.25
Total	<u>100.00%</u>	

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.25%, and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate The discount rate used to measure the total pension liability was 7.45% for June 30, 2018 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, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 11: Pension Plans (continued)

F. Actuarial Assumptions - STRS (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 7.45%, 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 (6.45%), or one percentage point higher (8.45%) than the current rate.

	1% Decrease <u>(6.45%)</u>	Current Discount Rate <u>(7.45%)</u>	1% Increase <u>(8.45%)</u>
District's proportionate share of the net pension liability	\$ 129,457,774	\$ 88,647,341	\$ 54,106,849

Note 12: Defined Benefit OPEB Plans

A. Net OPEB Liability/Asset

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 12: Defined Benefit OPEB Plans (continued)

A. Net OPEB Liability/Asset (continued)

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

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

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population.

For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that 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 statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$223,366.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 12: Defined Benefit OPEB Plans (continued)

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

The surcharge, added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$298,453 for fiscal year 2019. Of this amount \$227,542 is reported as an intergovernmental payable.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care 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, currently 14% of covered payroll. For the fiscal year ended June 30, 2019, STRS Ohio did not allocate any employer contributions to post-employment health care.

D. OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of net OPEB liability/asset prior measurement date	0.445562%	0.409185%	
Proportion of net OPEB liability/asset current measurement date	<u>0.428203%</u>	<u>0.403167%</u>	
Change in proportionate share	<u>(0.017359)%</u>	<u>(0.006018)%</u>	
Proportionate share of the net OPEB liability	\$ 11,879,499	\$ -	\$ 11,879,499
Proportionate share of the net OPEB asset	\$ -	\$ 6,478,497	\$ 6,478,497
OPEB expense (reduction of expense)	\$ 3,816	\$ (14,328,019)	\$ (14,324,203)

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 12: Defined Benefit OPEB Plans (continued)

D. OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 193,915	\$ 756,695	\$ 950,610
District contributions subsequent to the measurement date	<u>298,453</u>	<u>-</u>	<u>298,453</u>
Total deferred outflows of resources	\$ <u>492,368</u>	\$ <u>756,695</u>	\$ <u>1,249,063</u>
Deferred inflows of resources			
Change in assumptions	\$ 1,067,283	\$ 8,827,439	\$ 9,894,722
Difference between expected and actual experience	-	377,457	377,457
Difference between projected and actual earnings on pension plan investments	17,823	740,112	757,935
Changes in proportionate share and difference between District contributions and proportionate share of contributions	<u>1,017,637</u>	<u>1,417,520</u>	<u>2,435,157</u>
Total deferred inflows of resources	\$ <u>2,102,743</u>	\$ <u>11,362,528</u>	\$ <u>13,465,271</u>

The \$298,453 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$ (860,474)	\$ (1,921,413)	\$ (2,781,887)
2021	(680,980)	(1,921,413)	(2,602,393)
2022	(112,586)	(1,921,417)	(2,034,003)
2023	(105,000)	(1,753,333)	(1,858,333)
2024	(106,234)	(1,694,363)	(1,800,597)
Thereafter	<u>(43,554)</u>	<u>(1,393,894)</u>	<u>(1,437,448)</u>
Total	\$ <u>(1,908,828)</u>	\$ <u>(10,605,833)</u>	\$ <u>(12,514,661)</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 12: Defined Benefit OPEB Plans (continued)

E. Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
Investment Rate of Return	7.50% net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62%
Prior Measurement Date	3.56%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.70%
Prior Measurement Date	3.63%
Medical Trend Assumption	
Medicare	5.375% to 4.750%
Pre-Medicare	7.25% to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five-year period ended June 30, 2015.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 12: Defined Benefit OPEB Plans (continued)

E. Actuarial Assumptions - SERS (continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
US Equity	22.50	4.75
International Equity	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 discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the State statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e., municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 12: Defined Benefit OPEB Plans (continued)

E. Actuarial Assumptions - SERS (continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	<u>1% Decrease</u> <u>(2.70%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.70%)</u>	<u>1% Increase</u> <u>(4.70%)</u>
District's proportionate share of the net OPEB liability	\$ 14,286,375	\$ 11,879,499	\$ 9,871,984

	<u>1% Decrease</u>	<u>Current</u> <u>Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 9,584,575	\$ 11,879,499	\$ 14,918,386

Assumption Changes Since the Prior Measurement Date Since the prior measurement date, the discount rate was increased from 3.63% to 3.70% and the healthcare cost trend rate was updated from 7.5% decreasing to 5.0% to 7.25% decreasing to 4.75%.

F. Actuarial Assumptions - STRS

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Projected salary increases	12.50% at age 20 to 2.50% at age 65	
Investment Rate of Return	7.45%, net of investment expenses, including inflation	
Payroll Increases	3.00%	
Blended Discount Rate of Return	7.45%	
Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare	6.00%	4.00%
Medicare	5.00%	4.00%
Prescription Drug		
Pre-Medicare	8.00%	4.00%
Medicare	(5.23)%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members. For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 12: Defined Benefit OPEB Plans (continued)

F. Actuarial Assumptions - STRS (continued)

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate 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	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00%</u>	

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.25%, and does not include investment expenses. Over a 30-year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

** Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members.

Sensitivity of the School District’s Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
District’s proportionate share of the net OPEB asset	\$ 5,552,664	\$ 6,478,497	\$ 7,256,584

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 12: Defined Benefit OPEB Plans (continued)

F. Actuarial Assumptions - STRS (continued)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 7,212,659	\$ 6,478,497	\$ 5,732,864

Assumption Changes Since the Prior Measurement Date The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 13: Employee Benefits (continued)

B. Early Retirement Incentive (continued)

The last installment of the 2017-2018 and the first installment of the 2018-2019 Retirement Incentive Programs were paid prior to June 30, 2019. These payments of \$120,000 were made from the General Fund.

The last installment of the 2018-2019 and the first installment of the 2019-2020 Retirement Incentive Programs will be paid starting in July 2019. These payments of \$204,000 will be made from the General Fund and are reported as a liability in the fund financial statements.

The last installment of the 2019-2020 Retirement Incentive Programs will be completed in July 2020. The payments of \$132,000 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 2019 were as follows:

	Principal Outstanding at 6/30/18	Additions	Deletions	Principal Outstanding at 6/30/19	Amounts Due in One Year
Governmental activities:					
2012 \$6,750,000 Library Improvement Refunding Bonds – interest rates of 2.00-2.25%	\$ 4,570,000	\$ -	\$ 470,000	\$ 4,100,000	\$ 475,000
Premium on Library Improvement Refunding Bonds	119,832	-	13,315	106,517	-
2014 \$21,000,000 Certificates of Participation – interest rates of 2.00-5.00%	18,985,000	-	460,000	18,525,000	470,000
Discount on Certificates of Participation	(25,933)	-	(960)	(24,973)	-
2014 \$134,799,915 School Improvement Bonds – interest rates of 2.40-19.85%	73,364,915	-	575,000	72,789,915	354,207
Premium on 2014 School Improvement Bonds	800,554	-	23,897	776,657	-
2017 \$60,725,000 School Improvement Refunding Bonds – interest rates of 3.50-69.58%	60,725,000	-	-	60,725,000	-
Premium on 2017 School Improvement Bonds	9,660,211	-	288,365	9,371,846	-
Appreciation on Capital Appreciation Bonds	1,318,766	455,522	-	1,774,288	-
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	5,500,000
Capital lease obligations	241,861	75,691	106,767	210,785	97,249

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 14: Long - Term Liabilities (continued)

	Principal Outstanding at 6/30/18	Additions	Deletions	Principal Outstanding at 6/30/19	Amounts Due in One Year
Early retirement incentive	72,000	132,000	72,000	132,000	-
Net pension liability:					
SERS	25,136,442	-	1,905,902	23,230,540	-
STRS	97,202,672	-	8,555,331	88,647,341	-
Net OPEB liability:					
SERS	11,479,406	-	15,690	11,463,716	-
STRS	15,964,872	-	15,964,872	-	-
Compensated absences	6,921,071	1,129,161	747,114	7,303,118	696,635
Total governmental long-term liabilities	\$ <u>332,036,669</u>	\$ <u>1,792,374</u>	\$ <u>29,197,293</u>	\$ <u>304,631,750</u>	\$ <u>7,593,091</u>
Business-type activities:					
Net pension liability – SERS	\$ 1,047,351	\$ -	\$ 204,792	\$ 842,559	\$ -
Net OPEB liability – SERS	478,309	-	62,526	415,783	-
Compensated absences	36,672	1,619	5,567	32,724	8,951
Total business-type long-term liabilities	\$ <u>1,562,332</u>	\$ <u>1,619</u>	\$ <u>272,885</u>	\$ <u>1,291,066</u>	\$ <u>8,951</u>

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.

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% to 2.25%.

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% to 19.85%.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 14: Long - Term Liabilities (continued)

During fiscal year 2018, the District issued \$60,725,000 in General Obligation (Unlimited Tax) School Improvement Bonds for the purpose of partially refunding the 2014 General Obligation (Unlimited Tax) School Improvement Bonds outstanding. The interest rates range from 3.50% to 69.58%. The refunding bonds were sold at a premium of \$9,804,394 and resulted in a loss on refunding of \$8,692,122. Proceeds and premium of \$70,089,641 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the Series 2014 bonds. As a result, \$60,725,000 of the Series 2014 bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the District's financial statements. As of June 30, 2019, the amount of defeased debt outstanding amounted to \$60,725,000. The District decreased its total debt service payments by \$4,936,339 as a result of the refunding. The District also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$4,276,471.

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.

The legal debt margin of the District as of June 30, 2019, was \$-0- with an unvoted debt margin of \$1,113,679.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2019, are as follows:

	2014 School Improvement Bonds			2017 School Improvement Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 354,207	\$ 3,765,918	\$ 4,120,125	\$ -	\$ 2,311,850	\$ 2,311,850
2021	898,259	3,226,866	4,125,125	-	2,311,850	2,311,850
2022	846,785	3,278,340	4,125,125	-	2,311,850	2,311,850
2023	903,732	3,366,393	4,270,125	-	2,311,850	2,311,850
2024	852,552	3,417,573	4,270,125	22,239	3,054,611	3,076,850
2025-2029	2,244,380	16,541,245	18,785,625	42,437	20,991,813	21,034,250
2030-2034	-	15,350,625	15,350,625	15,220,324	10,551,126	25,771,450
2035-2039	3,430,000	14,656,050	18,086,050	17,630,000	7,123,850	24,753,850
2040-2044	21,975,000	12,673,013	34,648,013	5,725,000	4,050,639	9,775,639
2045-2049	30,590,000	5,932,201	36,522,201	5,840,000	3,681,476	9,521,476
2050-2052	10,695,000	819,375	11,514,375	16,245,000	866,164	17,111,164
Total	\$ 72,789,915	\$ 83,027,599	\$ 155,817,514	\$ 60,725,000	\$ 59,567,079	\$ 120,292,079

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 14: Long - Term Liabilities (continued)

	Library Refunding Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 475,000	\$ 79,962	\$ 554,962	\$ 470,000	\$ 765,944	\$ 1,235,944
2021	490,000	70,312	560,312	480,000	754,044	1,234,044
2022	500,000	60,413	560,413	490,000	739,494	1,229,494
2023	510,000	50,313	560,313	505,000	724,569	1,229,569
2024	515,000	40,062	555,062	520,000	709,194	1,229,194
2025-2029	1,610,000	54,244	1,664,244	2,875,000	3,263,628	6,138,628
2030-2034	-	-	-	3,465,000	2,654,492	6,119,492
2035-2039	-	-	-	4,285,000	1,800,327	6,085,327
2040-2044	-	-	-	5,435,000	635,736	6,070,736
2045-2049	-	-	-	-	-	-
2050-2052	-	-	-	-	-	-
Total	\$ <u>4,100,000</u>	\$ <u>355,306</u>	\$ <u>4,455,306</u>	\$ <u>18,525,000</u>	\$ <u>12,047,428</u>	\$ <u>30,572,428</u>

	Total		
	Principal	Interest	Total
2020	\$ 1,299,207	\$ 6,923,674	\$ 8,222,881
2021	1,868,259	6,363,072	8,231,331
2022	1,836,785	6,390,097	8,226,882
2023	1,918,732	6,453,125	8,371,857
2024	1,909,791	7,221,440	9,131,231
2025-2029	6,771,817	40,850,930	47,622,747
2030-2034	18,685,324	28,556,243	47,241,567
2035-2039	25,345,000	23,580,227	48,925,227
2040-2044	33,135,000	17,359,388	50,494,388
2045-2049	36,430,000	9,613,677	46,043,677
2050-2052	<u>26,940,000</u>	<u>1,685,539</u>	<u>28,625,539</u>
Total	\$ <u>156,139,915</u>	\$ <u>154,997,412</u>	\$ <u>311,137,327</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, 2019 in the amount of \$210,785. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$470,799 less accumulated depreciation, \$284,145. Principal payments for all of capital leases in the 2019 fiscal year totaled \$106,767. 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, 2019

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, 2019:

	Capital Leases
2020	\$ 104,754
2021	82,887
2022	17,286
2023	17,286
2024	<u>1,440</u>
Total minimum lease payments	223,653
Less: amounts representing interest	<u>(12,868)</u>
Present value minimum capital lease payments	<u>\$ 210,785</u>

Amortization of capital leases is included in depreciation expense.

The District also has three operating leases to assist with parking requirements and storage 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. This lease was extended for an additional three years in fiscal year 2019. 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 and expired in fiscal year 2019. The third lease is for a period of two years and requires monthly payments of \$4,250. The following is a schedule of the future minimum lease payments required under the operating leases at year-end:

	Operating Leases
2020	\$ 56,150
2021	26,400
2022	26,400
2023	<u>8,800</u>
Total minimum lease payments	<u>\$ 117,750</u>

Rent expense related to the operating leases totaled \$101,400 for the year ended June 30, 2019.

Note 16: Jointly Governed Organization

The Ohio Schools' Council (the "Council") is a jointly governed organization among 247 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").

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 16: Jointly Governed Organization (continued)

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 2019, the District paid \$181,235 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd, Suite 377, Independence, Ohio 44131.

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

The District participates in the Council's prepaid natural gas program. This program allows school districts to purchase natural gas at reduced rates. Constellation New Energy (Formerly Compass) is the natural gas supplier and program manager. There are currently 165 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Note 17: Set-Aside Requirements

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

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

	<u>Capital Improvements</u>
Set-aside reserve balance as of June 30, 2018	\$ -
Current year set-aside requirements	908,027
Qualifying disbursements	<u>(5,072,368)</u>
Total set-aside reserve balance as of June 30, 2019	\$ <u><u>(4,164,341)</u></u>

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2019

Note 18: Contractual Commitments and Other Significant Commitments

At June 30, 2019, the District's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Fairfax roof replacement project	\$ 266,274	\$ 90,240	\$ 176,034
Monticello and Roxboro Middle School design project	2,717,447	2,568,666	148,781
Monticello CM project	15,420,477	12,804,744	2,615,733
Roxboro CM project	13,826,302	13,505,989	320,313
Monticello commissioning professional services	90,000	38,775	51,225
Roxboro commissioning professional services	90,000	38,775	51,225
Roxboro and Monticello professional services	310,616	237,979	72,637
Monticello kitchen renovation project	765,312	637,291	128,021
Middle School roof repairs	512,528	36,466	476,062
Roxboro and Monticello switching refresh project	171,602	33,931	137,671
	<u>\$ 34,170,558</u>	<u>\$ 29,992,856</u>	<u>\$ 4,177,702</u>

Other significant commitments include the encumbrances outstanding for the General Fund, Permanent Improvement Fund, Building Fund and Nonmajor Funds were as follows:

	<u>Encumbrances</u>
General Fund	\$ 2,393,281
Permanent Improvement Fund	874,787
Building Fund	2,126,471
Nonmajor Funds	<u>1,173,631</u>
Total other significant commitments	<u>\$ 6,568,170</u>

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, 2019.

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, 2019

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 2019 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 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, 2019:

Special Revenue Funds:	
Idea (Flo-Thru)	\$ 8,954
Vocational Education	2,382
Title I Improvement	20,083
Title III	1,072
Title I	111,564
Miscellaneous Federal Grants	43,634
Public School Preschool Grant	2,611
Preschool Disabilities Grant	3,420
Enterprise Fund:	
Food Services	1,754,948

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

Required Supplementary Information

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

For the Last Six Fiscal Years

	<u>2019(1)</u>	<u>2018 (1)</u>	<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	0.420330%	0.438239%	0.483673%	0.514349%	0.521422%	0.521422%
School district's proportionate share of the net pension liability	\$ 24,073,099	\$ 26,183,793	\$ 35,400,399	\$ 29,349,258	\$ 26,388,871	\$ 31,007,293
School district's covered payroll	\$ 14,786,457	\$ 14,396,614	\$ 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	162.81%	181.87%	234.27%	190.61%	174.75%	209.27%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	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.

The accompany notes are an integral part of the required supplementary information.

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

For the Last Six Fiscal Years

	<u>2019(1)</u>	<u>2018 (1)</u>	<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	0.403167%	0.409185%	0.440678%	0.462690%	0.420736%	0.420736%
School district's proportionate share of the net pension liability	\$ 88,647,341	\$ 97,202,672	\$ 147,508,268	\$ 127,873,968	\$ 102,337,463	\$ 121,903,717
School district's covered payroll	\$ 45,873,871	\$ 44,251,686	\$ 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	193.24%	219.66%	310.25%	264.54%	216.32%	248.37%
Plan fiduciary net position as a percentage of the total pension liability	77.30%	75.30%	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.

The accompany notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

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

For the Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,027,353	\$ 1,996,172	\$ 2,015,526	\$ 2,115,504	\$ 2,029,427
Contributions in relation to the contractually required contribution	<u>(2,027,353)</u>	<u>(1,996,172)</u>	<u>(2,015,526)</u>	<u>(2,115,504)</u>	<u>(2,029,427)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
School district covered payroll	\$ 15,017,429	\$ 14,786,457	\$ 14,396,614	\$ 15,110,743	\$ 15,397,779
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%	13.18%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 2,092,939	\$ 2,050,667	\$ 2,087,659	\$ 1,827,770	\$ 1,960,532
Contributions in relation to the contractually required contribution	<u>(2,092,939)</u>	<u>(2,050,667)</u>	<u>(2,087,659)</u>	<u>(1,827,770)</u>	<u>(1,960,532)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
School district covered payroll	\$ 15,100,571	\$ 14,816,958	\$ 15,521,628	\$ 14,540,732	\$ 14,479,557
Contributions as a percentage of covered payroll	13.86%	13.84%	13.45%	12.57%	13.54%

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

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

For the Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 6,737,495	\$ 6,422,342	\$ 6,195,236	\$ 6,656,306	\$ 6,767,468
Contributions in relation to the contractually required contribution	<u>(6,737,495)</u>	<u>(6,422,342)</u>	<u>(6,195,236)</u>	<u>(6,656,306)</u>	<u>(6,767,468)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
School district covered payroll	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686	\$ 47,545,043	\$ 48,339,057
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 6,150,070	\$ 6,380,596	\$ 6,503,136	\$ 6,789,522	\$ 6,243,823
Contributions in relation to the contractually required contribution	<u>(6,150,070)</u>	<u>(6,380,596)</u>	<u>(6,503,136)</u>	<u>(6,789,522)</u>	<u>(6,243,823)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
School district covered payroll	\$ 47,308,229	\$ 49,081,508	\$ 50,024,123	\$ 52,227,092	\$ 48,029,408
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%

The accompany notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

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

For the Last Three Fiscal Years

	<u>2019(1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>
School district's proportion of the net OPEB liability	0.428203%	0.445562%	0.490592%
School district's proportionate share of the net OPEB liability	\$ 11,879,499	\$ 11,957,715	\$ 13,983,693
School district's covered payroll	\$ 14,786,457	\$ 14,396,614	\$ 15,110,743
School district's proportionate share of the net OPEB liability as a percentage of its covered payroll	80.34%	83.06%	92.54%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

(1) Information prior to 2017 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 fiscal year.

The accompany notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset) State Teachers Retirement System of Ohio

For the Last Three Fiscal Years

	<u>2019(1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>
School district's proportion of the net OPEB liability/asset	0.403167%	0.409185%	0.440678%
School district's proportionate share of the net OPEB liability (asset)	\$ (6,478,497)	\$ 15,964,872	\$ 23,567,584
School district's covered payroll	\$ 45,873,871	\$ 44,251,686	\$ 47,545,043
School district's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(14.12)%	36.08%	49.57%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	(176.00)%	47.10%	37.30%

(1) Information prior to 2017 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 fiscal year.

The accompany notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

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

For the Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (1)	\$ 298,453	\$ 313,159	\$ 246,778	\$ 249,000	\$ 363,851
Contributions in relation to the contractually required contribution	<u>(298,453)</u>	<u>(313,159)</u>	<u>(246,778)</u>	<u>(249,000)</u>	<u>(363,851)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
School district covered payroll	\$ 15,017,429	\$ 14,786,457	\$ 14,396,614	\$ 15,110,743	\$ 15,397,779
Contributions as a percentage of covered payroll	1.99%	2.12%	1.71%	1.65%	2.36%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution (1)	\$ 275,793	\$ 295,663	\$ 326,508	\$ 438,353	\$ 402,053
Contributions in relation to the contractually required contribution	<u>(275,793)</u>	<u>(295,663)</u>	<u>(326,508)</u>	<u>(438,353)</u>	<u>(402,053)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
School district covered payroll	\$ 15,100,571	\$ 14,816,958	\$ 15,521,628	\$ 14,540,732	\$ 14,479,557
Contributions as a percentage of covered payroll	1.83%	2.00%	2.10%	3.01%	2.78%

(1) Includes surcharge

The accompany notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

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

For the Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	\$ <u>-</u>				
School district covered payroll	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686	\$ 47,545,043	\$ 48,339,057
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 473,082	\$ 490,815	\$ 500,241	\$ 522,271	\$ 480,294
Contributions in relation to the contractually required contribution	<u>(473,082)</u>	<u>(490,815)</u>	<u>(500,241)</u>	<u>(522,271)</u>	<u>(480,294)</u>
Contribution deficiency (excess)	\$ <u>-</u>				
School district covered payroll	\$ 47,308,229	\$ 49,081,508	\$ 50,024,123	\$ 52,227,092	\$ 48,029,408
Contributions as a percentage of covered payroll	1.00%	1.00%	1.00%	1.00%	1.00%

The accompany notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2019

Note 1: Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, an assumption of 2.5% was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3% was used.

Beginning with fiscal year 2017, amounts reported 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:

	<u>Fiscal Year 2017-2019</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	3.00%	3.25%
Future Salary Increases, including inflation	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.50% net of investments expense, including inflation	7.75% net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that 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. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions – STRS

Beginning with fiscal year 2018, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	<u>Fiscal Year 2018-2019</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50%	2.75%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.25% at age 20 to 2.75% at age 70
Investment Rate of Return	7.45%, net of investment expenses, including inflation	7.75%, net of investment expenses, including inflation
Payroll Increases	3%	3.5%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017	2% simple applied as follows: for members retiring before August 1, 2013, 2% per year; for members retiring August 1, 2013, or later, 2% COLA commences on fifth anniversary of retirement date.

Cleveland Heights-University Heights City School District

Notes to Required Supplementary Information (continued)

For the Fiscal Year Ended June 30, 2019

Note 1: Net Pension Liability (continued)

Changes in Assumptions – STRS (continued)

Beginning in fiscal year 2018 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014

Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, 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 no set back from age 90 and above.

Note 2: Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2019 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2019 3.62%

Fiscal year 2018 3.56%

Fiscal year 2017 2.92%

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2019 3.70%

Fiscal year 2018 3.63%

Fiscal year 2017 2.98%

Beginning in fiscal year 2019 the healthcare cost trend rate was updated from 7.5% decreasing to 5.0% to 7.25% decreasing to 4.75%.

Changes in Assumptions – STRS

For fiscal year 2019 the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Cleveland Heights-University Heights City School District

Notes to Required Supplementary Information (continued)

For the Fiscal Year Ended June 30, 2019

Note 2: Net OPEB Liability (continued)

Changes in Assumptions – STRS (continued)

Also for fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

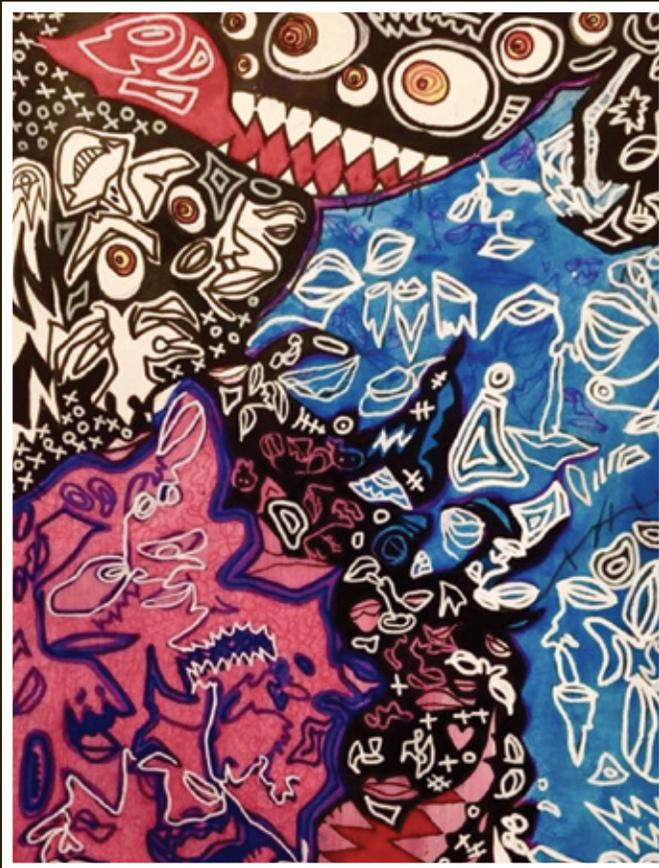
Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.



CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

Combining Statements & Individual Fund Schedules



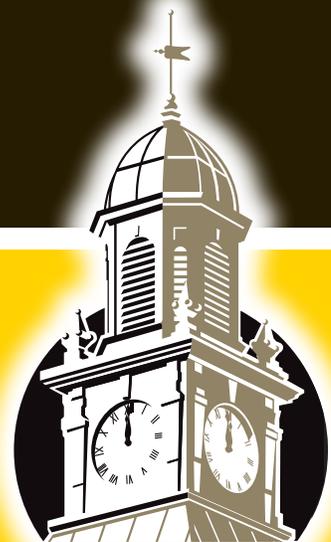
HUDHAIFAH ABDUR-RAZZAQ
Grade 11, CHHS



LILY WAUGH
Grade 12, CHHS

CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2019

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.

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.

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

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2019

Nonmajor Special Revenue Funds (continued)

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.

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2019

	Nonmajor Special Revenue	Nonmajor Debt Service	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 2,470,466	\$ 3,214,000	\$ 5,684,466
Intergovernmental receivable	989,963	-	989,963
Taxes receivable	-	<u>6,606,989</u>	<u>6,606,989</u>
Total assets	<u>\$ 3,460,429</u>	<u>\$ 9,820,989</u>	<u>\$ 13,281,418</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	\$ 677,105	\$ -	\$ 677,105
Accrued wages and benefits	268,273	-	268,273
Interfund payable	1,862,300	-	1,862,300
Intergovernmental payable	<u>57,135</u>	<u>-</u>	<u>57,135</u>
Total liabilities	<u>2,864,813</u>	<u>-</u>	<u>2,864,813</u>
Deferred inflows of resources:			
Property taxes	-	4,468,356	4,468,356
Unavailable revenue	<u>325,258</u>	<u>1,046,998</u>	<u>1,372,256</u>
Deferred inflows of resources	<u>325,258</u>	<u>5,515,354</u>	<u>5,840,612</u>
Fund balances:			
Restricted	464,078	4,305,635	4,769,713
Unassigned	<u>(193,720)</u>	<u>-</u>	<u>(193,720)</u>
Total fund balances (deficit)	<u>270,358</u>	<u>4,305,635</u>	<u>4,575,993</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 3,460,429</u>	 <u>\$ 9,820,989</u>	 <u>\$ 13,281,418</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, 2019

	Nonmajor Special Revenue	Nonmajor Debt Service	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ 6,547,562	\$ 6,547,562
Intergovernmental	8,679,448	238,518	8,917,966
Grants	204,066	-	204,066
Earnings on investments	7,886	-	7,886
Extracurricular activities	165,184	-	165,184
Miscellaneous	45,926	-	45,926
Total revenues	<u>9,102,510</u>	<u>6,786,080</u>	<u>15,888,590</u>
Expenditures:			
Current:			
Instruction:			
Regular	583,594	-	583,594
Special	2,209,441	-	2,209,441
Vocational	175,257	-	175,257
Other	23,940	-	23,940
Support services:			
Pupil	449,499	-	449,499
Instructional staff	535,889	-	535,889
Administration	489,050	-	489,050
Fiscal	-	154,614	154,614
Business	18,000	-	18,000
Operations and maintenance of plant	29,030	-	29,030
Pupil transportation	32,434	-	32,434
Central	28,473	-	28,473
Operation of non-instructional services:			
Community services	3,624,489	-	3,624,489
Extracurricular activities	409,447	-	409,447
Debt service:			
Principal	-	1,045,000	1,045,000
Interest and fiscal charges	-	5,475,700	5,475,700
Total expenditures	<u>8,608,543</u>	<u>6,675,314</u>	<u>15,283,857</u>
Excess of revenues over expenditures	493,967	110,766	604,733
Other financing sources (uses):			
Transfers - in	<u>242,992</u>	<u>-</u>	<u>242,992</u>
Net change in fund balance	736,959	110,766	847,725
Fund (deficit) balance at beginning of year	<u>(466,601)</u>	<u>4,194,869</u>	<u>3,728,268</u>
Fund (deficit) balance at end of year	\$ <u><u>270,358</u></u>	\$ <u><u>4,305,635</u></u>	\$ <u><u>4,575,993</u></u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2019

	<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Public School Preschool Grant</u>
Assets:				
Equity in pooled cash and investments	\$ 333,864	\$ 100,887	\$ 587,562	\$ 24,484
Intergovernmental receivable	<u>98,323</u>	<u>-</u>	<u>-</u>	<u>18,943</u>
Total assets	\$ <u>432,187</u>	\$ <u>100,887</u>	\$ <u>587,562</u>	\$ <u>43,427</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 6,603	\$ 1,748	\$ 463,557	\$ -
Accrued wages and benefits	53	-	-	12,044
Interfund payable	190,500	-	-	30,000
Intergovernmental payable	<u>832</u>	<u>-</u>	<u>-</u>	<u>1,790</u>
Total liabilities	<u>197,988</u>	<u>1,748</u>	<u>463,557</u>	<u>43,834</u>
Deferred inflows of resources:				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,204</u>
Fund balances:				
Restricted	234,199	99,139	124,005	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,611)</u>
Total fund balances (deficit)	<u>234,199</u>	<u>99,139</u>	<u>124,005</u>	<u>(2,611)</u>
 Total liabilities, deferred inflows of resources and fund balances	 \$ <u>432,187</u>	 \$ <u>100,887</u>	 \$ <u>587,562</u>	 \$ <u>43,427</u>

<u>Data Communication</u>	<u>Miscellaneous State Grants</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>
\$ -	\$ 2,500	\$ 236,702	\$ 95,834
<u>-</u>	<u>-</u>	<u>248,906</u>	<u>39,198</u>
<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 485,608</u>	<u>\$ 135,032</u>
\$ -	\$ -	\$ 14,198	\$ 2,982
-	-	70,422	8,404
-	-	296,800	100,000
<u>-</u>	<u>-</u>	<u>18,817</u>	<u>1,676</u>
<u>-</u>	<u>-</u>	<u>400,237</u>	<u>113,062</u>
<u>-</u>	<u>-</u>	<u>94,325</u>	<u>24,352</u>
-	2,500	-	-
<u>-</u>	<u>-</u>	<u>(8,954)</u>	<u>(2,382)</u>
<u>-</u>	<u>2,500</u>	<u>(8,954)</u>	<u>(2,382)</u>
<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 485,608</u>	<u>\$ 135,032</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2019

	Title 1 <u>Improvement</u>	<u>Title III</u>	<u>Title I</u>
Assets:			
Equity in pooled cash and investments	\$ 122,221	\$ 19,076	\$ 298,205
Intergovernmental receivable	<u>49,788</u>	<u>346</u>	<u>255,683</u>
Total assets	<u>\$ 172,009</u>	<u>\$ 19,422</u>	<u>\$ 553,888</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	\$ 15,247	\$ -	\$ 97,759
Accrued wages and benefits	1,818	-	141,367
Interfund payable	125,000	20,000	400,000
Intergovernmental payable	<u>239</u>	<u>148</u>	<u>26,326</u>
Total liabilities	<u>142,304</u>	<u>20,148</u>	<u>665,452</u>
Deferred inflows of resources:			
Unavailable revenue	<u>49,788</u>	<u>346</u>	<u>-</u>
Fund balances:			
Restricted	-	-	-
Unassigned	<u>(20,083)</u>	<u>(1,072)</u>	<u>(111,564)</u>
Total fund balances (deficit)	<u>(20,083)</u>	<u>(1,072)</u>	<u>(111,564)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 172,009</u>	<u>\$ 19,422</u>	<u>\$ 553,888</u>

<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 50,000	\$ 159,074	\$ 440,057	\$ 2,470,466
<u>-</u>	<u>37,390</u>	<u>241,386</u>	<u>989,963</u>
\$ <u>50,000</u>	\$ <u>196,464</u>	\$ <u>681,443</u>	\$ <u>3,460,429</u>
\$ -	\$ 13,349	\$ 61,662	\$ 677,105
2,741	-	31,424	268,273
50,000	150,000	500,000	1,862,300
<u>679</u>	<u>88</u>	<u>6,540</u>	<u>57,135</u>
<u>53,420</u>	<u>163,437</u>	<u>599,626</u>	<u>2,864,813</u>
<u>-</u>	<u>28,792</u>	<u>125,451</u>	<u>325,258</u>
-	4,235	-	464,078
<u>(3,420)</u>	<u>-</u>	<u>(43,634)</u>	<u>(193,720)</u>
<u>(3,420)</u>	<u>4,235</u>	<u>(43,634)</u>	<u>270,358</u>
\$ <u>50,000</u>	\$ <u>196,464</u>	\$ <u>681,443</u>	\$ <u>3,460,429</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, 2019

	Other Grants	District Managed Activity	Auxiliary Services	Public School Preschool Grant
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 2,521,953	\$ 120,931
Grants	204,066	-	-	-
Earnings on investments	-	-	7,886	-
Extracurricular activities	-	165,184	-	-
Miscellaneous	<u>21,660</u>	<u>24,266</u>	<u>-</u>	<u>-</u>
Total revenues	<u>225,726</u>	<u>189,450</u>	<u>2,529,839</u>	<u>120,931</u>
Expenditures:				
Current:				
Instruction:				
Regular	93,142	-	-	106,951
Special	450	-	-	-
Vocational	4,816	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	1,229	-	-
Instructional staff	7,306	-	-	-
Administration	3,704	-	-	-
Business	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	51	-	-	-
Central	5,973	-	-	-
Operation of non-instructional services:				
Community services	3,235	-	2,716,680	-
Extracurricular activities	<u>431</u>	<u>409,016</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>119,108</u>	<u>410,245</u>	<u>2,716,680</u>	<u>106,951</u>
Excess of revenues over (under) expenditures	106,618	(220,795)	(186,841)	13,980
Other financing sources:				
Transfers - in	<u>-</u>	<u>242,992</u>	<u>-</u>	<u>-</u>
Net change in fund balance	106,618	22,197	(186,841)	13,980
Fund balance (deficit) at beginning of year	<u>127,581</u>	<u>76,942</u>	<u>310,846</u>	<u>(16,591)</u>
Fund balance (deficit) at end of year	\$ <u>234,199</u>	\$ <u>99,139</u>	\$ <u>124,005</u>	\$ <u>(2,611)</u>

<u>Data</u>	Miscellaneous	IDEA	Vocational
<u>Communication</u>	<u>State</u>	<u>(Flo-Thru)</u>	<u>Education</u>
<u>Grants</u>			
\$ 18,000	\$ 35,149	\$ 1,761,423	\$ 232,124
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>18,000</u>	<u>35,149</u>	<u>1,761,423</u>	<u>232,124</u>
-	-	-	-
-	-	641,054	-
-	-	-	170,441
-	-	23,940	-
-	-	285,593	-
-	-	16,888	39,214
-	-	338,681	573
18,000	-	-	-
-	29,030	-	-
-	-	-	-
-	-	-	-
-	-	348,907	-
-	-	-	-
<u>18,000</u>	<u>29,030</u>	<u>1,655,063</u>	<u>210,228</u>
-	6,119	106,360	21,896
-	-	-	-
-	6,119	106,360	21,896
-	(3,619)	(115,314)	(24,278)
\$ <u>-</u>	\$ <u>2,500</u>	\$ <u>(8,954)</u>	\$ <u>(2,382)</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, 2019

	Title 1 <u>Improvement</u>	<u>Title III</u>	<u>Title I</u>
Revenues:			
Intergovernmental	\$ 183,958	\$ 27,006	\$ 2,554,046
Grants	-	-	-
Earnings on investments	-	-	-
Extracurricular activities	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>183,958</u>	<u>27,006</u>	<u>2,554,046</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	-	-
Special	2,758	25,689	1,508,653
Vocational	-	-	-
Other	-	-	-
Support services:			
Pupil	-	-	-
Instructional staff	76,253	40	182,244
Administration	-	-	76,917
Business	-	-	-
Operation and maintenance of plant	-	-	-
Pupil transportation	-	145	700
Central	-	-	-
Operation of non-instructional services:			
Community services	-	721	437,231
Extracurricular activities	-	-	-
Total expenditures	<u>79,011</u>	<u>26,595</u>	<u>2,205,745</u>
Excess of revenues over (under) expenditures	104,947	411	348,301
Other financing sources:			
Transfers - in	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	104,947	411	348,301
Fund balance (deficit) at beginning of year	<u>(125,030)</u>	<u>(1,483)</u>	<u>(459,865)</u>
Fund balance (deficit) at end of year	\$ <u><u>(20,083)</u></u>	\$ <u><u>(1,072)</u></u>	\$ <u><u>(111,564)</u></u>

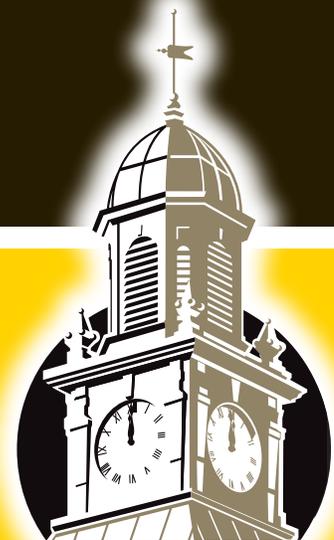
<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 27,417	\$ 295,484	\$ 901,957	\$ 8,679,448
-	-	-	204,066
-	-	-	7,886
-	-	-	165,184
-	-	-	45,926
<u>27,417</u>	<u>295,484</u>	<u>901,957</u>	<u>9,102,510</u>
-	-	383,501	583,594
30,837	-	-	2,209,441
-	-	-	175,257
-	-	-	23,940
-	-	162,677	449,499
-	146,178	67,766	535,889
-	-	69,175	489,050
-	-	-	18,000
-	-	-	29,030
-	-	31,538	32,434
-	-	22,500	28,473
-	81,152	36,563	3,624,489
-	-	-	409,447
<u>30,837</u>	<u>227,330</u>	<u>773,720</u>	<u>8,608,543</u>
(3,420)	68,154	128,237	493,967
<u>-</u>	<u>-</u>	<u>-</u>	<u>242,992</u>
(3,420)	68,154	128,237	736,959
<u>-</u>	<u>(63,919)</u>	<u>(171,871)</u>	<u>(466,601)</u>
\$ <u>(3,420)</u>	\$ <u>4,235</u>	\$ <u>(43,634)</u>	\$ <u>270,358</u>

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

SYLVIE CROWELL
Grade 12, CHHS



SYLVIE CROWELL
Grade 12, CHHS



CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 71,597,407	\$ 68,184,731	\$ 69,515,074	\$ 1,330,343
Intergovernmental	29,619,253	29,234,646	32,187,174	2,952,528
Tuition and fees	3,402,066	3,357,891	3,697,017	339,126
Earnings on investments	880,519	869,085	956,858	87,773
Miscellaneous	<u>2,402,905</u>	<u>2,371,703</u>	<u>2,611,232</u>	<u>239,529</u>
Total revenues	<u>107,902,150</u>	<u>104,018,056</u>	<u>108,967,355</u>	<u>4,949,299</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	25,634,713	26,959,263	26,263,681	695,582
Employee benefits	11,716,696	12,322,092	11,891,050	431,042
Purchased services	400,284	420,090	479,610	(59,520)
Supplies and materials	2,109,039	2,182,577	1,714,625	467,952
Capital outlay	23,243	24,440	23,512	928
Other	<u>98,929</u>	<u>103,055</u>	<u>99,897</u>	<u>3,158</u>
Total regular	<u>39,982,904</u>	<u>42,011,517</u>	<u>40,472,375</u>	<u>1,539,142</u>
Special:				
Salaries and wages	9,924,307	10,437,093	10,073,992	363,101
Employee benefits	4,503,151	4,735,827	4,570,163	165,664
Purchased services	6,772,268	7,122,191	7,491,599	(369,408)
Supplies and materials	54,983	57,638	72,083	(14,445)
Capital outlay	9,168	9,641	10,504	(863)
Other	<u>69,953</u>	<u>72,991</u>	<u>60,332</u>	<u>12,659</u>
Total special	<u>21,333,830</u>	<u>22,435,381</u>	<u>22,278,673</u>	<u>156,708</u>
Vocational:				
Salaries and wages	1,307,551	1,375,111	1,345,008	30,103
Employee benefits	550,242	578,670	558,429	20,241
Purchased services	7,357	7,706	10,329	(2,623)
Supplies and materials	57,873	60,794	71,492	(10,698)
Capital outlay	15,632	16,440	20,963	(4,523)
Other	<u>17,594</u>	<u>18,409</u>	<u>28,339</u>	<u>(9,930)</u>
Total vocational	<u>1,956,249</u>	<u>2,057,130</u>	<u>2,034,560</u>	<u>22,570</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other:				
Salaries and wages	275,518	289,756	279,619	10,137
Employee benefits	48,247	50,741	48,966	1,775
Purchased services	8,153,080	8,574,345	8,338,710	235,635
Supplies and materials	2,048	2,152	10,631	(8,479)
Other	1,044	1,098	1,060	38
Total other	<u>8,479,937</u>	<u>8,918,092</u>	<u>8,678,986</u>	<u>239,106</u>
Total instruction	<u>71,752,920</u>	<u>75,422,120</u>	<u>73,464,594</u>	<u>1,957,526</u>
Support services:				
Pupil:				
Salaries and wages	4,986,464	5,244,113	5,087,215	156,898
Employee benefits	2,012,941	2,116,952	2,042,897	74,055
Purchased services	255,852	268,630	332,109	(63,479)
Supplies and materials	66,123	69,232	76,249	(7,017)
Capital outlay	823	865	835	30
Other	23,245	24,428	30,225	(5,797)
Total pupil	<u>7,345,448</u>	<u>7,724,220</u>	<u>7,569,530</u>	<u>154,690</u>
Instructional staff:				
Salaries and wages	2,862,170	3,010,058	2,904,762	105,296
Employee benefits	1,304,313	1,371,705	1,323,721	47,984
Purchased services	185,598	193,489	337,384	(143,895)
Supplies and materials	85,365	89,610	102,963	(13,353)
Capital outlay	199,844	205,003	101,330	103,673
Other	53,204	55,950	75,167	(19,217)
Total instructional staff	<u>4,690,494</u>	<u>4,925,815</u>	<u>4,845,327</u>	<u>80,488</u>
Board of education:				
Salaries and wages	24,757	26,036	25,125	911
Employee benefits	4,820	5,068	4,891	177
Purchased services	900,602	932,265	944,457	(12,192)
Supplies and materials	10,072	10,583	10,270	313
Other	5,285	5,509	4,400	1,109
Total board of education	<u>945,536</u>	<u>979,461</u>	<u>989,143</u>	<u>(9,682)</u>
Administration:				
Salaries and wages	3,896,611	4,097,947	3,990,413	107,534
Employee benefits	2,146,019	2,256,902	2,177,954	78,948
Purchased services	277,835	290,807	314,866	(24,059)
Supplies and materials	98,633	103,159	104,334	(1,175)
Capital outlay	3,316	3,487	3,365	122
Other	25,697	26,801	25,660	1,141
Total administration	<u>6,448,111</u>	<u>6,779,103</u>	<u>6,616,592</u>	<u>162,511</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and wages	835,672	878,851	849,108	29,743
Employee benefits	451,114	474,424	457,826	16,598
Purchased services	176,115	184,186	169,276	14,910
Supplies and materials	15,827	16,207	15,723	484
Capital outlay	373	393	500	(107)
Other	<u>1,521,743</u>	<u>1,598,901</u>	<u>1,516,659</u>	<u>82,242</u>
Total fiscal	<u>3,000,844</u>	<u>3,152,962</u>	<u>3,009,092</u>	<u>143,870</u>
Business:				
Salaries and wages	49,190	51,732	51,576	156
Employee benefits	25,224	26,529	25,601	928
Purchased services	322,845	337,444	340,596	(3,152)
Supplies and materials	10,279	10,713	10,574	139
Other	<u>419,587</u>	<u>441,219</u>	<u>432,410</u>	<u>8,809</u>
Total business	<u>827,125</u>	<u>867,637</u>	<u>860,757</u>	<u>6,880</u>
Operations and maintenance of plant:				
Salaries and wages	4,264,471	4,484,814	4,415,625	69,189
Employee benefits	2,800,186	2,944,871	2,841,856	103,015
Purchased services	3,196,046	3,337,164	3,192,917	144,247
Supplies and materials	792,116	822,967	755,301	67,666
Capital outlay	87,668	90,883	63,682	27,201
Other	<u>15,345</u>	<u>15,946</u>	<u>15,279</u>	<u>667</u>
Total operations and maintenance of plant	<u>11,155,832</u>	<u>11,696,645</u>	<u>11,284,660</u>	<u>411,985</u>
Pupil transportation:				
Salaries and wages	1,832,171	1,926,839	1,864,436	62,403
Employee benefits	1,030,575	1,083,825	1,045,911	37,914
Purchased services	995,204	1,038,229	908,402	129,827
Supplies and materials	457,752	474,516	461,542	12,974
Capital outlay	10,119	10,642	10,270	372
Other	<u>1,805</u>	<u>1,880</u>	<u>1,672</u>	<u>208</u>
Total pupil transportation	<u>4,327,626</u>	<u>4,535,931</u>	<u>4,292,233</u>	<u>243,698</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	1,196,328	1,258,141	1,219,565	38,576
Employee benefits	800,571	841,676	820,793	20,883
Purchased services	1,048,335	1,099,220	1,123,128	(23,908)
Supplies and materials	274,657	288,124	283,265	4,859
Capital outlay	1,160,241	1,196,454	819,198	377,256
Other	13,932	14,580	16,337	(1,757)
Total central	<u>4,494,064</u>	<u>4,698,195</u>	<u>4,282,286</u>	<u>415,909</u>
Total support services	<u>43,235,080</u>	<u>45,359,969</u>	<u>43,749,620</u>	<u>1,610,349</u>
Operation of non-instructional services:				
Food service operations:				
Employee benefits	<u>520</u>	<u>547</u>	<u>528</u>	<u>19</u>
Community services:				
Purchased services	<u>34,104</u>	<u>35,866</u>	<u>34,611</u>	<u>1,255</u>
Total operation of non-instructional services	<u>34,624</u>	<u>36,413</u>	<u>35,139</u>	<u>1,274</u>
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	181,819	191,214	184,525	6,689
Employee benefits	47,070	49,502	47,770	1,732
Purchased services	759	797	770	27
Supplies and materials	277	291	1,433	(1,142)
Other	<u>4,063</u>	<u>4,263</u>	<u>4,313</u>	<u>(50)</u>
Total academic and subject oriented	<u>233,988</u>	<u>246,067</u>	<u>238,811</u>	<u>7,256</u>
Occupational oriented:				
Salaries and wages	2,582	2,715	2,620	95
Fringe benefits	<u>458</u>	<u>481</u>	<u>465</u>	<u>16</u>
Total occupational oriented	<u>3,040</u>	<u>3,196</u>	<u>3,085</u>	<u>111</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports oriented:				
Salaries and wages	649,197	682,740	658,857	23,883
Employee benefits	185,801	195,403	188,568	6,835
Purchased services	2,675	2,813	5,828	(3,015)
Supplies and materials	3,652	3,840	5,440	(1,600)
Other	<u>13,302</u>	<u>13,989</u>	<u>14,800</u>	<u>(811)</u>
Total sports oriented	<u>854,627</u>	<u>898,785</u>	<u>873,493</u>	<u>25,292</u>
Co-curricular activities:				
Salaries and wages	57,992	60,988	58,855	2,133
Employee benefits	10,180	10,705	10,331	374
Purchased services	8,484	8,922	10,610	(1,688)
Supplies and materials	615	647	800	(153)
Other	<u>-</u>	<u>-</u>	<u>300</u>	<u>(300)</u>
Total co-curricular activities	<u>77,271</u>	<u>81,262</u>	<u>80,896</u>	<u>366</u>
Total extracurricular activities	<u>1,168,926</u>	<u>1,229,310</u>	<u>1,196,285</u>	<u>33,025</u>
Total expenditures	<u>116,191,550</u>	<u>122,047,812</u>	<u>118,445,638</u>	<u>3,602,174</u>
Excess of revenues (under) over expenditures	<u>(8,289,400)</u>	<u>(18,029,756)</u>	<u>(9,478,283)</u>	<u>8,551,473</u>
Other financing sources (uses):				
Transfers - in	80,000	80,000	49,685	(30,315)
Transfers - out	(288,711)	(303,628)	(293,007)	10,621
Advances - in	1,969,269	1,943,698	2,140,000	196,302
Advances - out	<u>(2,420,729)</u>	<u>(2,543,544)</u>	<u>(2,439,300)</u>	<u>104,244</u>
Total other financing sources (uses)	<u>(660,171)</u>	<u>(823,474)</u>	<u>(542,622)</u>	<u>280,852</u>
Net change in fund balance	(8,949,571)	(18,853,230)	(10,020,905)	8,832,325
Fund balance at beginning of year	20,179,320	20,179,320	20,179,320	-
Prior year encumbrances appropriated	<u>2,814,984</u>	<u>2,814,984</u>	<u>2,814,984</u>	<u>-</u>
Fund balance at end of year	\$ <u>14,044,733</u>	\$ <u>4,141,074</u>	\$ <u>12,973,399</u>	\$ <u>8,832,325</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 49,905	\$ 49,905	\$ 22,678	\$ (27,227)
Expenditures:				
Current:				
Extracurricular activities:				
Co-curricular activities:				
Other	79,841	79,841	21,650	58,191
Net change in fund balance	(29,936)	(29,936)	1,028	30,964
Fund balance at beginning of year	81,591	81,591	81,591	-
Fund balance at end of year	\$ 51,655	\$ 51,655	\$ 82,619	\$ 30,964

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 66,899	\$ 66,899	\$ 69,076	\$ 2,177
Classroom materials and fees	5,505	5,505	5,684	179
Miscellaneous	47,596	47,596	49,144	1,548
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>123,904</u>	<u>3,904</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	76,348	95,309	54,558	40,751
Supplies and materials	19,452	24,314	14,383	9,931
Other	2,078	2,596	1,406	1,190
Total regular	<u>97,878</u>	<u>122,219</u>	<u>70,347</u>	<u>51,872</u>
Special:				
Purchased services	730	912	491	421
Supplies and materials	3,337	4,172	3,300	872
Other	1,477	1,847	1,000	847
Total special	<u>5,544</u>	<u>6,931</u>	<u>4,791</u>	<u>2,140</u>
Total instruction	<u>103,422</u>	<u>129,150</u>	<u>75,138</u>	<u>54,012</u>
Support services:				
Pupil:				
Purchased services	11,634	14,541	8,686	5,855
Supplies and materials	53,842	67,302	38,651	28,651
Other	9,171	11,465	8,229	3,236
Total pupil	<u>74,647</u>	<u>93,308</u>	<u>55,566</u>	<u>37,742</u>
Instructional staff:				
Purchased services	<u>2,312</u>	<u>2,890</u>	<u>1,565</u>	<u>1,325</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Purchased services	13,108	16,385	9,967	6,418
Supplies and materials	3,832	4,791	3,345	1,446
Other	369	462	575	(113)
Total administration	<u>17,309</u>	<u>21,638</u>	<u>13,887</u>	<u>7,751</u>
Total support services	<u>94,268</u>	<u>117,836</u>	<u>71,018</u>	<u>46,818</u>
Extracurricular activities:				
Academic and subject oriented:				
Other	<u>871</u>	<u>1,090</u>	<u>598</u>	<u>492</u>
Co-curricular activities:				
Purchased services	35	44	501	(457)
Supplies and materials	1,908	2,384	4,547	(2,163)
Other	-	-	500	(500)
Total co-curricular activities	<u>1,943</u>	<u>2,428</u>	<u>5,548</u>	<u>(3,120)</u>
Total extracurricular activities	<u>2,814</u>	<u>3,518</u>	<u>6,146</u>	<u>(2,628)</u>
Total expenditures	<u>200,504</u>	<u>250,504</u>	<u>152,302</u>	<u>98,202</u>
Net change in fund balance	(80,504)	(130,504)	(28,398)	102,106
Fund balance at beginning of year	178,127	178,127	178,127	-
Prior year encumbrances appropriated	<u>504</u>	<u>504</u>	<u>504</u>	<u>-</u>
Fund balance at end of year	\$ <u>98,127</u>	\$ <u>48,127</u>	\$ <u>150,233</u>	\$ <u>102,106</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 835,679	\$ 835,679
Earnings on investment	91,423	91,423	703,647	612,224
Total revenues	<u>91,423</u>	<u>91,423</u>	<u>1,539,326</u>	<u>1,447,903</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Other	<u>-</u>	<u>-</u>	<u>996</u>	<u>(996)</u>
Support services:				
Fiscal:				
Purchased services	<u>2,003</u>	<u>2,128</u>	<u>15,490</u>	<u>(13,362)</u>
Facilities acquisition and construction services:				
Architecture and engineering services:				
Purchased services	30,391,541	30,575,138	29,540,934	1,034,204
Other	<u>50,753</u>	<u>50,800</u>	<u>13,566</u>	<u>37,234</u>
Total architecture and engineering services	<u>30,442,294</u>	<u>30,625,938</u>	<u>29,554,500</u>	<u>1,071,438</u>
Building acquisition and construction services:				
Purchased services	801,647	804,760	807,135	(2,375)
Capital outlay	<u>3,020,547</u>	<u>3,033,224</u>	<u>1,987,512</u>	<u>1,045,712</u>
Total building acquisition and construction services	<u>3,822,194</u>	<u>3,837,984</u>	<u>2,794,647</u>	<u>1,043,337</u>
Building improvement services:				
Capital outlay	<u>11,229</u>	<u>11,229</u>	<u>11,229</u>	<u>-</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other facilities acquisition and construction services:				
Purchased services	600	600	600	-
Supplies and materials	17,892	18,260	74,206	(55,946)
Total other facilities acquisition and construction services	18,492	18,860	74,806	(55,946)
Total facilities acquisition and construction services	34,294,209	34,494,011	32,435,182	2,058,829
Total expenditures	34,297,386	34,497,386	32,473,786	2,023,600
Excess of revenues (under) over expenditures	(34,205,963)	(34,405,963)	(30,934,460)	3,471,503
Other financing sources:				
Transfers - in	108,577	108,577	-	(108,577)
Net change in fund balance	(34,097,386)	(34,297,386)	(30,934,460)	3,362,926
Fund balance at beginning of year	3,256,461	3,256,461	3,256,461	-
Prior year encumbrances appropriated	31,097,386	31,097,386	31,097,386	-
Fund balance at end of year	\$ 256,461	\$ 56,461	\$ 3,419,387	\$ 3,362,926

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,038,760	\$ 2,889,761	\$ 3,030,043	\$ 140,282
Intergovernmental	167,653	159,432	442,262	282,830
Miscellaneous	316,790	301,257	-	(301,257)
Total revenues	<u>3,523,203</u>	<u>3,350,450</u>	<u>3,472,305</u>	<u>121,855</u>
Expenditures:				
Current:				
Support services:				
Fiscal:				
Other	<u>54,954</u>	<u>91,591</u>	<u>60,728</u>	<u>30,863</u>
Operations and maintenance of plant:				
Purchased services	309,976	482,052	426,318	55,734
Capital outlay	3,139,167	4,680,762	4,835,379	(154,617)
Other	<u>1,529</u>	<u>2,549</u>	<u>11,533</u>	<u>(8,984)</u>
Total operations and maintenance of plant	<u>3,450,672</u>	<u>5,165,363</u>	<u>5,273,230</u>	<u>(107,867)</u>
Total support services	<u>3,505,626</u>	<u>5,256,954</u>	<u>5,333,958</u>	<u>(77,004)</u>
Debt service:				
Principal	700,504	1,167,507	774,094	393,413
Interest and fiscal charges	<u>416,270</u>	<u>693,783</u>	<u>460,000</u>	<u>233,783</u>
Total debt service	<u>1,116,774</u>	<u>1,861,290</u>	<u>1,234,094</u>	<u>627,196</u>
Total expenditures	<u>4,622,400</u>	<u>7,118,244</u>	<u>6,568,052</u>	<u>550,192</u>
Excess of revenues (under) over expenditures	<u>(1,099,197)</u>	<u>(3,767,794)</u>	<u>(3,095,747)</u>	<u>672,047</u>
Other financing sources (uses):				
Proceeds from sale of assets	13,142	12,497	34,667	22,170
Transfers - out	<u>(756,235)</u>	<u>(1,260,391)</u>	<u>-</u>	<u>1,260,391</u>
Total other financing sources (uses)	<u>(743,093)</u>	<u>(1,247,894)</u>	<u>34,667</u>	<u>1,282,561</u>
Net change in fund balance	(1,842,290)	(5,015,688)	(3,061,080)	1,954,608
Fund balance at beginning of year	5,673,352	5,673,352	5,673,352	-
Prior year encumbrances appropriated	<u>878,635</u>	<u>878,635</u>	<u>878,635</u>	<u>-</u>
Fund balance at end of year	\$ <u>4,709,697</u>	\$ <u>1,536,299</u>	\$ <u>3,490,907</u>	\$ <u>1,954,608</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 119,540	\$ 167,356	\$ 204,066	\$ 36,710
Miscellaneous	18,868	26,414	32,208	5,794
Total revenues	<u>138,408</u>	<u>193,770</u>	<u>236,274</u>	<u>42,504</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	37,313	82,088	46,793	35,295
Employee benefits	20,844	45,859	26,142	19,717
Purchased services	61,951	136,291	119,328	16,963
Supplies and materials	21,148	46,527	35,384	11,143
Capital outlay	11,310	24,883	65,316	(40,433)
Other	124	274	11,641	(11,367)
Total regular	<u>152,690</u>	<u>335,922</u>	<u>304,604</u>	<u>31,318</u>
Special:				
Purchased services	<u>359</u>	<u>789</u>	<u>25,450</u>	<u>(24,661)</u>
Vocational:				
Supplies and materials	637	1,402	1,861	(459)
Capital outlay	3,068	6,750	3,995	2,755
Other	135	296	175	121
Total vocation	<u>3,840</u>	<u>8,448</u>	<u>6,031</u>	<u>2,417</u>
Total instruction	<u>156,889</u>	<u>345,159</u>	<u>336,085</u>	<u>9,074</u>
Support services:				
Instructional staff:				
Purchased services	<u>14,646</u>	<u>32,221</u>	<u>64,647</u>	<u>(32,426)</u>
Administration:				
Purchased services	1,765	3,885	3,376	509
Supplies and materials	999	2,198	1,911	287
Other	189	416	237	179
Total administration	<u>2,953</u>	<u>6,499</u>	<u>5,524</u>	<u>975</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Purchased services	41	89	8,600	(8,511)
Central				
Purchased services	4,763	10,478	5,973	4,505
Total support services	22,403	49,287	84,744	(35,457)
Community services:				
Salaries and wages	21	46	26	20
Employee benefits	5	11	6	5
Purchased services	2,558	5,627	9,934	(4,307)
Total community services	2,584	5,684	9,966	(4,282)
Extracurricular activities:				
Purchased services	345	756	700	56
Supplies and materials	-	-	224	(224)
Total extracurricular activities	345	756	924	(168)
Total expenditures	182,221	400,886	431,719	(30,833)
Excess of revenues (under) over expenditures	(43,813)	(207,116)	(195,445)	11,671
Other financing sources (uses):				
Advances - in	111,593	156,230	190,500	34,270
Advances - out	(67,779)	(149,114)	(85,000)	64,114
Total other financing sources (uses)	43,814	7,116	105,500	98,384
Net change in fund balance	1	(200,000)	(89,945)	110,055
Fund balance at beginning of year	220,610	220,610	220,610	-
Fund balance at end of year	\$ 220,611	\$ 20,610	\$ 130,665	\$ 110,055

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 229,141	\$ 229,141	\$ 165,184	\$ (63,957)
Miscellaneous	30,098	30,098	24,266	(5,832)
Total revenues	<u>259,239</u>	<u>259,239</u>	<u>189,450</u>	<u>(69,789)</u>
Expenditures:				
Current:				
Support services:				
Pupil:				
Supplies and materials	1,318	1,342	1,300	42
Other	337	343	250	93
Total pupil	<u>1,655</u>	<u>1,685</u>	<u>1,550</u>	<u>135</u>
Extracurricular activities:				
Purchased services	305,921	311,459	230,665	80,794
Supplies and materials	225,364	229,337	169,602	59,735
Capital outlay	4,116	4,191	25,558	(21,367)
Other	21,020	21,402	16,053	5,349
Total extracurricular activities	<u>556,421</u>	<u>566,389</u>	<u>441,878</u>	<u>124,511</u>
Total expenditures	<u>558,076</u>	<u>568,074</u>	<u>443,428</u>	<u>124,646</u>
Excess of revenues (under) over expenditures	<u>(298,837)</u>	<u>(308,835)</u>	<u>(253,978)</u>	<u>54,857</u>
Other financing sources (uses):				
Transfers - in	<u>340,641</u>	<u>340,641</u>	<u>242,992</u>	<u>(97,649)</u>
Net change in fund balance	41,804	31,806	(10,986)	(42,792)
Fund balance at beginning of year	68,743	68,743	68,743	-
Prior year encumbrances appropriated	<u>8,192</u>	<u>8,192</u>	<u>8,192</u>	<u>-</u>
Fund balance at end of year	\$ <u>118,739</u>	\$ <u>108,741</u>	\$ <u>65,949</u>	\$ <u>(42,792)</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,279,645	\$ 2,689,981	\$ 2,521,953	\$ (168,028)
Earnings on investments	7,128	8,411	7,886	(525)
Total revenues	<u>2,286,773</u>	<u>2,698,392</u>	<u>2,529,839</u>	<u>(168,553)</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Purchased services	1,319,458	1,583,351	1,431,307	152,044
Supplies and materials	671,192	804,352	766,670	37,682
Capital outlay	498,474	595,071	659,281	(64,210)
Other	30,750	36,598	49,747	(13,149)
Total expenditures	<u>2,519,874</u>	<u>3,019,372</u>	<u>2,907,005</u>	<u>112,367</u>
Net change in fund balance	(233,101)	(320,980)	(377,166)	(56,186)
Fund balance at beginning of year	232,210	232,210	232,210	-
Prior year encumbrances appropriated	<u>158,612</u>	<u>158,612</u>	<u>158,612</u>	-
Fund balance at end of year	\$ <u>157,721</u>	\$ <u>69,842</u>	\$ <u>13,656</u>	\$ <u>(56,186)</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 163,052	\$ 163,052	\$ 104,192	\$ (58,860)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	111,990	111,990	65,367	46,623
Employee benefits	70,598	70,598	41,206	29,392
Total expenditures	182,588	182,588	106,573	76,015
Excess of revenues over (under) expenditures	(19,536)	(19,536)	(2,381)	17,155
Other financing sources (uses):				
Advances - in	46,948	46,948	30,000	(16,948)
Advances - out	(27,412)	(27,412)	(16,000)	11,412
Total other financing sources (uses)	19,536	19,536	14,000	(5,536)
Net change in fund balance	-	-	11,619	11,619
Fund balance at beginning of year	12,865	12,865	12,865	-
Fund balance at end of year	\$ 12,865	\$ 12,865	\$ 24,484	\$ 11,619

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, 2019

	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

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 35,149	\$ (19,851)
Expenditures:				
Current:				
Support services:				
Operations and maintenance of plant:				
Supplies and materials	-	-	1,000	(1,000)
Capital outlay	50,000	50,000	30,430	19,570
Other	-	-	100	(100)
Total expenditures	50,000	50,000	31,530	18,470
Net change in fund balance	5,000	5,000	3,619	(1,381)
Fund balance at beginning of year	(3,619)	(3,619)	(3,619)	-
Fund balance at end of year	\$ 1,381	\$ 1,381	\$ -	\$ (1,381)

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,645,972	\$ 1,645,972	\$ 1,606,842	\$ (39,130)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	351,591	351,591	331,305	20,286
Employee benefits	272,705	272,705	256,971	15,734
Total special	624,296	624,296	588,276	36,020
Other:				
Salaries and wages	21,281	21,281	20,053	1,228
Employee benefits	3,533	3,533	3,329	204
Total other	24,814	24,814	23,382	1,432
Total instruction	649,110	649,110	611,658	37,452
Support services:				
Pupil:				
Salaries and wages	174,190	174,190	164,139	10,051
Employee benefits	65,563	65,563	61,780	3,783
Purchased services	52,899	52,899	49,847	3,052
Total pupil	292,652	292,652	275,766	16,886
Instructional staff:				
Purchased services	17,922	17,922	16,888	1,034

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and wages	245,704	245,704	231,528	14,176
Employee benefits	121,037	121,037	114,055	6,982
Total administration	366,741	366,741	345,583	21,158
Total support services	677,315	677,315	638,237	39,078
Operation of non-instructional services:				
Community services:				
Purchased services	355,206	355,206	471,139	(115,933)
Total expenditures	1,681,631	1,681,631	1,721,034	(39,403)
Excess of revenues (under) over expenditures	(35,659)	(35,659)	(114,192)	(78,533)
Other financing sources (uses):				
Advances - in	308,668	308,668	296,800	(11,868)
Advances - out	318,369	318,369	(300,000)	18,369
Total other financing sources (uses)	9,701	9,701	(3,200)	6,501
Net change in fund balance	(45,360)	(45,360)	(117,392)	(72,032)
Fund balance at beginning of year	217,664	217,664	217,664	-
Fund balance at end of year	\$ 172,304	\$ 172,304	\$ 100,272	\$ (72,032)

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 205,446	\$ 220,362	\$ 217,278	\$ (3,084)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	60,682	70,795	52,174	18,621
Employee benefits	19,488	22,737	16,756	5,981
Purchased services	18,347	21,406	23,795	(2,389)
Supplies and materials	50,338	58,728	55,815	2,913
Capital outlay	45,794	53,427	62,880	(9,453)
Other	1,669	1,947	2,844	(897)
Total vocational	196,318	229,040	214,264	14,776
Support services:				
Instructional staff:				
Salaries and wages	6,474	7,553	5,566	1,987
Employee benefits	855	997	735	262
Purchased services	47,768	55,729	59,901	(4,172)
Total instructional staff	55,097	64,279	66,202	(1,923)
Administration:				
Salaries and wages	542	632	464	168
Employee benefits	357	416	307	109
Total administration	899	1,048	771	277
Total support services	55,996	65,327	66,973	(1,646)
Total expenditures	252,314	294,367	281,237	13,130
Excess of revenues (under) over expenditures	(46,868)	(74,005)	(63,959)	10,046
Other financing sources (uses):				
Advance - in	94,554	101,420	100,000	(1,420)
Advance - out	(47,686)	(55,633)	(41,000)	14,633
Total other financing sources (uses)	46,868	45,787	59,000	13,213
Net change in fund balance	-	(28,218)	(4,959)	23,259
Fund balance at beginning of year	36,494	36,494	36,494	-
Fund balance at end of year	\$ 36,494	\$ 8,276	\$ 31,535	\$ 23,259

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 327,478	\$ 327,478	\$ 183,958	\$ (143,520)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	3,295	3,295	2,419	876
Employee benefits	592	592	435	157
Total instruction	<u>3,887</u>	<u>3,887</u>	<u>2,854</u>	<u>1,033</u>
Support services:				
Instructional staff:				
Salaries and wages	46,687	46,687	34,274	12,413
Employee benefits	6,397	6,397	4,696	1,701
Purchased services	110,489	110,489	116,397	(5,908)
Supplies and materials	-	-	4,407	(4,407)
Other	-	-	2,000	(2,000)
Total support services	<u>163,573</u>	<u>163,573</u>	<u>161,774</u>	<u>1,799</u>
Operation of non-instructional services:				
Community services:				
Purchased services	25,130	25,130	37,249	(12,119)
Supplies and materials	3,255	3,255	7,636	(4,381)
Other	-	-	700	(700)
Total operation of non-instruction services	<u>28,385</u>	<u>28,385</u>	<u>45,585</u>	<u>(17,200)</u>
Total expenditures	<u>195,845</u>	<u>195,845</u>	<u>210,213</u>	<u>(14,368)</u>
Excess of revenues over (under) expenditures	131,633	131,633	(26,255)	(157,888)
Other financing sources (uses):				
Advances - in	222,522	222,522	125,000	(97,522)
Advance - out	<u>(354,155)</u>	<u>(354,155)</u>	<u>(260,000)</u>	<u>94,155</u>
Total other financing sources (uses)	<u>(131,633)</u>	<u>(131,633)</u>	<u>(135,000)</u>	<u>(3,367)</u>
Net change in fund balance	-	-	(161,255)	(161,255)
Fund balance at beginning of year	<u>217,040</u>	<u>217,040</u>	<u>217,040</u>	<u>-</u>
Fund balance at end of year	\$ <u>217,040</u>	\$ <u>217,040</u>	\$ <u>55,785</u>	\$ <u>(161,255)</u>

Cleveland Heights-University Heights City School District

Title III Fund

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

For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 25,854	\$ 28,726	\$ 27,006	\$ (1,720)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	11,380	12,803	9,155	3,648
Employee benefits	2,061	2,319	1,658	661
Purchased services	11,695	13,157	13,434	(277)
Supplies and materials	12,524	13,465	9,015	4,450
Total instruction	37,660	41,744	33,262	8,482
Support services:				
Instructional staff:				
Purchased services	51	57	1,999	(1,942)
Pupil transportation:				
Purchased services	180	203	650	(447)
Total support services	231	260	2,649	(2,389)
Operation of non-instructional services:				
Community services:				
Salaries and wages	172	193	138	55
Employee benefits	17	20	14	6
Purchased services	705	791	2,226	(1,435)
Total operation of non-instructional services	894	1,004	2,378	(1,374)
Total expenditures	38,785	43,008	38,289	4,719
Excess of revenues (under) over expenditures	(12,931)	(14,282)	(11,283)	2,999
Other financing sources (uses):				
Advances - in	19,146	21,274	20,000	(1,274)
Advance - out	(6,215)	(6,992)	(5,000)	1,992
Total other financing sources (uses)	12,931	14,282	15,000	718
Net change in fund balance	-	-	3,717	3,717
Fund balance at beginning of year	(753)	(753)	(753)	-
Prior year encumbrances appropriated	5,000	5,000	5,000	-
Fund balance at end of year	\$ 4,247	\$ 4,247	\$ 7,964	\$ 3,717

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,384,934	\$ 2,384,934	\$ 2,298,363	\$ (86,571)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	990,336	1,025,706	916,930	108,776
Employee benefits	448,590	464,610	415,340	49,270
Purchased services	78,225	81,019	87,847	(6,828)
Supplies and materials	43,662	45,222	44,863	359
Capital outlay	18	19	1,332	(1,313)
Total instruction	<u>1,560,831</u>	<u>1,616,576</u>	<u>1,466,312</u>	<u>150,264</u>
Support services:				
Instructional staff:				
Salaries and wages	169,620	175,677	157,047	18,630
Employee benefits	72,901	75,503	67,497	8,006
Purchased services	27,164	28,134	51,907	(23,773)
Supplies and materials	2,641	2,735	5,062	(2,327)
Total instructional staff	<u>272,326</u>	<u>282,049</u>	<u>281,513</u>	<u>536</u>
Administration:				
Salaries and wages	51,460	53,298	47,646	5,652
Employee benefits	31,351	32,470	29,026	3,444
Total administration	<u>82,811</u>	<u>85,768</u>	<u>76,672</u>	<u>9,096</u>
Pupil transportation:				
Purchased services	756	783	4,510	(3,727)
Total support services	<u>355,893</u>	<u>368,600</u>	<u>362,695</u>	<u>5,905</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	39,798	41,218	36,847	4,371
Employee benefits	29,554	30,610	27,364	3,246
Purchased services	310,502	321,592	439,652	(118,060)
Supplies and materials	6,335	6,562	18,951	(12,389)
Other	261	272	315	(43)
Total community services	<u>386,450</u>	<u>400,254</u>	<u>523,129</u>	<u>(122,875)</u>
Total expenditures	<u>2,303,174</u>	<u>2,385,430</u>	<u>2,352,136</u>	<u>33,294</u>
Excess of revenues over (under) expenditures	<u>81,760</u>	<u>(496)</u>	<u>(53,773)</u>	<u>(53,277)</u>
Other financing sources (uses):				
Advance - in	415,066	415,066	400,000	(15,066)
Advance - out	<u>(496,826)</u>	<u>(514,570)</u>	<u>(460,000)</u>	<u>54,570</u>
Total other financing sources (uses)	<u>(81,760)</u>	<u>(99,504)</u>	<u>(60,000)</u>	<u>39,504</u>
Net change in fund balance	-	(100,000)	(113,773)	(13,773)
Fund balance at beginning of year	<u>192,298</u>	<u>192,298</u>	<u>192,298</u>	<u>-</u>
Fund balance at end of year	\$ <u>192,298</u>	\$ <u>92,298</u>	\$ <u>78,525</u>	\$ <u>(13,773)</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 21,249	\$ 21,249	\$ 27,417	\$ 6,168
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	28,792	28,792	16,515	12,277
Employee benefits	19,004	19,004	10,902	8,102
Total expenditures	47,796	47,796	27,417	20,379
Excess of revenues (under) over expenditures	(26,547)	(26,547)	-	26,547
Other financing sources (uses):				
Advance - in	38,751	38,751	50,000	11,249
Advance - out	(12,204)	(12,204)	(7,000)	5,204
Total other financing sources (uses)	26,547	26,547	43,000	16,453
Net change in fund balance	-	-	43,000	43,000
Fund balance at beginning of year	7,000	7,000	7,000	-
Fund balance at end of year	\$ 7,000	\$ 7,000	\$ 50,000	\$ 43,000

Cleveland Heights-University Heights City School District

Title IIA - Improving Teacher Quality Fund

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

For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 262,664	\$ 275,798	\$ 286,886	\$ 11,088
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	3,953	4,941	3,593	1,348
Employee benefits	536	670	488	182
Purchased services	157,288	196,610	207,112	(10,502)
Supplies and materials	152	190	3,000	(2,810)
Other	-	-	300	(300)
Total support services	161,929	202,411	214,493	(12,082)
Operation of non-instructional services:				
Community services:				
Purchased services	82,842	103,553	108,451	(4,898)
Supplies and material	1,282	1,602	5,383	(3,781)
Total operation of-instructional services	84,124	105,155	113,834	(8,679)
Total expenditures	246,053	307,566	328,327	(20,761)
Excess of revenues over (under) expenditures	16,611	(31,768)	(41,441)	(9,673)
Other financing sources (uses):				
Advances - in	137,336	144,202	150,000	5,798
Advances - out	(153,947)	(192,434)	(140,000)	52,434
Total other financing sources (uses)	(16,611)	(48,232)	10,000	58,232
Net change in fund balance	-	(80,000)	(31,441)	48,559
Fund balance at beginning of year	85,947	85,947	85,947	-
Fund balance at end of year	\$ 85,947	\$ 5,947	\$ 54,506	\$ 48,559

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 458,403	\$ 764,005	\$ 786,022	\$ 22,017
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	65,575	122,406	91,369	31,037
Employee benefits	12,837	23,963	17,887	6,076
Purchased services	131,564	245,586	311,919	(66,333)
Supplies and materials	31,828	59,412	70,315	(10,903)
Capital outlay	14,958	27,922	59,714	(31,792)
Other	11,534	21,531	18,215	3,316
Total instruction	268,296	500,820	569,419	(68,599)
Support services:				
Pupil:				
Salaries and wages	76,113	142,077	106,051	36,026
Employee benefits	46,426	86,662	64,687	21,975
Total pupil	122,539	228,739	170,738	58,001
Instructional staff:				
Salaries and wages	454	848	633	215
Employee benefits	7	13	10	3
Purchased services	28,502	53,203	105,295	(52,092)
Total instructional staff	28,963	54,064	105,938	(51,874)
Administration:				
Purchased services	49,647	92,674	70,000	22,674
Pupil transportation:				
Purchased services	22,634	42,251	49,538	(7,287)
Central:				
Purchased services	16,148	30,143	30,000	143
Total support services	239,931	447,871	426,214	21,657

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	11,147	20,808	38,562	(17,754)
Supplies and materials	6,310	11,378	23,904	(12,526)
Capital outlay	10,184	19,012	14,716	4,296
Other	-	-	74	(74)
Total operation of non-instructional services	<u>27,641</u>	<u>51,198</u>	<u>77,256</u>	<u>(26,058)</u>
Total expenditures	<u>535,868</u>	<u>999,889</u>	<u>1,072,889</u>	<u>(73,000)</u>
Excess of revenues (under) over expenditures	<u>(77,465)</u>	<u>(235,884)</u>	<u>(286,867)</u>	<u>(50,983)</u>
Other financing sources (uses):				
Advances - in	291,597	485,995	500,000	14,005
Advances - out	<u>(214,591)</u>	<u>(400,570)</u>	<u>(299,000)</u>	<u>101,570</u>
Total other financing sources (uses)	<u>77,006</u>	<u>85,425</u>	<u>201,000</u>	<u>115,575</u>
Net change in fund balance	(459)	(150,459)	(85,867)	64,592
Fund balance at beginning of year	198,586	198,586	198,586	-
Prior year encumbrances appropriated	<u>459</u>	<u>459</u>	<u>459</u>	<u>-</u>
Fund balance at end of year	\$ <u>198,586</u>	\$ <u>48,586</u>	\$ <u>113,178</u>	\$ <u>64,592</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,177,512	\$ 6,219,488	\$ 6,395,409	\$ 175,921
Intergovernmental	281,941	244,308	238,518	(5,790)
Total revenues	<u>7,459,453</u>	<u>6,463,796</u>	<u>6,633,927</u>	<u>170,131</u>
Expenditures:				
Current:				
Support services:				
Fiscal:				
Other	<u>171,400</u>	<u>171,400</u>	<u>154,614</u>	<u>16,786</u>
Debt service:				
Principal	1,158,447	1,158,447	1,045,000	113,447
Interest and fiscal charges	<u>6,070,153</u>	<u>6,070,153</u>	<u>5,475,700</u>	<u>594,453</u>
Total debt service	<u>7,228,600</u>	<u>7,228,600</u>	<u>6,520,700</u>	<u>707,900</u>
Total expenditures	<u>7,400,000</u>	<u>7,400,000</u>	<u>6,675,314</u>	<u>724,686</u>
Net change in fund balance	59,453	(936,204)	(41,387)	894,817
Fund balance at beginning of year	<u>3,255,387</u>	<u>3,255,387</u>	<u>3,255,387</u>	-
Fund balance at end of year	\$ <u>3,314,840</u>	\$ <u>2,319,183</u>	\$ <u>3,214,000</u>	\$ <u>894,817</u>

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2019

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.

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, 2019

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 263,717	\$ 57,805	\$ 2,124	\$ 323,646
Prepaid items	1,725	-	-	1,725
Intergovernmental receivable	74,949	-	-	74,949
Materials and supplies inventories	<u>17,728</u>	<u>-</u>	<u>-</u>	<u>17,728</u>
Total current assets	358,119	57,805	2,124	418,048
Non-current assets:				
Nondepreciable capital assets	256,285	-	-	256,285
Depreciable capital assets, net	<u>47,501</u>	<u>-</u>	<u>-</u>	<u>47,501</u>
Total non-current assets	<u>303,786</u>	<u>-</u>	<u>-</u>	<u>303,786</u>
Total assets	<u>661,905</u>	<u>57,805</u>	<u>2,124</u>	<u>721,834</u>
Deferred outflows of resources:				
Pension – SERS	136,191	-	-	136,191
OPEB – SERS	<u>17,233</u>	<u>-</u>	<u>-</u>	<u>17,233</u>
Total deferred outflows of resources	<u>153,424</u>	<u>-</u>	<u>-</u>	<u>153,424</u>
Liabilities:				
Current liabilities:				
Accounts payable	372,224	-	-	372,224
Accrued wages and benefits	33,784	-	-	33,784
Interfund payable	550,000	-	-	550,000
Intergovernmental payable	11,593	-	-	11,593
Current portion of accrued compensated absences	<u>8,951</u>	<u>-</u>	<u>-</u>	<u>8,951</u>
Total current liabilities	976,552	-	-	976,552
Non-current liabilities:				
Net Pension Liability	842,559	-	-	842,559
Net OPEB Liability	415,783	-	-	415,783
Accrued compensated absences	<u>23,773</u>	<u>-</u>	<u>-</u>	<u>23,773</u>
Total non-current liabilities	<u>1,282,115</u>	<u>-</u>	<u>-</u>	<u>1,282,115</u>
Total liabilities	<u>2,258,667</u>	<u>-</u>	<u>-</u>	<u>2,258,667</u>
Deferred inflows of resources:				
Pension – SERS	179,527	-	-	179,527
OPEB – SERS	<u>132,083</u>	<u>-</u>	<u>-</u>	<u>132,083</u>
Total deferred inflows of resources	<u>311,610</u>	<u>-</u>	<u>-</u>	<u>311,610</u>
Net position:				
Net investment in capital assets	146,412	-	-	146,412
Unrestricted (deficit)	<u>(1,901,360)</u>	<u>57,805</u>	<u>2,124</u>	<u>(1,841,431)</u>
Total net position (deficit)	<u>\$ (1,754,948)</u>	<u>\$ 57,805</u>	<u>\$ 2,124</u>	<u>\$ (1,695,019)</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, 2019

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:				
Classroom materials and fees	\$ -	\$ 12,274	\$ -	\$ 12,274
Food services	192,211	-	-	192,211
Miscellaneous	<u>1,817</u>	<u>-</u>	<u>8,549</u>	<u>10,366</u>
Total operating revenues	<u>194,028</u>	<u>12,274</u>	<u>8,549</u>	<u>214,851</u>
Operating expenses:				
Salaries and wages	435,772	-	-	435,772
Fringe benefits	161,196	-	-	161,196
Purchased services	1,701,574	1,491	-	1,703,065
Supplies and materials	291,897	2,212	7,738	301,847
Depreciation	11,325	-	-	11,325
Other	<u>433</u>	<u>151</u>	<u>636</u>	<u>1,220</u>
Total operating expenses	<u>2,602,197</u>	<u>3,854</u>	<u>8,374</u>	<u>2,614,425</u>
Operating (loss) income	<u>(2,408,169)</u>	<u>8,420</u>	<u>175</u>	<u>(2,399,574)</u>
Non-operating revenues:				
Transfers - in	-	-	330	330
Federal donated commodities	283,188	-	-	283,188
Intergovernmental grants	<u>2,472,999</u>	<u>-</u>	<u>-</u>	<u>2,472,999</u>
Total non-operating revenues	<u>2,756,187</u>	<u>-</u>	<u>330</u>	<u>2,756,517</u>
Change in net position	348,018	8,420	505	356,943
Net position (deficit) at beginning of year, restated	<u>(2,102,966)</u>	<u>49,385</u>	<u>1,619</u>	<u>(2,051,962)</u>
Net position (deficit) at end of year	\$ <u>(1,754,948)</u>	\$ <u>57,805</u>	\$ <u>2,124</u>	\$ <u>(1,695,019)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2019

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Total Nonmajor Enterprise Funds</u>
Increase (decrease) in cash and cash equivalents:				
Cash flows from operating activities:				
Cash received from customers	\$ 192,211	\$ 12,274	\$ -	\$ 204,485
Cash received from other operating sources	1,817	-	8,549	10,366
Cash payments for materials and supplies	-	(2,212)	(7,738)	(9,950)
Cash payments for goods and services	(1,706,198)	(1,491)	-	(1,707,689)
Cash payments to employees for services	(443,756)	-	-	(443,756)
Cash payments for employee benefits	(251,203)	-	-	(251,203)
Cash payments for other	<u>-</u>	<u>(151)</u>	<u>(636)</u>	<u>(787)</u>
Net cash (used) provided by operating activities	<u>(2,207,129)</u>	<u>8,420</u>	<u>175</u>	<u>(2,198,534)</u>
Cash flows from noncapital financing activities:				
Intergovernmental grants received	2,457,541	-	-	2,457,541
Transfers – in	-	-	330	330
Advances – in	550,000	-	-	550,000
Advances – out	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Net cash provided by noncapital financing activities	<u>2,507,541</u>	<u>-</u>	<u>330</u>	<u>2,507,871</u>
Cash flows from capital financing activities:				
Acquisition of capital assets	<u>(98,911)</u>	<u>-</u>	<u>-</u>	<u>(98,911)</u>
Net increase (decrease) in cash and cash equivalents	201,501	8,420	505	210,426
Cash and cash equivalents at beginning of year	<u>62,216</u>	<u>49,385</u>	<u>1,619</u>	<u>113,220</u>
Cash and cash equivalents at end of year	\$ <u>263,717</u>	\$ <u>57,805</u>	\$ <u>2,124</u>	\$ <u>323,646</u>
Non-cash capital and noncapital financing activities:				
Federal donated commodities	\$ 283,188	\$ -	\$ -	\$ 283,188
Capital assets purchased on credit	157,374	-	-	157,374

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended June 30, 2019

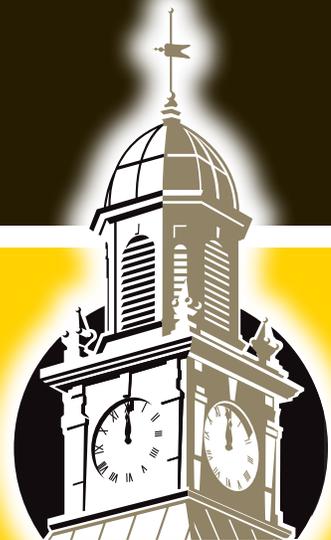
	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating (loss) income to net cash (used) provided by operating activities:				
Operating (loss) income	\$ (2,408,169)	\$ 8,420	\$ 175	\$ (2,399,574)
Adjustments:				
Depreciation	11,325	-	-	11,325
Federal donated commodities	283,188	-	-	283,188
Changes in assets/liabilities:				
Prepaid items	469	-	-	469
Materials and supplies inventories	3,997	-	-	3,997
Inventory held for resale	4,712	-	-	4,712
Deferred outflows – pension	69,057	-	-	69,057
Deferred outflows – OPEB	3,335	-	-	3,335
Accounts payable	(4,191)	-	-	(4,191)
Accrued wages and benefits	28,688	-	-	28,688
Intergovernmental payable	5,198	-	-	5,198
Accrued compensated absences	(3,948)	-	-	(3,948)
Net pension liability	(102,345)	-	-	(102,345)
Net OPEB liability	7,288	-	-	7,288
Deferred inflows – pension	(74,362)	-	-	(74,362)
Deferred inflows – OPEB	(31,371)	-	-	(31,371)
Total adjustments	<u>201,040</u>	<u>-</u>	<u>-</u>	<u>201,040</u>
Net cash (used) provided by operating activities	\$ <u>(2,207,129)</u>	\$ <u>8,420</u>	\$ <u>175</u>	\$ <u>(2,198,534)</u>

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



JOURNEY MARSHALL
Grade 3, Boulevard Elementary

AALIYAH WILLIAMS
Grade 3, Boulevard 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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 270,164	\$ 270,164	\$ 192,211	\$ (77,953)
Miscellaneous	2,554	2,554	1,817	(737)
Operating grants	<u>3,454,223</u>	<u>3,454,223</u>	<u>2,457,541</u>	<u>(996,682)</u>
Total revenues	<u>3,726,941</u>	<u>3,726,941</u>	<u>2,651,569</u>	<u>(1,075,372)</u>
Expenses:				
Food service operations:				
Salaries and wages	665,620	665,620	448,539	217,081
Fringe benefits	376,795	376,795	251,203	125,592
Purchased services	2,706,953	2,706,953	1,916,528	790,425
Other operating expenses	<u>649</u>	<u>649</u>	<u>433</u>	<u>216</u>
Total expenses	<u>3,750,017</u>	<u>3,750,017</u>	<u>2,616,703</u>	<u>1,133,314</u>
Excess of revenues (under) over expenses	<u>(23,076)</u>	<u>(23,076)</u>	<u>34,866</u>	<u>57,942</u>
Other financing sources (uses):				
Advances - in	773,058	773,058	550,000	(223,058)
Advances - out	<u>(749,983)</u>	<u>(749,983)</u>	<u>(500,000)</u>	<u>249,983</u>
Total other financing sources (uses)	<u>23,075</u>	<u>23,075</u>	<u>50,000</u>	<u>26,925</u>
Net change in fund equity	(1)	(1)	84,866	84,867
Fund equity at beginning of year	<u>62,216</u>	<u>62,216</u>	<u>62,216</u>	<u>-</u>
Fund equity at end of year	\$ <u>62,215</u>	\$ <u>62,215</u>	\$ <u>147,082</u>	\$ <u>84,867</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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 20,000	\$ 20,000	\$ 12,274	\$ (7,726)
Expenses:				
Supplies and materials:				
Regular instruction	17,214	17,214	2,212	15,002
Other operating expenses:				
Regular instruction	1,144	1,144	147	997
Support services – pupil	39	39	4	35
Total other operating expenses	1,183	1,183	151	1,032
Capital outlay	11,603	11,603	1,491	10,112
Total expenses	30,000	30,000	3,854	26,146
Net change in fund equity	(10,000)	(10,000)	8,420	18,420
Fund equity at beginning of year	49,385	49,385	49,385	-
Fund equity at end of year	\$ 39,385	\$ 39,385	\$ 57,805	\$ 18,420

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 19,257	\$ 19,257	\$ 8,549	\$ (10,708)
Expenses:				
Supplies and materials:				
Enterprise operations	18,481	18,481	7,738	10,743
Other operating expenses:				
Enterprise operations	1,519	1,519	636	883
Total expenses	20,000	20,000	8,374	11,626
Excess of revenues (under) over expenses	(743)	(743)	175	918
Other financing sources (uses):				
Transfers - in	743	743	330	(413)
Net change in fund equity	-	-	505	505
Fund equity at beginning of year	1,619	1,619	1,619	-
Fund equity at end of year	\$ 1,619	\$ 1,619	\$ 2,124	\$ 505

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, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 18,000,001	\$ 18,000,001	\$ 18,626,730	\$ 626,729
Expenses:				
Central:				
Fringe benefits	19,947,039	20,445,716	18,521,091	1,924,625
Purchases services	72,831	74,154	66,972	7,182
Supplies and materials	-	-	5,000	(5,000)
Total expenses	<u>20,019,870</u>	<u>20,519,870</u>	<u>18,593,063</u>	<u>1,926,807</u>
Net change in fund equity	(2,019,869)	(2,519,869)	33,667	2,553,536
Fund equity at beginning of year	6,110,463	6,110,463	6,110,463	-
Prior year encumbrances appropriated	<u>19,870</u>	<u>19,870</u>	<u>19,870</u>	-
Fund equity at end of year	\$ <u>4,110,464</u>	\$ <u>3,610,464</u>	\$ <u>6,164,000</u>	\$ <u>2,553,536</u>

Cleveland Heights-University Heights City School District

Combining Statement of Changes in Assets and Liabilities – Agency Funds

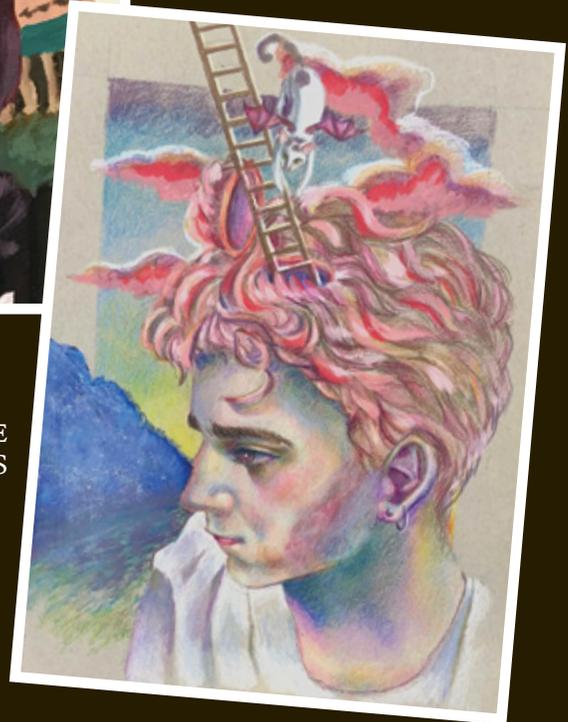
For the Fiscal Year Ended June 30, 2019

	Balance	Additions	Reductions	Balance 6/30/19
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Student activities				
Assets:				
Equity in pooled cash and investments	\$ <u>80,581</u>	\$ <u>58,957</u>	\$ <u>50,977</u>	\$ <u>88,561</u>
Liabilities:				
Due to students	\$ <u>80,581</u>	\$ <u>58,957</u>	\$ <u>50,977</u>	\$ <u>88,561</u>
Tournaments				
Assets:				
Equity in pooled cash and investments	\$ <u>-</u>	\$ <u>6,876</u>	\$ <u>6,876</u>	\$ <u>-</u>
Liabilities:				
Due to others	\$ <u>-</u>	\$ <u>6,876</u>	\$ <u>6,876</u>	\$ <u>-</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ <u>80,581</u>	\$ <u>65,833</u>	\$ <u>57,853</u>	\$ <u>88,561</u>
Liabilities:				
Due to students	80,581	58,957	50,977	88,561
Due to others	<u>-</u>	<u>6,876</u>	<u>6,876</u>	<u>-</u>
Total liabilities	\$ <u>80,581</u>	\$ <u>65,833</u>	\$ <u>57,853</u>	\$ <u>88,561</u>

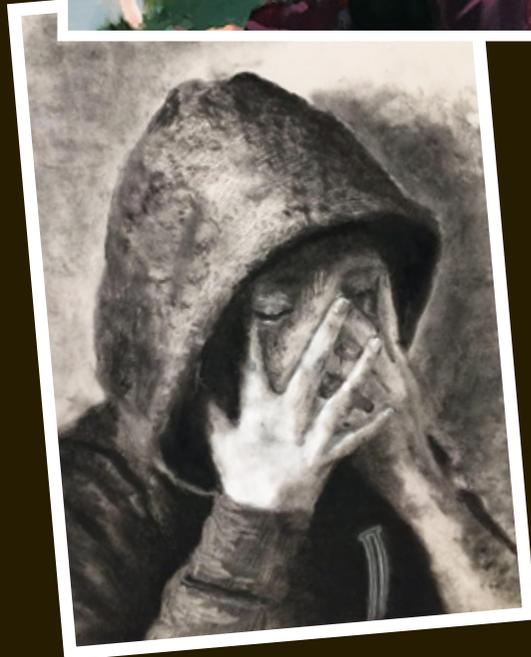
CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio



AZHAR HUSAIN
Grade 11, CHHS



LISA WARE
Grade 12, CHHS



THALIA LISOWSKI
Grade 10, CHHS



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

STATISTICAL SECTION



OLA ESMAIL
Grade 11, CHHS



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2019

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

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

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

Cleveland Heights-University Heights City School District

Net Position by Component

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 24,153,304	\$ 26,268,632	\$ 27,342,544	\$ 28,594,961	\$ 30,541,659	\$ 31,052,012	\$ 36,665,245	\$ 31,837,064	\$ 25,104,971	\$ 24,910,830
Restricted for:										
Capital projects	2,568,283	1,481,800	1,220,404	1,858,176	3,749,045	4,939,326	6,018,920	6,462,956	10,079,692	10,376,347
Debt service	304,922	656,723	756,981	239,222	2,907,465	3,879,732	4,055,002	3,143,643	-	-
Other purposes	1,725,730	364,493	461,744	471,046	372,466	328,565	865,805	235,382	529,568	611,900
Qualified Zone Academy Bond retirement	3,741,214	3,897,177	4,057,651	4,226,341	4,401,300	4,582,819	4,768,679	4,955,750	5,146,803	5,555,823
Unrestricted (deficit)	58,524,444	51,903,551	46,627,095	44,601,776	(110,110,600)	(109,538,804)	(108,570,623)	(154,710,889)	(89,078,082)	(79,946,850)
Total net position - governmental activities	91,017,897	84,572,376	80,466,419	79,991,522	(68,138,665)	(64,756,350)	(56,196,972)	(108,076,094)	(48,217,048)	(38,691,950)
Business-type activities:										
Net investment in capital assets	572,056	533,397	505,491	472,519	440,105	407,689	375,274	70,508	58,826	146,412
Unrestricted (deficit)	(5,220,860)	(8,139,020)	(9,642,747)	(12,609,793)	(3,524,685)	(3,971,286)	(3,743,283)	(2,679,434)	(2,110,788)	(1,841,431)
Total net position - business-type activities	(4,648,804)	(7,605,623)	(9,137,256)	(12,137,274)	(3,084,580)	(3,563,597)	(3,368,009)	(2,608,926)	(2,051,962)	(1,695,019)
Primary government:										
Net investment in capital assets	24,725,360	26,802,029	27,848,035	29,067,480	30,981,764	31,459,701	37,040,519	31,907,572	25,163,797	25,057,242
Restricted for:										
Capital projects	2,568,283	1,481,800	1,220,404	1,858,176	3,749,045	4,939,326	6,018,920	6,462,956	10,079,692	10,376,347
Debt service	304,922	656,723	756,981	239,222	2,907,465	3,879,732	4,055,002	3,143,643	-	-
Other purposes	1,725,730	364,493	461,744	471,046	372,466	328,565	865,805	235,382	529,568	611,900
Qualified zone academy bond retirement	3,741,214	3,897,177	4,057,651	4,226,341	4,401,300	4,582,819	4,768,679	4,955,750	5,146,803	5,555,823
Unrestricted (deficit)	53,303,584	43,764,531	36,984,348	31,991,983	(113,635,285)	(113,510,090)	(112,313,906)	(157,390,323)	(91,188,870)	(81,788,281)
Total net position - primary government	\$ 86,369,093	\$ 76,966,753	\$ 71,329,163	\$ 67,854,248	\$ (71,223,245)	\$ (68,319,947)	\$ (59,564,981)	\$ (110,685,020)	\$ (50,269,010)	\$ (40,386,969)

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.
Information for 2017 adjusted for the restatement of GASB 75.

Table 1
Last Ten Fiscal Years

Cleveland Heights-University Heights City School District

Changes in Net Position

Last Ten Fiscal Years

Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
Regular instruction	\$ 37,442,211	\$ 41,334,122	\$ 40,951,163	\$ 43,005,293	\$ 41,223,022	\$ 41,960,022	\$ 40,814,609	\$ 43,626,268	\$ 12,949,352	\$ 33,772,850
Special instruction	12,357,959	13,830,108	12,947,396	12,536,158	15,496,883	15,630,864	20,678,670	23,021,354	12,702,297	21,612,647
Vocational instruction	1,917,084	2,075,152	2,306,559	1,988,214	2,199,170	1,729,582	1,820,465	1,887,316	733,208	1,785,442
Adult/continuing instruction	233,715	346,356	335,150	258,202	46	214,853	-	-	-	-
Other instruction	4,424,806	5,341,468	7,154,104	8,257,928	8,817,024	8,653,671	6,284,908	5,975,458	6,135,377	8,628,069
Pupil	9,001,406	8,922,133	9,891,614	9,412,636	7,674,501	7,861,619	7,606,276	8,184,224	2,740,833	6,515,947
Instructional staff	5,149,498	6,158,641	6,445,138	8,004,270	5,838,505	6,740,256	5,296,223	5,271,824	2,635,760	4,135,898
Board of education	482,582	590,673	586,707	584,645	702,812	660,086	570,267	639,543	556,874	674,582
Administration	6,183,059	5,963,161	6,110,464	5,922,772	8,077,153	6,651,527	6,501,228	6,483,332	3,147,054	6,036,398
Fiscal	3,028,623	2,441,386	2,573,478	2,980,897	2,920,898	3,198,752	3,081,449	3,175,566	3,510,872	3,081,101
Business	1,344,500	1,583,775	1,552,317	556,890	1,748,679	1,536,059	990,990	1,047,575	934,024	858,780
Operation and maintenance of plant	11,722,180	12,471,455	12,510,123	12,391,012	13,286,205	13,177,175	12,299,919	12,691,307	12,114,146	14,284,656
Pupil transportation	4,550,353	4,499,491	5,302,386	4,616,743	4,168,805	4,081,598	3,767,197	4,122,183	3,660,423	3,978,709
Central	3,522,237	3,766,198	5,429,990	4,452,855	3,966,623	4,044,855	3,695,810	4,125,428	3,242,196	3,701,731
Food service operations	5,776	5,485	2,981	15,636	20,162	6,458	5,374	6,944	9,418	5,623
Community services	2,215,880	2,538,766	1,958,644	2,100,792	2,255,657	2,579,166	2,743,629	3,348,015	3,005,501	3,689,807
Shared services	-	-	-	-	5,149	-	-	-	-	-
Other operation of non-instructional services	-	-	117,942	120,356	926	2,081	267	423	584	206
Extracurricular activities	1,478,856	1,618,758	1,769,909	1,955,860	2,157,104	1,734,080	1,565,698	1,549,558	1,082,469	1,461,395
Interest and fiscal charges	525,075	519,722	461,235	299,445	3,776,729	7,507,361	7,278,250	7,364,064	7,184,831	6,644,931
Total governmental activities expenses	105,585,800	114,006,850	118,407,300	119,460,604	124,336,053	127,970,065	125,001,229	132,520,382	76,345,219	120,868,772
Business-type activities:										
Food services	2,354,293	2,310,751	2,434,896	2,507,990	2,442,610	2,276,189	2,624,070	2,579,471	2,354,594	2,602,197
Uniform school supplies	74,610	31,350	31,824	21,260	31,744	6,858	3,460	3,394	1,481	3,854
Customer services	20,356	9,385	-	34,212	-	10,565	8,858	7,974	9,578	8,374
Community services/early childhood	731,703	746,880	743,185	770,293	821,397	994,837	917,304	919,274	-	-
Bellefaire General Rotary	3,395,010	3,459,420	3,189,684	3,114,669	2,355	-	-	-	-	-
Total business-type activities expenses	6,575,972	6,557,786	6,399,589	6,448,424	3,298,106	3,288,449	3,553,692	3,510,113	2,365,653	2,614,425
Total primary government expenses	112,161,772	120,564,636	124,806,889	125,909,028	127,634,159	131,258,514	128,554,921	136,030,495	78,710,872	123,483,197

Continued

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years **Table 2**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program revenues:										
Governmental activities:										
Charges for services:										
Regular instruction	304,805	343,243	157,440	1,974,958	2,033,784	1,865,301	2,235,640	1,542,619	629,659	1,970,795
Special instruction	1,596,975	3,917,868	2,833,543	2,814,090	3,048,640	2,913,068	2,559,043	2,401,660	3,370,647	770,369
Vocational instruction	2,500	-	-	402,269	241,934	79,112	5,060	11,808	3,590	11,751
Adult/continuing instruction	930	-	-	-	-	-	-	-	-	-
Administration	13,196	30,575	132,968	26,345	59,783	195,163	198,336	252,256	156,208	139,404
Pupil transportation	183,378	121,733	205,743	25,097	26,165	13,298	38,392	6,924	38,404	42,268
Extracurricular activities	95,025	59,767	115,175	155,691	102,970	111,836	80,261	92,178	119,080	110,087
Operating grants and contributions:										
Regular instruction	861,906	1,842,682	623,151	1,483,338	1,275,340	795,124	892,723	666,545	874,223	1,497,527
Special instruction	6,880,495	5,590,342	5,259,112	4,268,212	4,164,420	3,439,308	3,713,268	3,820,067	3,766,969	4,580,498
Vocational instruction	288,776	293,148	194,247	328,861	302,953	265,366	237,709	231,876	285,428	256,476
Adult/continuing instruction	269,869	444,629	537,124	432,062	99,484	-	-	-	-	-
Pupil	93,679	93,459	112,257	90,267	107,986	103,246	105,593	105,911	18,000	18,000
Instructional staff	-	-	-	-	-	-	-	-	-	-
Central	-	-	-	-	-	-	-	-	-	-
Community services	1,914,708	1,562,377	1,784,599	1,851,027	1,932,315	2,080,860	2,269,212	2,567,730	2,320,922	2,521,953
Capital grants and contributions:										
Pupil	-	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	20,000	-	-	-	-
Central	-	27,300	-	-	-	-	-	-	-	-
Total governmental activities	12,506,242	14,327,123	11,955,359	13,852,217	13,395,774	11,881,682	12,335,237	11,699,574	11,583,130	11,919,128

Continued

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years

Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Food services	484,176	405,888	384,300	359,057	331,037	323,606	359,710	148,554	184,268	194,028
Uniform school supplies	48,737	30,361	27,468	23,825	28,907	13,402	9,456	11,214	15,636	12,274
Customer services	18,430	1,000	-	11,890	11,890	12,167	8,618	8,356	9,453	8,549
Community services/early childhood	687,621	720,938	620,621	647,205	662,846	566,556	554,364	544,241	-	-
Bellefaire General Rotary	2,515,584	611,951	2,222,430	283,102	683,844	-	-	-	-	-
Operating grants and contributions:										
Food services	1,804,716	1,661,511	1,613,137	2,123,327	1,868,291	1,901,444	1,762,391	2,834,985	2,713,260	2,756,187
Capital grants and contributions:										
Food services	116,347	-	-	-	-	-	-	-	-	-
Total business-type activities										
program revenues	5,675,611	3,431,649	4,867,956	3,448,406	3,586,815	2,817,175	2,694,539	3,547,350	2,922,617	2,971,038
Total primary government program revenues	18,181,853	17,758,772	16,823,315	17,300,623	16,982,589	14,698,857	15,029,776	15,246,924	14,503,747	14,890,166
Net expense:										
Governmental activities	(93,079,558)	(99,679,727)	(106,451,941)	(105,608,387)	(110,940,279)	(116,088,383)	(112,665,992)	(120,820,808)	64,762,089	(108,949,644)
Business-type activities	(900,361)	(3,126,137)	(1,531,633)	(3,000,018)	288,709	(471,274)	(859,153)	37,237	556,964	356,613
Total primary government net expense	(93,979,919)	(102,805,864)	(107,983,574)	(108,608,405)	(110,651,570)	(116,559,657)	(113,525,145)	(120,783,571)	64,205,125	(108,593,031)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for:										
General purpose	55,807,544	57,099,411	65,982,589	69,354,404	74,045,127	73,060,036	75,153,473	62,806,651	76,763,349	71,980,283
Debt service	590,518	604,768	671,452	631,509	5,746,485	7,141,001	7,352,980	6,081,146	7,759,557	6,090,617
Capital projects	2,708,377	2,748,213	3,087,683	3,059,156	3,394,926	3,374,548	3,546,925	2,657,127	3,302,707	3,154,427
Payments in lieu of property taxes	1,813	-	-	-	-	-	-	-	-	-
Grants and entitlements not restricted to specific programs	32,788,606	31,992,845	31,837,748	30,580,845	31,506,047	32,483,747	31,775,332	32,013,598	32,960,944	32,324,850
Investment earnings	489,176	306,230	273,286	230,870	504,723	1,756,112	1,499,671	906,980	1,178,732	1,949,799
Miscellaneous	1,116,647	652,057	493,226	1,276,706	1,044,771	1,647,511	2,951,730	2,502,529	2,655,846	2,975,096
Transfers	-	(169,318)	-	-	(11,056,420)	7,743	-	(1,271,323)	-	(330)
Total governmental activities	93,502,681	93,234,206	102,345,984	105,133,490	105,185,659	119,470,698	122,280,111	105,696,708	124,621,135	118,474,742

Continued

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Transfers	-	169,318	-	-	11,056,420	(7,743)	-	1,271,323	-	330
Total primary government general revenues and other changes in net position	93,502,681	93,403,524	102,345,984	105,133,490	116,242,079	119,462,955	122,280,111	106,968,031	124,621,135	118,475,072
Change in net position:										
Governmental activities	423,123	(6,445,521)	(4,105,957)	(474,897)	(5,754,620)	3,382,315	9,614,119	(15,124,100)	59,859,046	9,525,098
Business-type activities	(900,361)	(2,956,819)	(1,531,633)	(3,000,018)	11,345,129	(479,017)	(859,153)	1,308,560	556,964	356,943
Total primary government change in net position	\$ (477,238)	\$ (9,402,340)	\$ (5,637,590)	\$ (3,474,915)	\$ 5,590,509	\$ 2,903,298	\$ 8,754,966	\$ (13,815,540)	\$ 60,416,010	\$ 9,882,041

Source: School District financial records.

Cleveland Heights-University Heights City School District

Program Revenues by Function/Program

Last Ten Fiscal Years **Table 3**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Regular instruction	\$ 1,166,711	\$ 2,185,925	\$ 780,591	\$ 3,458,296	\$ 3,309,124	\$ 2,660,425	\$ 3,128,363	\$ 2,209,164	\$ 1,503,882	\$ 3,468,322
Special instruction	8,477,470	9,508,210	8,092,655	7,082,302	7,213,060	4,309,115	6,272,311	6,221,727	7,137,616	5,350,867
Vocational instruction	291,276	293,148	194,247	731,130	544,887	344,478	242,769	243,684	289,018	268,227
Adult/continuing instruction	270,799	444,629	537,124	432,062	99,484	-	-	-	-	-
Pupil	93,679	93,459	112,257	90,267	107,986	103,246	105,593	105,911	18,000	18,000
Instructional staff	-	-	-	-	-	-	-	-	-	-
Administration	13,196	30,575	132,968	26,345	59,783	195,163	198,336	252,256	156,208	139,404
Operation and maintenance of plant	-	-	-	-	-	20,000	-	-	-	-
Pupil transportation	183,378	121,733	205,743	25,097	26,165	13,298	38,392	6,924	38,404	42,268
Central	-	27,300	-	-	-	-	-	-	-	-
Community services	1,914,708	1,562,377	1,784,599	1,851,027	1,932,315	2,080,860	2,269,212	2,567,750	2,320,922	2,521,953
Extracurricular activities	95,025	59,767	115,175	155,691	102,970	111,836	80,261	92,178	119,080	110,087
Total governmental activities	<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>	<u>11,583,130</u>	<u>11,919,128</u>
Business-type activities:										
Food services	2,405,239	2,067,399	1,997,437	2,482,384	2,199,328	2,225,050	2,122,101	2,983,539	2,897,528	2,950,215
Uniform school supplies	48,737	30,361	27,468	23,825	28,907	13,402	9,456	11,214	15,636	12,274
Customer services	18,430	1,000	-	11,890	11,890	12,167	8,918	8,356	9,453	8,549
Community services/early childhood	687,621	720,938	620,621	647,205	662,846	566,556	554,364	544,241	-	-
Bellefaire General Rotary	2,515,584	611,951	2,222,430	283,102	683,844	-	-	-	-	-
Total business-type activities	<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>	<u>2,922,617</u>	<u>2,971,038</u>
Total primary government program revenues	\$ <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>	\$ <u>14,505,747</u>	\$ <u>14,890,166</u>

Source: School District financial records.

Cleveland Heights-University Heights City School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years Table 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Nonspendable	\$ -	\$ 377,185	\$ 388,565	\$ 421,946	\$ 485,956	\$ 400,634	\$ 408,564	\$ 698,645	\$ 601,068	\$ 611,776
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	10,369,467	10,265,497
Unassigned	-	49,220,502	42,156,930	39,137,025	19,296,525	9,241,633	18,324,871	14,314,303	16,687,556	12,270,472
Reserved	20,559,439	-	-	-	-	-	-	-	-	-
Unreserved	40,721,484	-	-	-	-	-	-	-	-	-
Total general fund	61,280,923	53,610,841	45,570,736	42,583,984	30,725,093	30,668,464	33,997,370	24,905,467	2,768,091	23,147,745
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	48,725,311	24,838,198
Unassigned (deficit)	-	(1,358,259)	(1,014,561)	(691,665)	(349,436)	(209,254)	(347,404)	(444,423)	(981,970)	(193,720)
Reserved	2,782,844	-	-	-	-	-	-	-	-	-
Unreserved, undesignated reported in:										
Special revenue funds	10,070	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	3,912,946	-	-	-	-	-	-	-	-	-
Total all other governmental funds	6,705,860	4,883,754	5,132,209	5,780,971	163,840,432	145,033,386	112,607,172	57,884,339	47,743,341	24,644,478
Total governmental funds	\$ 67,986,783	\$ 58,494,595	\$ 50,702,945	\$ 48,364,955	\$ 194,565,525	\$ 175,701,850	\$ 146,604,542	\$ 82,789,806	\$ 75,401,432	\$ 47,792,223

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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 58,111,449	\$ 59,741,780	\$ 67,893,727	\$ 72,593,187	\$ 81,019,869	\$ 82,427,691	\$ 84,468,564	\$ 70,025,921	\$ 85,881,504	\$ 83,287,647
Payments in lieu of property taxes	1,813	-	-	-	-	-	-	-	-	-
Intergovernmental	42,481,847	45,195,019	41,721,066	39,293,275	39,705,007	38,533,550	38,219,569	39,404,171	39,818,434	41,754,742
Grants	-	-	-	-	-	36,147	95,763	77,065	13,652	204,066
Tuition and fees	1,132,778	919,510	2,103,521	4,261,340	5,205,135	5,212,754	4,870,192	5,347,394	3,730,574	2,572,132
Earnings on investments	489,176	306,230	229,786	269,926	383,159	1,743,978	1,493,336	890,212	1,158,393	2,072,177
Extracurricular activities	247,153	193,720	214,197	249,403	328,105	281,315	218,737	181,037	208,333	234,260
Classroom materials and fees	21,525	7,769	6,628	9,899	10,983	8,210	7,407	9,968	5,639	5,684
Miscellaneous	1,758,554	909,544	590,072	1,288,159	925,607	1,713,082	2,968,872	2,678,979	281,3234	2,975,513
Total revenues	104,244,295	107,273,572	112,758,997	117,965,189	127,577,865	129,956,727	132,342,440	118,614,747	133,752,763	133,106,221
Expenditures:										
Current:										
Instruction:										
Regular	37,438,613	40,644,644	41,711,646	41,694,037	41,252,792	42,780,196	41,165,894	40,375,853	39,820,252	40,754,315
Special	12,350,826	13,869,106	12,871,556	12,550,247	15,446,175	15,640,475	20,813,764	22,116,942	22,819,044	24,423,936
Vocational	1,917,949	2,133,784	2,253,201	2,025,443	2,202,132	1,790,287	1,810,390	1,754,725	2,133,247	2,187,965
Adult/continuing	243,510	351,808	359,859	258,355	42	214,853	-	-	-	-
Other	4,424,310	5,341,468	7,119,352	8,260,680	8,852,295	8,661,935	6,281,759	5,927,681	6,390,021	8,706,651
Support services:										
Pupil	9,040,268	9,059,801	9,710,922	9,471,275	7,779,443	7,819,662	7,752,082	7,656,795	7,945,144	7,990,632
Instructional staff	7,798,200	5,929,177	5,744,220	7,360,021	5,579,026	6,655,202	5,355,690	4,946,508	5,748,727	5,044,696
Board of education	482,582	590,673	586,707	584,645	702,812	660,818	570,730	637,691	563,822	678,367
Administration	6,172,891	6,231,154	6,069,379	5,921,173	8,002,595	6,666,267	6,580,971	6,141,738	6,196,289	6,996,923
Fiscal	3,029,193	2,441,153	2,577,403	2,992,173	2,898,090	3,199,810	3,120,432	3,119,583	3,761,570	3,219,601
Business	1,367,110	1,867,829	1,418,638	486,832	1,620,092	1,419,952	1,148,867	944,826	851,840	846,438
Operation and maintenance of plant	13,204,102	13,667,124	13,738,248	13,995,828	13,982,246	11,709,772	11,947,714	11,944,593	12,095,174	14,005,395
Pupil transportation	4,461,495	4,660,456	4,956,598	4,319,901	3,866,048	3,878,073	4,033,071	3,795,667	4,038,336	4,160,575
Central	3,727,743	3,786,451	5,419,739	4,421,726	3,929,804	4,065,836	3,749,689	4,055,053	2,712,479	3,891,125
Operations of non-instructional services										
Food service	5,776	5,446	2,981	15,636	24,779	1,119	35	1,605	4,079	284
Community services	2,126,328	2,356,186	1,965,327	2,146,012	2,241,565	2,572,447	2,735,318	3,290,253	3,009,464	3,659,100
Shared services	-	-	-	-	5,149	-	-	-	-	-
Other	120,946	123,112	117,942	120,356	926	2,081	267	423	584	206
Extracurricular activities	1,482,333	1,586,270	1,731,341	1,940,700	2,132,543	1,733,151	1,561,140	1,445,612	1,590,912	1,621,344
Facilities acquisition and construction services	-	-	-	-	3,209,965	22,081,669	35,111,364	54,576,672	12,382,864	24,741,265
Debt service:										
Principal	2,193,347	1,815,920	1,721,314	1,497,177	1,225,155	1,307,703	995,670	1,026,348	1,570,268	1,611,767
Interest and fiscal charges	503,908	532,226	474,274	328,040	1,661,324	7,293,440	7,110,316	7,102,480	6,508,521	6,261,298
Bond issuance costs	-	-	-	124,721	1,224,233	-	-	438,253	-	-
Total expenditures	112,091,430	116,993,788	120,550,647	120,514,978	127,839,231	150,154,748	161,845,163	180,861,048	141,580,890	160,801,883

Continued

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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Excess of revenues over (under) expenditures	(7,847,135)	(9,720,216)	(7,791,650)	(2,549,789)	(261,366)	(20,198,021)	(29,502,723)	(62,246,301)	(7,828,127)	(27,695,662)
Other financing sources (uses):										
Inception of capital leases	2,600,966	397,346	-	87,077	88,483	-	395,108	-	-	75,691
General obligation Bonds issued	-	-	-	-	134,799,915	-	-	-	60,725,000	-
Refunding bonds issued	-	-	-	6,750,000	-	-	-	-	-	-
Premium on bonds issued	-	-	-	199,722	1,659,731	-	-	-	9,804,394	-
Certificates of participation issued	-	-	-	-	21,000,000	-	-	-	-	-
Discount on certificates of participation issued	-	-	-	-	(29,773)	-	-	-	-	-
Transfers-in	570,000	1,303,351	914,388	625,321	805,350	1,670,886	253,500	150,000	150,000	242,992
Transfers-out	(570,000)	(1,472,669)	(914,388)	(625,321)	(11,861,770)	(336,540)	(253,500)	(1,718,435)	(1,718,432)	(243,322)
Payment to refunded bond escrow agent	-	-	-	(6,825,000)	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	10,307	-	-	11,092
Total other financing sources (uses)	2,600,966	228,028	-	211,799	146,461,936	1,334,346	405,415	(1,568,435)	(1,568,435)	86,453
Net change in fund balances	\$ (5,246,169)	\$ (9,492,188)	\$ (7,791,650)	\$ (2,337,990)	\$ 146,200,570	\$ (18,863,675)	\$ (29,097,308)	\$ (63,814,736)	\$ (63,814,736)	\$ (27,609,209)
Debt service as a percentage of noncapital expenditures	2.52%	2.07%	1.86%	1.55%	2.36%	6.72%	6.48%	6.49%	6.34%	5.95%

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

Collection Year	Real Property		Public Utility Personal Property		Total		Total Direct Tax Rate	Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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
2018	1,025,158,440	2,929,024,114	20,548,510	23,350,580	1,045,706,950	2,952,374,694	156.09	35.4
2019	1,092,297,090	3,120,848,829	21,381,610	24,297,284	1,113,678,700	3,145,146,113	154.20	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 6.25 percent of actual value for 2009 and 0 percent of actual value for 2010.

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 2019 and Fiscal Year 2010

Table 7

Name of Taxpayer	December 31, 2018 (1)	
	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Co.	\$ 13,398,650	1.23%
Inland Cedar Center South, LLC	6,395,970	0.59%
HS Acquisition	6,391,220	0.59%
Inland Cedar Center North, LLC	5,385,560	0.49%
Wal-Mart Real Estate Business Trust	4,883,660	0.45%
Fise, LLC	4,861,400	0.45%
East Ohio Gas Co.	4,038,930	0.37%
American Transmission System	3,943,300	0.36%
Severance Reality, LLC	3,675,010	0.34%
Murphy Hall, LLC	3,362,000	0.31%
Total	\$ 56,335,700	5.18%

Name of Taxpayer	December 31, 2009 (2)	
	Assessed Value (2)	Percent of Total Assessed Value
Kaiser Foundation Health Plan of Ohio	\$ 11,621,820	1.03%
Severance SPE Lease	10,429,720	0.92%
Inland Western University	6,377,040	0.56%
Coral Cedar Center, LLC	6,093,970	0.54%
Severance SPE Lease Co.	5,685,720	0.50%
The May Department Stores Co.	4,975,180	0.44%
ARC Cleveland Heights, LLC	3,757,150	0.33%
Concord Park I, II, & III	2,591,190	0.3%
Target Corp.	2,555,010	0.23%
Kensington LTD	2,520,000	0.22%
Total	\$ 56,606,800	5.00%

Source: Cuyahoga County Fiscal Officer

(1) Assessed values are for the 2019 collection year.

(2) Assessed values are for the 2010 collection year.

Cleveland Heights-University Heights City School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years

Table 8

Tax Year/ Collection Year	School Levy		County Levy		City Levy		Metro Parks Levy		Library Levy		Tri-C Levy		Cleveland Port Authority Levy		Total Levy		Debt Service Included in Total Levy						
	Levy	\$	Levy	\$	Levy	\$	Levy	\$	Levy	\$	Levy	\$	Levy	\$	School	County	City	Tri-C	Total				
2009/2010	\$ 136.80 ⁽¹⁾	\$	13.32	\$	12.90	\$	1.85	\$	7.80	\$	2.80	\$	0.13	\$	3.80	\$	0.74	\$	6.48	\$	-	\$	11.02
2010/2011	136.80 ⁽¹⁾		13.32		12.90		1.85		7.80		2.80		0.13		3.80		0.74		6.48		-	11.02	
2011/2012	143.70 ⁽²⁾		13.22		12.90		1.85		7.80		3.10		0.13		0.70		0.85		2.90		-	4.45	
2012/2013	143.70 ⁽²⁾		13.22		13.00		1.85		7.80		3.10		0.13		0.70		0.85		3.00		-	4.55	
2013/2014	149.59 ⁽³⁾		14.05		12.90		2.75		7.80		3.10		0.13		6.59		0.85		2.55		-	9.99	
2014/2015	149.59 ⁽³⁾		14.05		13.92		2.75		10.00		4.00		0.13		6.59		0.85		2.65		-	10.09	
2015/2016	149.59 ⁽³⁾		14.05		13.92		2.75		10.00		4.00		0.13		6.59		0.95		3.00		-	10.54	
2016/2017	155.59 ⁽⁴⁾		14.05		13.92		2.75		10.00		4.00		0.13		7.09		0.95		3.00		-	11.04	
2017/2018	156.09 ⁽⁵⁾		14.05		12.42		2.75		10.00		4.50		0.13		7.59		0.95		1.50		-	10.04	
2018/2019	154.20 ⁽⁶⁾		14.05		12.42		2.75		10.00		4.50		0.13		5.70		0.95		1.50		0.5	8.65	

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 \$132.30 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 \$139.20 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 \$6.59 in the Bond Retirement Fund.
- (4) 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.
- (5) District's direct rate is comprised of \$144.70 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$7.59 in the Bond Retirement Fund.
- (6) District's direct rate is comprised of \$144.70 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$5.70 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
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
2016/2017	95,802,609	16,233,458	112,036,067	88,161,090	92.02	4,256,109	92,417,199	82.49
2017/2018	97,301,556	17,557,160	114,858,716	90,046,301	92.54	4,599,730	94,646,031	97.27

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, 2018 Table 10

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District ⁽¹⁾	Amount Applicable to School District
Direct:			
Cleveland Heights-University Heights City School District	\$ 173,855,035	100.00%	\$ 173,855,035
Total direct	<u>173,855,035</u>		<u>173,855,035</u>
Overlapping:			
City of Cleveland Heights	19,236,000	95.62	18,393,853
City of South Euclid	15,571,746	8.37	1,303,327
City of University Heights	2,440,000	100.00	2,440,000
Total overlapping	<u>37,247,746</u>		<u>22,137,180</u>
Grand total	\$ <u>211,102,781</u>		\$ <u>195,992,215</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 2019 collection year.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed valuation	\$ 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	\$ 1,045,706,950	\$ 1,113,678,700
Debt limit - 9% of assessed value	\$ 103,031,606	\$ 103,200,674	\$ 102,095,000	\$ 97,516,374	\$ 97,628,534	\$ 96,795,937	\$ 94,921,713	\$ 95,098,128	\$ 94,113,626	\$ 100,231,083
Amount of debt applicable to debt limit:										
General obligation bonds	10,295,000	9,390,000	8,455,000	7,596,407	141,144,915	140,948,900	140,793,127	140,628,654	139,978,681	139,389,203
Exempt debt	-	-	-	-	(40,803,518)	(40,876,406)	(41,881,632)	(42,254,977)	(41,670,187)	(34,852,485)
Total	10,295,000	9,390,000	8,455,000	7,596,407	100,341,397	100,072,494	98,911,495	98,373,677	98,308,495	104,536,718
Less: amount available in debt service funds	(289,163)	(619,703)	(683,128)	(162,985)	(2,712,863)	(3,276,557)	(3,989,782)	(3,275,549)	(4,194,869)	(4,305,635)
Amount of debt subject to the limit	10,005,837	8,770,297	7,771,872	7,433,422	97,628,534	96,795,937	94,921,713	95,098,128	94,113,626	100,231,083
Overall debt margin	\$ 93,025,769	\$ 94,430,377	\$ 94,323,128	\$ 90,082,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt margin - .10% of assessed value (1)	\$ 1,144,796	\$ 1,146,674	\$ 1,134,389	\$ 1,083,515	\$ 1,084,761	\$ 1,075,510	\$ 1,054,686	\$ 1,056,646	\$ 1,045,707	\$ 1,113,679
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ 1,144,796	\$ 1,146,674	\$ 1,134,389	\$ 1,083,515	\$ 1,084,761	\$ 1,075,510	\$ 1,054,686	\$ 1,056,646	\$ 1,045,707	\$ 1,113,679
Total net debt applicable to the limit as a percentage of debt limit	9.71%	8.50%	7.61%	7.62%	100%	100%	100%	100%	100%	100%

Source: Cuyahoga County Fiscal Officer and School District financial records

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									
	General Obligation Bonds	Accrued Interest on CABs	Certificates of Participation	Energy Conservation Notes	Capital Leases	Qualified Zone Academy Bonds	Total Primary Government	Percentage of Personal Income	Per Capita	
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	
2018	149,240,512	1,318,766	18,959,067	-	241,861	5,500,000	175,260,206	12.56	2,937.65	
2019	147,869,935	1,774,288	18,500,027	-	210,785	5,500,000	173,855,035	12.46	2,914.10	

Source: School District financial records.

Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years Table 13

<u>Fiscal Year</u>	<u>Gross General Bonded Debt⁽¹⁾</u>	<u>Net Position Restricted for Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value⁽²⁾</u>	<u>Population⁽³⁾</u>	<u>Ratio of Net Debt to Estimated Actual Value</u>	<u>Debt Per Capita</u>
2009/2010	\$ 10,295,000	\$ 304,922	\$ 9,990,078	\$ 3,248,637,164	59,660	0.31%	\$ 167
2010/2011	9,390,000	656,723	8,733,277	3,253,343,682	59,660	0.27	146
2011/2012	8,455,000	756,981	7,698,019	3,217,414,866	59,660	0.24	129
2012/2013	7,596,407	239,222	7,357,185	3,069,756,716	59,660	0.24	123
2013/2014	142,955,899	2,907,465	140,048,434	3,070,884,491	59,660	4.56	2,347
2014/2015	142,368,907	3,879,732	138,489,176	3,042,741,845	59,660	4.55	2,321
2015/2016	141,861,916	4,055,002	137,806,914	2,982,512,616	59,660	4.62	2,310
2016/2017	141,319,924	3,143,643	138,176,281	2,986,325,332	59,660	4.63	2,316
2017/2018	149,240,512	-	149,240,512	2,952,374,694	59,660	5.05	2,502
2018/2019	147,869,935	-	147,869,935	3,145,146,113	59,660	4.70	2,479

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
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
2018	1,280,122	46,121	13,539	5,214	6.40	49,056	74,759	1,395,621,460	23,393
2019	1,280,122	46,121	13,539	5,214	6.40	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 2010 and Fiscal Year 2019 Table 15

Employer	December 31, 2009		December 31, 2018		
	Number of Employees	Percentage of Total	Employer	Number of Employees	Percentage of Total
John Carroll University	2,313	35.91	John Carroll University	2,305	34.52%
Cleveland Heights-University Heights Board of Education	1,664	25.83	Cleveland Heights-University Heights Board of Education	923	13.82
Cleveland Heights City Hall	774	12.02	Bellefaire Jewish Children's Bureau	770	11.53
Target	381	5.92	City of Cleveland Heights	727	10.89
Zagaras	245	3.80	Target	359	5.38
All Healthcare	231	3.59	MetroHealth System	341	5.11
Bellefaire Jewish Children's Bureau	229	3.56	CAS Health Investors, Inc.	324	4.85
Home Depot USA, Inc.	227	3.52	Cuyahoga County Fiscal Office	318	4.76
Hebrew Academy	202	3.14	Dave's Supermarket, Inc.	311	4.66
City of University Heights	175	2.71	Whole Foods	300	4.48
Total	6,441	100.00%	Total	6,678	100.00%
Total Employment within the School District	N/A		Total Employment within the School District	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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Boulevard Elementary School										
Constructed in 1975										
Total Building Square Footage	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437
Enrollment Grades K-5	338	340	332	296	304	325	305	286	306	268
Regular Instruction Teachers	21	24	22	24	24	24	25	22	22	19
Special Instruction Teachers	4	5	3	5	5	5	3	6	6	6
Canterbury Elementary School										
Constructed in 1927										
Total Building Square Footage	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800
Enrollment Grades K-5	391	391	354	374	380	345	373	389	401	405
Regular Instruction Teachers	23	26	24	25	25	24	24	26	25	23
Special Instruction Teachers	4	5	5	5	5	5	3	5	4	4
Bellefaire School										
Constructed in 1928										
Total Building Square Footage	22,000	22,000	22,000	22,000	22,000	22,000	-	-	-	-
Enrollment Grades K-5	87	70	76	71	-	-	-	-	-	-
Regular Instruction Teachers	7	10	9	8	-	-	-	-	-	-
Special Instruction Teachers	15	15	13	12	-	-	-	-	-	-
Coventry Elementary School										
Constructed in 1975										
Total Building Square Footage	61,200	61,200	61,200	61,200	61,200	61,200	-	-	-	-
Enrollment Grades K-5	-	-	-	-	-	-	-	-	-	-
Regular Instruction Teachers	-	-	-	-	-	-	-	-	-	-
Special Instruction Teachers	-	-	-	-	-	-	-	-	-	-
Fairfax Elementary School										
Constructed in 1975										
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Enrollment Grades K-5	409	412	386	392	299	334	327	339	341	359
Regular Instruction Teachers	24	27	26	26	22	24	30	28	28	23
Special Instruction Teachers	6	6	6	6	5	5	3	7	8	8
Gearity Professional Development School										
Constructed in 1954										
Total Building Square Footage	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856
Enrollment Grades K-5	297	297	360	338	365	268	252	261	266	258
Regular Instruction Teachers	18	22	20	24	24	24	31	30	26	22
Special Instruction Teachers	10	12	11	10	10	5	3	7	10	11
Noble Elementary School										
Constructed in 1922										
Total Building Square Footage	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250
Enrollment Grades K-5	401	401	424	423	381	421	415	369	381	337
Regular Instruction Teachers	23	26	24	30	30	30	31	30	28	25
Special Instruction Teachers	4	4	4	7	7	7	4	4	3	3
Deborah S. Delisle Educational Options Center										
Constructed in 1923										
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Enrollment Grades K-5	-	-	-	116	116	100	86	116	126	122
Regular Instruction Teachers	-	-	-	11	11	10	11	11	11	9
Special Instruction Teachers	-	-	-	1	1	1	-	2	1	1
Oxford Elementary School										
Constructed in 1928										
Total Building Square Footage	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400
Enrollment Grades K-5	357	358	325	340	328	294	291	270	279	268
Regular Instruction Teachers	23	25	23	25	25	24	24	24	24	25
Special Instruction Teachers	3	3	3	4	4	4	3	6	5	4

Continued

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program (continued)

Last Ten Fiscal Years

Table 16

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Roxboro Elementary School										
Constructed in 1920										
Total Building Square Footage	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600
Enrollment Grades K-5	338	338	410	408	404	423	365	328	330	307
Regular Instruction Teachers	22	23	23	29	29	29	27	26	24	17
Special Instruction Teachers	4	5	4	3	3	4	3	4	5	6
Monticello Middle School										
Constructed in 1930										
Total Building Square Footage	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Enrollment Grades 6-8	455	462	367	400	400	597	591	558	575	568
Regular Instruction Teachers	34	36	34	31	31	37	52	46	41	39
Special Instruction Teachers	10	11	10	9	9	11	7	9	9	11
Roxboro Middle School										
Constructed in 1931										
Total Building Square Footage	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380
Enrollment Grades 6-8	527	534	517	436	487	645	619	611	631	582
Regular Instruction Teachers	42	44	41	39	39	41	52	50	44	37
Special Instruction Teachers	9	9	9	9	9	9	7	9	13	13
Wiley Middle School										
Constructed in 1954										
Total Building Square Footage	133,127	133,127	133,127	133,127	133,127	133,127	-	-	-	-
Enrollment Grades 6-8	423	425	387	403	402	-	-	-	-	-
Regular Instruction Teachers	33	35	35	30	30	-	-	-	-	-
Special Instruction Teachers	8	8	8	8	8	-	-	-	-	-
Cleveland Heights High School										
Constructed in 1925										
Total Building Square Footage	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400
Enrollment Grades 9-12	1,809	1,842	1,828	1,400	1,254	1,522	1,597	1,430	1,578	1,555
Regular Instruction Teachers	108	112	115	110	113	113	120	113	99	91
Special Instruction Teachers	25	27	24	24	25	25	11	25	21	24

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>
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
2018	110,665,728	5,214	21,225	(4.21)	457	11.41	100.00
2019	116,458,084	5,029	23,157	9.10	460	10.93	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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Degree</u>										
Associate's Degree	-	-	-	-	-	-	-	-	-	1
Bachelor's Degree	102	112	89	94	127	63	71	56	62	75
Master's Degree	373	403	402	431	380	410	393	397	389	379
PhD	5	5	5	6	6	6	5	6	6	5
Total	<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>457</u>	<u>460</u>
<u>Years of Experience</u>										
0-5	90	103	52	116	157	46	127	79	72	53
6-10	68	98	177	142	113	104	122	143	121	106
11 and over	322	319	267	273	243	329	220	237	264	301
Total	<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>457</u>	<u>460</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>
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	84.9*	84.1*
2018	91.8	93.7	86.6*	85.3*
2019	(a)	(a)	(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:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	378	410	382	374	360	367	369	365	360	334
Special	102	110	148	161	155	153	86	85	97	92
Vocational	18	18	21	19	20	17	14	14	14	14
Adult/continuing	3	3	1	-	-	-	-	-	-	-
Other	2	2	13	15	11	10	11	11	11	-
Support services:										
Pupil	164	158	113	125	115	135	130	132	144	157
Instructional staff	51	49	63	68	64	52	56	56	60	66
Administration	65	59	65	62	63	61	43	43	45	45
Fiscal	11	11	10	10	10	10	7	7	8	7
Business	4	4	4	3	3	3	1	1	1	1
Operations of maintenance of plant	96	96	96	93	90	85	74	76	77	97
Pupil transportation	43	32	42	34	40	44	39	36	38	40
Central	21	22	23	19	20	20	19	19	19	21
Operations of non-instructional services:										
Community services (1)	39	36	42	51	45	39	39	40	40	46
Other	1	1	1	1	1	1	1	1	1	2
Extracurricular activities	3	3	12	2	2	2	1	2	2	1
Total	<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>	<u>917</u>	<u>923</u>

Source: School District personnel records.

(1) Includes food services personnel.

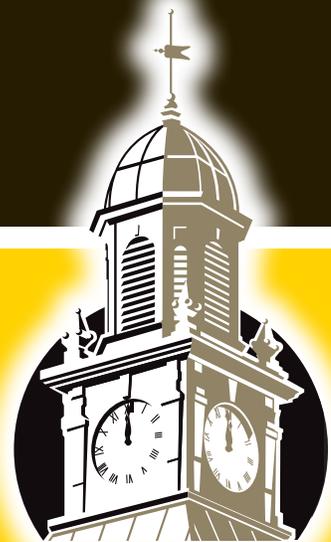
CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio

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.



ELENA RINALDI
Grade 12, CHHS



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