



OHIO AUDITOR OF STATE  
**KEITH FABER**





**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2021**

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CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Grant Year	Federal CFDA Number	Cash Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
School Breakfast Program	2021	10.553	\$ 481,797	\$ -
COVID-19 Funded - School Breakfast Program	2021	10.553	<u>283,504</u>	<u>-</u>
Total School Breakfast Program			765,301	-
National School Lunch Program	2021	10.555	826,015	189,307
COVID-19 Funded - National School Lunch Program	2021	10.555	<u>442,606</u>	<u>-</u>
Total National School Lunch Program			1,268,621	189,307
Total Child Nutrition Cluster			<u>2,033,922</u>	<u>189,307</u>
Child and Adult Care Food Program	2021	10.558	707	-
Total U.S. Department of Agriculture			<u>2,034,629</u>	<u>189,307</u>
<b>U.S. DEPARTMENT OF TREASURY</b>				
<i>Passed Through Ohio Department of Education</i>				
COVID-19 Funded - Coronavirus Relief Fund - Suburban Road	2021	21.019	312,356	-
COVID-19 Funded - Coronavirus Relief Fund - BroadbandOhio Connectivity	2021	21.019	<u>66,775</u>	<u>-</u>
Total Coronavirus Relief Fund			379,131	-
Total U.S. Department of Treasury			<u>379,131</u>	<u>-</u>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>				
<i>Passed Through Ohio Department of Education</i>				
COVID-19 Funded - Grants to States - LSTA CARES Act	2021	45.310	3,000	-
Total National Endowment for the Humanities			<u>3,000</u>	<u>-</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education</i>				
Title I Grants to Local Educational Agencies	2020	84.010	480,028	-
Title I Grants to Local Educational Agencies	2021	84.010	<u>1,916,401</u>	<u>-</u>
Total Title I Grants to Local Educational Agencies			2,396,429	-
Special Education Cluster:				
Special Education - Grants to States	2020	84.027	241,438	-
Special Education - Grants to States	2021	84.027	<u>1,609,721</u>	<u>-</u>
Total Special Education- Grants to States			1,851,159	-
Special Education - Preschool Grants	2021	84.173	26,451	-
Total Special Education Cluster			<u>1,877,610</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	2020	84.048	30,464	-
Career and Technical Education - Basic Grants to States	2021	84.048	<u>164,181</u>	<u>-</u>
Total Career and Technical Education - Basic Grants to States			194,645	-
Twenty-First Century Community Learning Centers	2020	84.287	29,802	-
Twenty-First Century Community Learning Centers	2021	84.287	<u>597,429</u>	<u>-</u>
Total Twenty-First Century Community Learning Centers			627,231	-
English Language Acquisition State Grants	2021	84.365	8,145	-
Supporting Effective Instruction State Grants	2020	84.367	19,555	-
Supporting Effective Instruction State Grants	2021	84.367	<u>215,348</u>	<u>-</u>
Total Supporting Effective Instruction State Grants			234,903	-
Student Support and Academic Enrichment Program	2020	84.424	2,194	-
Student Support and Academic Enrichment Program	2021	84.424	<u>66,256</u>	<u>-</u>
Total Student Support and Academic Enrichment Program			68,450	-
COVID-19 Funded - Elementary and Secondary School Emergency Relief Fund	2021	84.425D	498,776	-
<i>Direct Assistance:</i>				
Gaining Early Awareness and Readiness for Ungergraduate Programs	2021	84.334	141,983	-
Total U.S. Department of Education			<u>6,048,172</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 8,464,932</u>	<u>\$ 189,307</u>

The accompanying notes are an integral part of this schedule.

**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Cleveland Heights-University Heights City School District (the District) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

The District received \$2,867,313 in Federal funding for the Child Nutrition Cluster and Child and Adult Food Care Programs during the fiscal year ended June 30, 2021. However, total program related expenses for the year amounted to \$2,034,629. The remaining \$832,684 in Federal funding will be carried forward to offset expenses for these programs in subsequent fiscal years.

**NOTE E – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the program that benefitted from the use of those donated food commodities.

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 3, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 3, 2022



# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

### ***Report on Compliance for the Major Federal Programs***

We have audited the Cleveland Heights-University Heights City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Cleveland Heights-University Heights City School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on the Major Federal Programs***

In our opinion, the Cleveland Heights-University Heights City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2021.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the 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 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated January 3, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 3, 2022

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**CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2021**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs:</b>	AL #21.019 – Coronavirus Relief Fund  AL #84.027, 84.173 – Special Education Cluster
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**3. FINDINGS FOR FEDERAL AWARDS**

None



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR 200.511(b)**  
**JUNE 30, 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Finding for Recovery – Prohibited Political Activity	Fully Corrected	The finding was repaid by the District's insurance company, Schools of Ohio Risk Sharing Authority, on July 23, 2021.



CLEVELAND UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For the Fiscal Year Ended June 30, 2021*



UNIVERSITY HEIGHTS, OHIO

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

**Annual Comprehensive  
Financial Report for the  
Year Ended June 30, 2021**

**Issued by: Finance Department  
A. Scott Gainer, Chief Financial Officer**



# Cleveland Heights-University Heights City School District

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

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# Cleveland Heights-University Heights City School District

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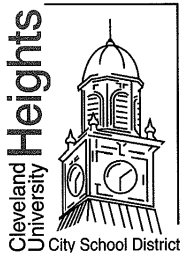
# INTRODUCTORY SECTION



Clara Walker  
8th grade







**A. Scott Gainer**  
Chief Financial Officer

January 3, 2022

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, 2021.

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, 2021. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

### **Profile of the School District**

The Cleveland Heights-University Heights City School District is one of 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 4,850 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 43,000 residents of the City of Cleveland Heights and approximately 13,000 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.

State funding of schools continues to change with each biennial budget. In the current biennial budget, the state implemented a new school funding model to be phased in over 6 years. The District successfully passed a 6.9 mill operating levy in November, 2011 and a 5.5 mill operating levy in November, 2016, and a 4.8 mill operating levy in November, 2020.

### **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 2012 school year was 5,763. Enrollment for the 2021 school year was 4,850. As noted previously, the state implemented a new school funding model to be phased in over 6 years that will result in additional funding to the district assuming it is maintained in the subsequent two biennial state budgets. Additionally, vouchers that were previously deducted from school district funding are now paid directly by the state to private schools.

### **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 fund accounts for the revenues and expenses related to the provision of medical programs. The internal service funds had a net position of \$6,101,431 at June 30, 2021 compared with a net position of \$5,477,712 at June 30, 2020. The District is meeting its claim liability.

The most recent District five-year forecast indicates a positive cash balance throughout the forecast period. 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 a 5.5 mill operating levy in November 2016, and a 4.8 mill operating levy in November 2020.

## **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, 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.

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 began a five-year strategic plan refresh, 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 for its annual financial report for the fiscal year ended June 30, 2020.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized 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 annual financial report for the fiscal year June 30, 2021.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive 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 Annual Financial Report for the year ended June 30, 2020. 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.

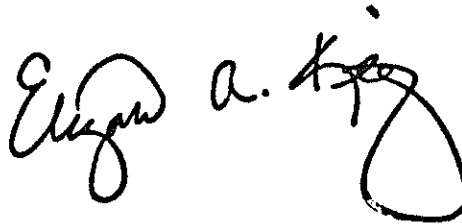
### *Acknowledgements*

The publication of the Annual Comprehensive 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 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  
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

# PRINCIPAL OFFICIALS

## As of June 30, 2021

**CHIEF FINANCIAL OFFICER**

Mr. A. Scott Gainer

**SUPERINTENDENT**

Ms. Elizabeth Kirby

**BOARD OF EDUCATION**

Mr. James Posch, President

Ms. Malia Lewis, Vice President

Mr. Dan Heintz, Member

Ms. Jodi Sourini, Member

Ms. Beverly Wright, Member



**Willa Sullivan**  
10th grade



**Taylor Blockson**  
10th grade

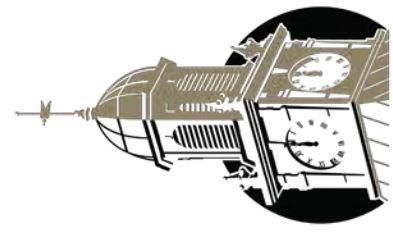
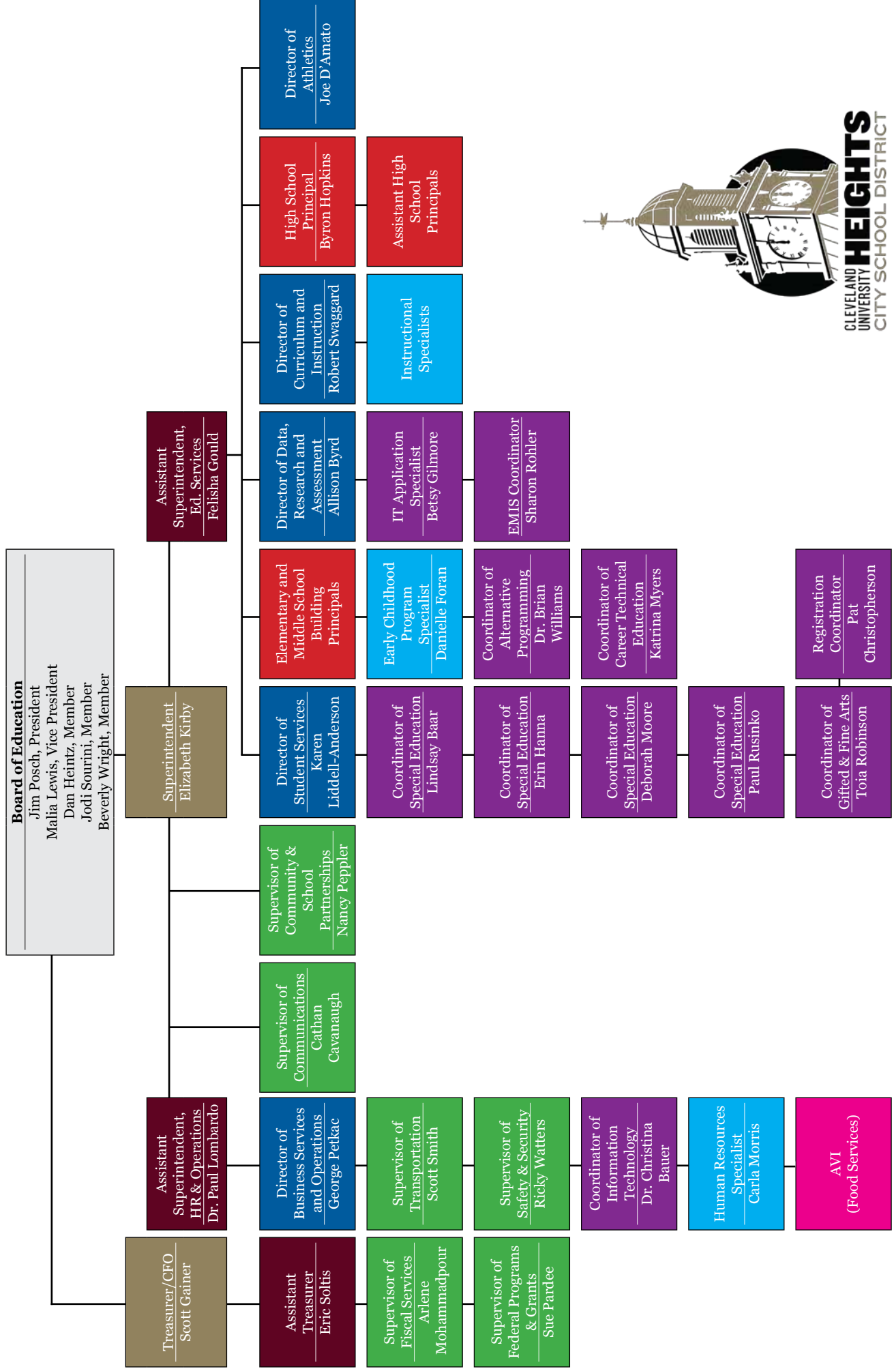


**Owen Bisker**  
10th grade



# Cleveland Heights-University Heights City School District

## Central Office Organizational Chart • 2020-2021



**CLEVELAND  
UNIVERSITY  
HEIGHTS**  
CITY SCHOOL DISTRICT



# FINANCIAL SECTION



Rose Goodluck  
12th grade

CLEVELAND  
UNIVERSITY **HEIGHTS**  
CITY SCHOOL DISTRICT  

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UNIVERSITY HEIGHTS, OHIO



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**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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District, Cuyahoga County, Ohio, 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.

**Emphasis of Matters**

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

**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 present additional analysis and are not a required part of the basic financial statements.

These 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 January 3, 2022 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 District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 3, 2022



CLEVELAND  
UNIVERSITY **HEIGHTS**  
CITY SCHOOL DISTRICT

# Cleveland Heights-University Heights City School District

## Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2021

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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, 2021. 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 2021 are as follows:

- For the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The implementation of this statement resulted in the restatement of net position and fund balances as of June 30, 2020 for governmental activities and governmental funds. See Note 2 for additional information regarding the restatements.
- In total, net position decreased \$501,894. Net position of governmental activities decreased \$2,186,493 from 2020. Net position of business-type activities increased \$1,684,599 from 2020.
- For governmental activities, general revenues accounted for \$126,768,146, or 92% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$11,689,090 of total revenues of \$138,457,236.
- The District had \$140,643,729 in expenses related to governmental activities; only \$11,689,090 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 \$126,768,146 which were unable to provide for these programs resulting in a decrease of net position from \$(58,989,422) to \$(61,175,915).
- The District had \$1,695,215 in expenses related to business-type activities; a total of \$3,379,596 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 \$(754,968) to \$929,631.
- The District's major governmental funds are the General Fund and the Permanent Improvement Fund. The General Fund had \$117,900,994 in revenues and other financing sources and \$114,843,132 in expenditures and other financing uses. The General Fund balance increased \$3,057,862, from \$11,261,648 to \$14,319,510. The Permanent Improvement Fund had \$7,837,150 in revenues and other financing sources and \$4,008,221 in expenditures. The Permanent Improvement Fund balance increased \$3,828,929, from \$5,934,326 to \$9,763,255.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

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## Using this Annual Financial Report

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

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



# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

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## ***Governmental Funds***

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

## ***Proprietary Funds***

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

## ***Fiduciary Funds***

The District's fiduciary activities are reported in separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The District's fiduciary activities account for collections and disbursements for the Ohio High School Athletic Association, which is reported in a custodial fund. 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, 2021

### 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 2021 and 2020.

	<b>Net Position</b>			
	Governmental Activities 2021	Business-Type Activities 2021	Restated Governmental Activities 2020	Business-Type Activities 2020
<b>Assets:</b>				
Current and other assets	\$ 145,810,523	\$ 1,813,079	\$ 138,987,861	\$ 655,475
Capital assets, net	<u>175,695,403</u>	<u>301,416</u>	<u>179,699,321</u>	<u>292,461</u>
Total assets	<u>321,505,926</u>	<u>2,114,495</u>	<u>318,687,182</u>	<u>947,936</u>
<b>Deferred outflows of resources:</b>				
Loss on refunding	7,797,343	-	8,052,994	-
Asset retirement obligation	24,000	-	-	-
Pension	20,910,483	8,529	21,480,533	69,695
OPEB	<u>3,075,413</u>	<u>4,332</u>	<u>2,241,429</u>	<u>29,021</u>
Total deferred outflows of resources	<u>31,807,239</u>	<u>12,861</u>	<u>31,774,956</u>	<u>98,716</u>
<b>Liabilities:</b>				
Current liabilities	14,441,156	317,889	15,728,366	414,201
<b>Long-term liabilities:</b>				
Due within one year	2,765,614	551	4,356,298	8,901
Due in more than one year	169,405,489	-	170,798,914	15,522
Net pension liability	125,430,946	62,920	114,886,046	657,238
Net OPEB liability	<u>9,222,471</u>	<u>20,334</u>	<u>10,802,454</u>	<u>276,986</u>
Total liabilities	<u>321,265,676</u>	<u>401,694</u>	<u>316,572,078</u>	<u>1,372,848</u>
<b>Deferred inflows of resources:</b>				
Property taxes	74,873,654	-	68,561,285	-
Payments in lieu of taxes	328,347	-	84,436	-
Pension	3,653,164	403,913	11,500,905	183,685
OPEB	<u>14,368,239</u>	<u>392,118</u>	<u>12,732,856</u>	<u>245,087</u>
Total deferred inflows of resources	<u>93,223,404</u>	<u>796,031</u>	<u>92,879,482</u>	<u>428,772</u>
<b>Net position:</b>				
Net investment in capital assets	23,947,703	279,381	26,948,908	292,461
Restricted	11,140,457	-	11,298,627	-
Unrestricted (deficit)	<u>(96,264,075)</u>	<u>650,250</u>	<u>(97,236,957)</u>	<u>(1,047,429)</u>
Total net position (deficit)	<u>\$ (61,175,915)</u>	<u>\$ 929,631</u>	<u>\$ (58,989,422)</u>	<u>\$ (754,968)</u>

The District follows Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27* and GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to pensions and 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, 2021

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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, 2021

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Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$60,246,284. During fiscal year 2021, the District's net position decreased \$501,894. 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, 2021, 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 increased by \$3,985,303 primarily due to an increase in taxes receivables as a result of a new 4.8 mill operating levy passed in November 2020. Total deferred outflows remained relatively consistent. Total liabilities increased due to GASB 68. Total deferred inflows increased due to an increase in deferred inflows related to property taxes, which was offset by a decrease in deferred inflows related to pension. Deferred inflows related to property taxes as well as taxes receivables increased as the District will start collecting on its 4.8 mill operating levy which was passed in 2020.

Fluctuations in net pension/OPEB liability/asset for the District are due to changes in the retirement systems unfunded liabilities that are passed through to the District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and net pension/OPEB liability/asset and are described in more detail in their respective notes.

Net investment in capital assets for governmental activities reported on the government-wide statements was \$23,947,703 for fiscal year 2021. 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, \$11,140,457, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted governmental activities net position, \$10,417,500 is restricted for capital projects, and \$722,957 is restricted for other purposes. The remaining balance of governmental activities net position \$(96,264,075) is an unrestricted amount available to meet the District's ongoing obligations to students and staff. The negative net position is the result of the net pension/OPEB liability.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

	<b>Changes in Net Position</b>			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
Revenues:				
Program revenues:				
Charges for services	\$ 1,746,060	\$ 100,275	\$ 4,333,363	\$ 138,733
Operating grants	<u>9,943,030</u>	<u>3,279,321</u>	<u>10,094,710</u>	<u>3,169,731</u>
Total program revenues	<u>11,689,090</u>	<u>3,379,596</u>	<u>14,428,073</u>	<u>3,308,464</u>
General revenues:				
Property taxes	90,193,616	-	75,761,827	-
Grants and entitlements	33,574,521	-	30,894,244	-
Investment earnings	60,559	-	1,109,356	-
Miscellaneous	<u>2,939,450</u>	<u>218</u>	<u>3,096,928</u>	<u>-</u>
Total general revenues	<u>126,768,146</u>	<u>218</u>	<u>110,862,355</u>	<u>-</u>
Total revenues	<u>138,457,236</u>	<u>3,379,814</u>	<u>125,290,428</u>	<u>3,308,464</u>
Program expenses:				
Instruction:				
Regular	39,259,869	-	42,912,160	-
Special	24,869,224	-	33,261,198	-
Vocational	2,206,214	-	2,106,297	-
Other	14,496,660	-	4,747,157	-
Adult/continuing	294	-	-	-
Support services:				
Pupil	7,764,918	-	8,343,753	-
Instructional staff	4,314,831	-	5,501,084	-
Board of education	851,193	-	820,893	-
Administration	6,677,556	-	6,996,024	-
Fiscal	3,036,965	-	3,176,914	-
Business	1,215,741	-	1,125,107	-
Operation and maintenance of plant	17,033,474	-	16,718,490	-
Pupil transportation	2,959,364	-	4,026,440	-
Central	3,715,374	-	3,901,982	-
Food service operations	5,339	-	5,611	-
Community services	4,116,137	-	3,055,369	-
Other non-instructional services	-	-	-	-
Extracurricular activities	1,373,018	-	1,673,243	-
Interest and fiscal charges	6,747,558	-	7,309,910	-
Food services	-	1,693,177	-	2,360,152
Uniform school supplies	-	1,927	-	4,475
Customer services	-	111	-	4,368
Total program expenses	<u>140,643,729</u>	<u>1,695,215</u>	<u>145,681,632</u>	<u>2,368,995</u>
Change in net position before transfers	(2,186,493)	1,684,599	(20,391,204)	939,469
Transfers	-	-	(582)	582
Change in net position	(2,186,493)	1,684,599	(20,391,786)	940,051
Net position at beginning of year	(59,083,736)	(754,968)	(38,691,950)	(1,695,019)
Restatement, see Note 2	94,314	-	-	-
Net position at beginning of year, restated	<u>(58,989,422)</u>	<u>(754,968)</u>	<u>(38,691,950)</u>	<u>(1,695,019)</u>
Net position at end of year	\$ <u>(61,175,915)</u>	\$ <u>929,631</u>	\$ <u>(59,083,736)</u>	\$ <u>(754,968)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

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## ***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 2021 is \$11,522,335, while in 2020 pension expense was \$14,825,837. The District was required to contribute \$8,568,050 and \$8,938,628 during 2021 and 2020, respectively.

## ***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 2021 is \$(1,048,739), while in 2020 OPEB expense was \$(2,352,445). The District was required to contribute \$168,011 and \$162,419 during 2021 and 2020, respectively.

## ***Governmental Activities***

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 65% of total governmental activities revenues for the District in fiscal year 2021.

Charges for services decreased due to changes in the funding from the State. Instruction and support services comprise 91% of governmental program expenses. The operation of non-instructional services and interest expense make up the remaining 9% of governmental program expenses. Interest expense was attributable to the outstanding bonds and other borrowings for capital projects. Overall, governmental program expenses decreased approximately \$5 million which was mainly due to a decrease in pension (\$3.3 million).

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 2021 and 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

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### Governmental Activities

	Total Cost of <u>Services 2021</u>	Net Cost of <u>Services 2021</u>	Total Cost of <u>Services 2020</u>	Net Cost of <u>Services 2020</u>
Program expenses:				
Instruction	\$ 80,832,261	\$ 73,534,761	\$ 83,026,812	\$ 72,358,332
Support services	47,569,416	45,984,736	50,610,687	49,624,269
Food service operations	5,339	5,339	5,611	5,611
Community services	4,116,137	1,353,412	3,055,369	359,604
Extracurricular activities	1,373,018	1,328,833	1,673,243	1,595,833
Interest and fiscal charges	<u>6,747,558</u>	<u>6,747,558</u>	<u>7,309,910</u>	<u>7,309,910</u>
Total program expenses	\$ <u>140,643,729</u>	\$ <u>128,954,639</u>	\$ <u>145,681,632</u>	\$ <u>131,253,559</u>

The dependence upon tax revenues during fiscal year 2021 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 \$3,379,814 and expenses of \$1,695,215 for fiscal year 2021. This resulted in an increase to net position for the fiscal year of \$1,684,599. This increase was primarily driven by a decrease in pension and OPEB related expenses, which caused the fringe benefits operating expense to become negative.

### **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 \$24,456,366, an increase of \$300,782 in comparison with the prior year. Of this total amount, \$8,069,644, 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, \$11,117,882; has already been assigned, \$4,704,445; or is in a nonspendable form, \$564,395.

The General Fund is the chief operating fund of the District. The District's General Fund balance increased by \$3,057,862 in fiscal year 2021 due to an increase in tax revenues.

## Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

<u>Revenues</u>	2021 <u>Amount</u>	2020 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 80,001,448	\$ 68,003,667	18%
Interest earnings	60,434	887,131	(93)%
Intergovernmental	31,799,972	30,524,069	4%
Other revenue and financing sources	<u>6,039,140</u>	<u>7,295,161</u>	(17)%
Total	\$ <u>117,900,994</u>	\$ <u>106,710,028</u>	

Taxes increased as the District started to receive addition funds related to the 2020 levy. Interest earnings decreased as cash balances decreased as funds were being utilized for various capital projects and interest rates were down.

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

<u>Expenditures by Function</u>	2021 <u>Amount</u>	2020 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 76,411,195	\$ 76,640,481	0%
Support services	37,083,183	40,351,989	(8)%
Food service operations	-	272	(100)%
Other non-instructional services	19,236	30,418	(37)%
Extracurricular activities	981,055	1,170,753	(16)%
Debt service	97,963	111,035	(12)%
Transfers - out	<u>250,500</u>	<u>291,177</u>	(14)%
Total	\$ <u>114,843,132</u>	\$ <u>118,596,125</u>	

Overall, expenses in the General Fund are down 3% from 2020. The main factors resulting in this fluctuation is a decrease in support services during 2021 as wages and benefits decreased.

The fund balance of the Permanent Improvement Fund increased \$3,828,929 due to a transfer from the Building Fund. This increased the fund balance from \$5,934,326 to \$9,763,255 during the year ended June 30, 2021.

The fund balance of the other governmental funds decreased from \$6,959,610 to \$373,601 during the year ended June 30, 2021. The largest expense is for debt service related to payments on the debt taken out to fund the master facilities project. There was also a transfer from the Building Fund to the Permanent Improvement which also increased other governmental expenses.

### ***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.



# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

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## ***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 2021, 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 2021. During the course of fiscal year 2021, the total budget was changed multiple times. For the General Fund, original and final budgeted revenues and other financing sources were \$109,839,001. Actual revenues and other financing sources for fiscal year 2021 were \$116,344,209. Actual differed from the final budget mainly due to higher than anticipated collection of tax revenues. General Fund original appropriations and other financing uses were \$121,583,218. The actual expenditures and other financing uses for fiscal year 2021 totaled \$117,694,814, which was \$3,921,401 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 \$175,996,819 invested in capital assets net of depreciation, with \$175,695,403 attributed to government activities. Net acquisition for governmental activities totaled \$2,769,887 and depreciation was \$5,401,413. 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, 2021, the District has \$147,676,237 in outstanding long-term bond debt and of this amount \$1,346,785 is due within one year. The District paid \$1,388,259 in principal on bonds outstanding. The District also has \$17,551,947 of certificates of participation outstanding at June 30, 2021 and of this amount \$490,000 is due within one year. The District has capital leases of \$83,948 outstanding at June 30, 2021, with \$29,018 due within one year. 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).

## **Economic Factors**

The Board of Education and the administration closely monitor District 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 residents have come to expect as normal operations. At the state level, a new school funding plan was implemented in the current biennial budget but will be phased in over 6 years and is contingent upon being supported in the subsequent two state biennial budgets.

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

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

For the Fiscal Year Ended June 30, 2021

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The District is dependent on local taxpayers. The District passed a 6.9 mill operating levy in 2011, a 5.5 mill operating levy in 2016, and a 4.8 mill operating levy in 2020. 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 as well as closing a middle school at the end of fiscal year 2013. 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*



Thalia Lisowski  
12th grade

CLEVELAND UNIVERSITY **HEIGHTS**  
CITY SCHOOL DISTRICT  

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UNIVERSITY HEIGHTS, OHIO



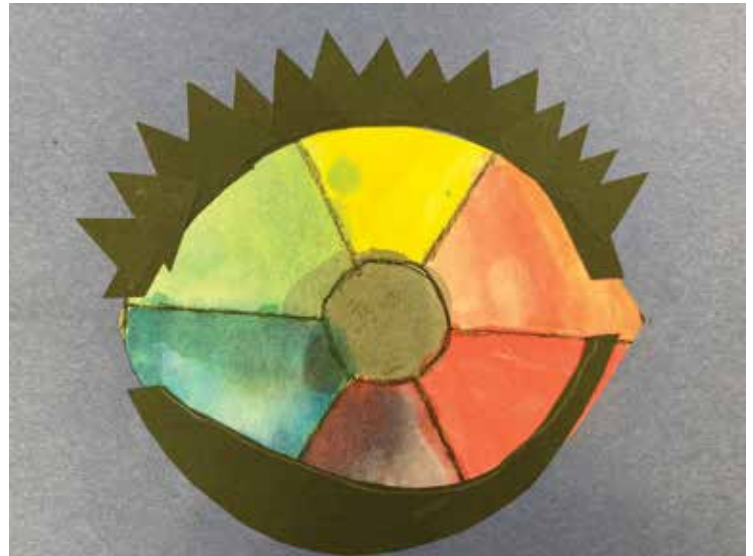


CLEVELAND UNIVERSITY **HEIGHTS**  
CITY SCHOOL DISTRICT

# BASIC FINANCIAL STATEMENTS



Tamea Pollard  
5th grade



Tayvon Orr  
5th grade



# Cleveland Heights-University Heights City School District

## Statement of Net Position

June 30, 2021

	Primary Government		Total*
	Governmental Activities	Business-Type Activities	
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 34,677,974	\$ 1,330,487	\$ 36,008,461
Accounts receivable	102,748	-	102,748
Prepaid items	158,933	90	159,023
Intergovernmental receivable	2,342,735	444,333	2,787,068
Materials and supplies inventory	405,462	10,684	416,146
Inventory held for resale	-	27,485	27,485
Taxes receivable	101,084,850	-	101,084,850
Net OPEB asset	7,037,821	-	7,037,821
Nondepreciable capital assets	1,949,928	29,886	1,979,814
Depreciable capital assets, net	173,745,475	271,530	174,017,005
<b>Total assets</b>	<b>321,505,926</b>	<b>2,114,495</b>	<b>323,620,421</b>
<b>Deferred outflows of resources:</b>			
Deferred loss on refunding	7,797,343	-	7,797,343
Asset retirement obligation	24,000	-	24,000
Pension	20,910,483	8,529	20,771,105
OPEB	3,075,413	4,332	2,996,748
<b>Total deferred outflows of resources</b>	<b>31,807,239</b>	<b>12,861</b>	<b>31,589,196</b>
<b>Liabilities:</b>			
Accounts payable	1,965,975	312,124	2,278,099
Accrued wages and benefits	7,840,390	4,736	7,845,126
Matured compensated absences	438,601	-	438,601
Intergovernmental payable	1,518,479	1,029	1,519,508
Accrued interest payable	607,711	-	607,711
Claims payable	2,070,000	-	2,070,000
<b>Long-term liabilities:</b>			
Due within one year	2,765,614	551	2,766,165
Due in more than one year:			
Net pension liability	125,430,946	62,920	125,493,866
Net OPEB liability	9,222,471	20,334	9,242,805
Other amounts due in more than one year	169,405,489	-	169,405,489
<b>Total liabilities</b>	<b>321,265,676</b>	<b>401,694</b>	<b>321,667,370</b>

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, 2021

	Primary Government		Total*
	Governmental Activities	Business-Type Activities	
Deferred inflows of resources:			
Property taxes	74,873,654	-	74,873,654
Payments in lieu of taxes	328,347	-	328,347
Pension	3,653,164	403,913	3,909,170
OPEB	14,368,239	392,118	14,677,360
Total deferred inflows of resources	<u>93,223,404</u>	<u>796,031</u>	<u>93,788,531</u>
Net position:			
Net investment in capital assets	23,947,703	279,381	24,227,084
Restricted for:			
Capital projects	10,417,500	-	10,417,500
State programs	353,158	-	353,158
Federal programs	173,970	-	173,970
Other	195,829	-	195,829
Unrestricted (deficit)	<u>(96,264,075)</u>	<u>650,250</u>	<u>(95,613,825)</u>
Total net position (deficit)	<u>\$ (61,175,915)</u>	<u>\$ 929,631</u>	<u>\$ (60,246,284)</u>

\*After deferred outflows and inflows of resources related to the change in internal proportionate share of pension and OPEB related items have been eliminated.

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, 2021

	Program Revenues		
	Charges for Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular	\$ 39,259,869	\$ 781,652	\$ 1,417,514
Special	24,869,224	781,187	3,997,515
Vocational	2,206,214	11,442	308,190
Other	14,496,660	-	-
Adult/continuing	294	-	-
Support services:			
Pupil	7,764,918	-	1,398,518
Instructional staff	4,314,831	-	58,568
Board of education	851,193	-	-
Administration	6,677,556	126,028	-
Fiscal	3,036,965	-	-
Business	1,215,741	-	-
Operations and maintenance of plant	17,033,474	-	-
Pupil transportation	2,959,364	1,566	-
Central	3,715,374	-	-
Operation of non-instructional services:			
Food service operations	5,339	-	-
Community services	4,116,137	-	2,762,725
Extracurricular activities	1,373,018	44,185	-
Interest and fiscal charges	6,747,558	-	-
Total governmental activities	<u>140,643,729</u>	<u>1,746,060</u>	<u>9,943,030</u>
Business-type activities:			
Food services	1,693,177	96,070	3,279,321
Uniform school supplies	1,927	3,805	-
Customer services	111	400	-
Total business-type activities	<u>1,695,215</u>	<u>100,275</u>	<u>3,279,321</u>
Totals	<u>\$ 142,338,944</u>	<u>\$ 1,846,335</u>	<u>\$ 13,222,351</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

### Change in net position

Net position (deficit) at beginning of year, restated (see Note 2)

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
\$ (37,060,703)	\$ -	\$ (37,060,703)
(20,090,522)	-	(20,090,522)
(1,886,582)	-	(1,886,582)
(14,496,660)	-	(14,496,660)
(294)	-	(294)
(6,366,400)	-	(6,366,400)
(4,256,263)	-	(4,256,263)
(851,193)	-	(851,193)
(6,551,528)	-	(6,551,528)
(3,036,965)	-	(3,036,965)
(1,215,741)	-	(1,215,741)
(17,033,474)	-	(17,033,474)
(2,957,798)	-	(2,957,798)
(3,715,374)	-	(3,715,374)
(5,339)	-	(5,339)
(1,353,412)	-	(1,353,412)
(1,328,833)	-	(1,328,833)
(6,747,558)	-	(6,747,558)
<u>(128,954,639)</u>	<u>-</u>	<u>(128,954,639)</u>
-	1,682,214	1,682,214
-	1,878	1,878
-	289	289
<u>-</u>	<u>1,684,381</u>	<u>1,684,381</u>
<u>(128,954,639)</u>	<u>1,684,381</u>	<u>(127,270,258)</u>
81,433,114	-	81,433,114
5,436,666	-	5,436,666
3,323,836	-	3,323,836
33,574,521	-	33,574,521
60,559	-	60,559
2,939,450	218	2,939,668
<u>126,768,146</u>	<u>218</u>	<u>126,768,364</u>
(2,186,493)	1,684,599	(501,894)
(58,989,422)	(754,968)	(59,744,390)
<u>\$ (61,175,915)</u>	<u>\$ 929,631</u>	<u>\$ (60,246,284)</u>

The accompanying notes are an integral part of these financial statements

# Cleveland Heights-University Heights City School District

## Balance Sheet – Governmental Funds

June 30, 2021

	General	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 15,668,957	\$ 9,562,884	\$ 1,274,702	\$ 26,506,543
Accounts receivable	102,748	-	-	102,748
Intergovernmental receivable	1,007,244	-	1,335,491	2,342,735
Interfund receivable	559,831	-	-	559,831
Materials and supplies inventory	405,462	-	-	405,462
Prepaid items	158,933	-	-	158,933
Taxes receivable	91,189,352	3,754,678	6,140,820	101,084,850
Total assets	<u>\$ 109,092,527</u>	<u>\$ 13,317,562</u>	<u>\$ 8,751,013</u>	<u>\$ 131,161,102</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 969,282	\$ 122,720	\$ 873,973	\$ 1,965,975
Accrued wages and benefits	7,520,919	-	319,471	7,840,390
Interfund payable	-	-	559,831	559,831
Matured compensated absences	438,601	-	-	438,601
Intergovernmental payable	1,446,755	-	71,724	1,518,479
Total liabilities	<u>10,375,557</u>	<u>122,720</u>	<u>1,824,999</u>	<u>12,323,276</u>
<b>Deferred inflows of resources:</b>				
Property taxes	67,526,542	2,746,300	4,600,812	74,873,654
Payments in lieu of taxes	328,347	-	-	328,347
Unavailable revenue	16,542,571	685,287	1,951,601	19,179,459
Total deferred inflows of resources	<u>84,397,460</u>	<u>3,431,587</u>	<u>6,552,413</u>	<u>94,381,460</u>
<b>Fund balances:</b>				
Nonspendable	564,395	-	-	564,395
Restricted	-	9,763,255	1,354,627	11,117,882
Assigned	4,704,445	-	-	4,704,445
Unassigned (deficit)	9,050,670	-	(981,026)	8,069,644
Total fund balances	<u>14,319,510</u>	<u>9,763,255</u>	<u>373,601</u>	<u>24,456,366</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 109,092,527</u>	<u>\$ 13,317,562</u>	<u>\$ 8,751,013</u>	<u>\$ 131,161,102</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, 2021

Total governmental funds balances		\$ 24,456,366
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.		175,695,403
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	\$ 18,153,306	
Intergovernmental	87,287	
Investment earnings	10,757	
Tuition	11,201	
Grants	916,908	
Total	<u>19,179,459</u>	19,179,459
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.		6,101,431
In the government-wide financial statements, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(607,711)
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	7,037,821	
Deferred outflows – pension	20,910,483	
Deferred inflows – pension	(3,653,164)	
Net pension liability	(125,430,946)	
Deferred outflows – OPEB	3,075,413	
Deferred inflows – OPEB	(14,368,239)	
Net OPEB liability	<u>(9,222,471)</u>	
Total		(121,651,103)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Library improvement refunding bonds	(3,135,000)	
Certificates of participation	(17,575,000)	
General obligation school improvement bonds	(132,262,449)	
Accretion of CABs	(2,674,922)	
Deferred charge on refunding	7,797,343	
Unamortized charges – premium	(9,603,866)	
Unamortized charges – discount	23,053	
Asset retirement obligation	(16,000)	
Capital leases	(83,948)	
Early retirement incentive	(120,000)	
Compensated absences	<u>(6,698,971)</u>	
Total		<u>(164,349,760)</u>
Net position of governmental activities		<u>\$ (61,175,915)</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, 2021

	General	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 80,001,448	\$ 3,277,935	\$ 5,380,026	\$ 88,659,409
Intergovernmental	31,799,972	434,606	10,968,408	43,202,986
Grants	-	-	245,206	245,206
Tuition and fees	3,023,895	-	-	3,023,895
Earnings on investments	60,434	-	8,811	69,245
Extracurricular activities	7,744	-	59,068	66,812
Classroom materials and fees	1,787	-	-	1,787
Miscellaneous	2,866,539	2,289	46,992	2,915,820
Total revenues	<u>117,761,819</u>	<u>3,714,830</u>	<u>16,708,511</u>	<u>138,185,160</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	37,861,189	-	840,975	38,702,164
Special	22,447,850	-	2,427,132	24,874,982
Vocational	1,907,766	-	302,407	2,210,173
Other	14,194,096	-	295,532	14,489,628
Adult/continuing	294	-	-	294
<b>Support services:</b>				
Pupil	5,810,900	-	1,882,701	7,693,601
Instructional staff	3,809,599	-	540,493	4,350,092
Board of education	858,028	-	-	858,028
Administration	5,824,181	-	680,490	6,504,671
Fiscal	2,905,256	50,643	83,798	3,039,697
Business	1,137,025	-	6,825	1,143,850
Operations and maintenance of plant	10,056,889	2,723,534	334,937	13,115,360
Pupil transportation	3,080,286	-	41,570	3,121,856
Central	3,601,019	-	99,562	3,700,581
<b>Operation of non-instructional services:</b>				
Community services	19,236	-	4,078,334	4,097,570
Extracurricular activities	981,055	-	368,720	1,349,775
Facilities acquisition and construction services	-	-	302,761	302,761
<b>Debt service:</b>				
Principal	92,131	480,000	1,388,259	1,960,390
Interest and fiscal charges	5,832	754,044	5,609,029	6,368,905
Total expenditures	<u>114,592,632</u>	<u>4,008,221</u>	<u>19,283,525</u>	<u>137,884,378</u>
Excess of revenues over (under) expenditures	<u>3,169,187</u>	<u>(293,391)</u>	<u>(2,575,014)</u>	<u>300,782</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, 2021

	General	Permanent Improvement	Non-major Governmental Funds	Total Governmental Funds
Other financing sources (uses):				
Transfers – in	139,175	4,122,320	250,500	4,511,995
Transfers – out	(250,500)	-	(4,261,495)	(4,511,995)
Total other financing sources (uses)	(111,325)	4,122,320	(4,010,995)	-
Net change in fund balance	3,057,862	3,828,929	(6,586,009)	300,782
Fund balance at beginning of year, restated	11,261,648	5,934,326	6,959,610	24,155,584
Fund balance at end of year	\$ 14,319,510	\$ 9,763,255	\$ 373,601	\$ 24,456,366

The accompanying notes are an integral part of these financial statements

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

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Net change in fund balances – total governmental funds \$ 300,782

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and deprecation differed in the current period.

Capital outlay	\$	2,769,887	
Depreciation		(5,401,413)	
Total		(2,631,526)	(2,631,526)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (1,372,392)

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

Delinquent property and other taxes		1,534,207	
Investment earnings		(8,686)	
Tuition		(1,459,266)	
Intergovernmental		205,821	
Total		272,076	272,076

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. 1,960,390

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. 623,719

Continued

## Cleveland Heights-University Heights City School District

### Reconciliation of 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, 2021

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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	1,214,502	
Early retirement incentive	(24,000)	
Amortization of premium and discount	324,617	
Amortization of deferred loss on refunding	(255,651)	
Accretion on capital appreciation bonds	(451,400)	
Asset retirement obligation	(16,000)	
Interest expense	3,781	
Total		795,849

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

Pension	8,563,637	
OPEB	167,641	
Total		8,731,278

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	(11,830,846)	
OPEB	964,177	
Total		(10,866,669)

Change in net position of governmental activities \$ (2,186,493)

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 Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 69,252,071	\$ 69,252,071	\$ 78,674,218	\$ 9,422,147
Intergovernmental	34,114,472	34,114,472	31,721,319	(2,393,153)
Tuition and fees	3,263,195	3,263,195	3,034,279	(228,916)
Earnings on investments	222,437	222,437	206,833	(15,604)
Miscellaneous	2,645,202	2,645,202	2,459,640	(185,562)
Total revenues	<u>109,497,377</u>	<u>109,497,377</u>	<u>116,096,289</u>	<u>6,598,912</u>
Expenditures:				
Current:				
Instruction:				
Regular	40,484,496	40,495,491	38,047,398	2,448,093
Special	23,890,517	23,897,006	23,383,097	513,909
Vocational	1,918,429	1,918,951	1,885,971	32,980
Other	13,002,475	13,006,006	14,212,330	(1,206,324)
Adult/continuing	287	287	287	-
Support services:				
Pupil	5,979,359	5,980,980	5,881,538	99,442
Instructional staff	3,999,692	4,000,779	3,932,976	67,803
Board of education	1,359,554	1,359,925	1,129,204	230,721
Administration	6,194,353	6,196,041	5,938,275	257,766
Fiscal	2,838,074	2,838,842	2,948,351	(109,509)
Business	1,313,074	1,313,428	1,203,042	110,386
Operation and maintenance of plant	11,130,126	11,133,147	10,560,333	572,814
Pupil transportation	3,795,186	3,796,200	3,096,517	699,683
Central	4,233,107	4,234,256	4,082,235	152,021
Operation of non-instructional services:				
Community services	20,501	20,506	20,266	240
Extracurricular activities:				
Academic and subject oriented	89,143	89,166	84,779	4,387
Occupational oriented	1,426	1,426	1,426	-
Sports oriented	840,386	840,611	827,501	13,110
Co-curricular activities	60,150	60,167	54,988	5,179
Total expenditures	<u>121,150,335</u>	<u>121,183,215</u>	<u>117,290,514</u>	<u>3,892,701</u>
Excess of revenues (under) over expenditures	<u>(11,652,958)</u>	<u>(11,685,838)</u>	<u>(1,194,225)</u>	<u>10,491,613</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 Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (continued)

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers – in	224,675	224,675	139,175	(85,500)
Transfers – out	(272,926)	(273,000)	(250,500)	22,500
Advances – in	116,949	116,949	108,745	(8,204)
Advances – out	(159,957)	(160,000)	(153,800)	6,200
Total other financing sources (uses)	<u>(91,259)</u>	<u>(91,376)</u>	<u>(156,380)</u>	<u>(65,004)</u>
Net change in fund balance	(11,744,217)	(11,777,214)	(1,350,605)	10,426,609
Fund balance at beginning of year	13,513,978	13,513,978	13,513,978	-
Prior year encumbrances appropriated	<u>1,565,286</u>	<u>1,565,286</u>	<u>1,565,286</u>	-
Fund balance at end of year	<u>\$ 3,335,047</u>	<u>\$ 3,302,050</u>	<u>\$ 13,728,659</u>	<u>\$ 10,426,609</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, 2021

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Services Funds</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 1,330,487	\$ 8,171,431
Prepaid items	90	-
Intergovernmental receivable	444,333	-
Materials and supplies inventory	38,169	-
Total current assets	<u>1,813,079</u>	<u>8,171,431</u>
Non-current assets:		
Nondepreciable capital assets	29,886	-
Depreciable capital assets, net	271,530	-
Total non-current assets	<u>301,416</u>	<u>-</u>
Total assets	<u>2,114,495</u>	<u>8,171,431</u>
Deferred outflows of resources:		
Pension – SERS	8,529	-
OPEB – SERS	4,332	-
Total deferred outflows of resources	<u>12,861</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	312,124	-
Accrued wages and benefits	4,736	-
Intergovernmental payable	1,029	-
Claims payable	-	2,070,000
Current portion of accrued compensated absences	551	-
Total current liabilities	<u>318,440</u>	<u>2,070,000</u>
Non-current liabilities:		
Net pension liability	62,920	-
Net OPEB liability	20,334	-
Total non-current liabilities	<u>83,254</u>	<u>-</u>
Total liabilities	<u>401,694</u>	<u>2,070,000</u>
Deferred inflows of resources:		
Pension – SERS	403,913	-
OPEB – SERS	392,118	-
Total deferred inflows of resources	<u>796,031</u>	<u>-</u>
Net position:		
Net investment in capital assets	279,381	-
Unrestricted	650,250	6,101,431
Total net position	<u>\$ 929,631</u>	<u>\$ 6,101,431</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, 2021

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Services Funds</u>
Operating revenues:		
Charges for services	\$ -	\$ 20,082,039
Classroom materials and fees	3,805	-
Food services	95,448	-
Miscellaneous	1,240	-
Total operating revenues	<u>100,493</u>	<u>20,082,039</u>
Operating expenses:		
Salaries and wages	30,179	-
Fringe benefits	(385,511)	19,448,954
Purchased services	1,826,054	9,366
Supplies and materials	201,579	-
Depreciation	20,931	-
Other	1,983	-
Total operating expenses	<u>1,695,215</u>	<u>19,458,320</u>
Operating (loss) income	<u>(1,594,722)</u>	<u>623,719</u>
Non-operating revenues:		
Federal donated commodities	189,308	-
Intergovernmental grants	3,090,013	-
Total non-operating revenues	<u>3,279,321</u>	<u>-</u>
Change in net position	1,684,599	623,719
Total (deficit) net position at beginning of year	<u>(754,968)</u>	<u>5,477,712</u>
Total net position at end of year	<u>\$ 929,631</u>	<u>\$ 6,101,431</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, 2021

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Services Funds</u>
<b>Increase (decrease) in cash and cash equivalents:</b>		
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 99,253	\$ 20,082,039
Cash received from other operating sources	1,240	-
Cash payments for materials and supplies	(16,836)	-
Cash payments for goods and services	(1,945,497)	(9,366)
Cash payments to employees for services	(30,399)	-
Cash payments for employee benefits	(35,866)	-
Cash payments for claims	-	(19,101,554)
Cash payments for other	(202)	-
Net cash (used) provided by operating activities	<u>(1,928,307)</u>	<u>971,119</u>
<b>Cash flows from non-capital financing activities:</b>		
Intergovernmental grants received	<u>2,916,020</u>	<u>-</u>
<b>Cash flows from capital financing activities:</b>		
Acquisition of capital assets	<u>(7,851)</u>	<u>-</u>
Net increase in cash and cash equivalents	979,862	971,119
Cash and cash equivalents at beginning of year	<u>350,625</u>	<u>7,200,312</u>
Cash and cash equivalents at end of year	<u>\$ 1,330,487</u>	<u>\$ 8,171,431</u>
<b>Non-cash capital and non-capital financing activities:</b>		
Federal donated commodities	\$ 189,308	\$ -
Capital assets purchased on credit	22,035	

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, 2021

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Services Funds</u>
<b>Reconciliation of operating (loss) income to net cash (used) provided by operating activities:</b>		
Operating (loss) income	\$ (1,594,722)	\$ 623,719
Adjustments:		
Depreciation	20,931	-
Federal donated commodities	189,308	-
Changes in assets/liabilities:		
Prepaid items	816	-
Materials and supplies inventories	590	-
Inventory held for resale	(5,155)	-
Deferred outflows – pension	51,480	-
Deferred outflows – OPEB	4,508	-
Accounts payable	(117,662)	-
Accrued wages and benefits	(220)	-
Intergovernmental payable	(465)	-
Accrued compensated absences	(23,872)	-
Claims payable	-	347,400
Net pension liability	(255)	-
Net OPEB liability	1,768	-
Deferred inflows – pension	(364,149)	-
Deferred inflows – OPEB	(91,208)	-
Total adjustments	<u>(333,585)</u>	<u>347,400</u>
Net cash (used) provided by operating activities	<u>\$ (1,928,307)</u>	<u>\$ 971,119</u>

The accompanying notes are an integral part of these financial statements

# Cleveland Heights-University Heights City School District

## Statement of Fiduciary Net Position Fiduciary Fund

June 30, 2021

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	<u>Custodial Funds</u>
Net position:	
Restricted for others	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements

# Cleveland Heights-University Heights City School District

## Statement of Change in Fiduciary Net Position Fiduciary Fund

For the Fiscal Year Ended June 30, 2021

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	<u>Custodial Fund</u>
Additions:	
Extracurricular activities	\$ 700
Deductions:	
Extracurricular activities	<u>(700)</u>
Change in fiduciary net position	-
Fiduciary net position, beginning of year	<u>-</u>
Fiduciary net position, end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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## **Note 1: Summary of Significant Accounting Policies**

### **A. Description of the School District and Reporting Entity**

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board of Education (the “Board”) controls the District’s thirteen instructional/support facilities staffed by 536 classified employees, 420 certificated full-time teaching personnel and approximately 45 administrators who provide services to 4,850 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 School, Chaviva School, GESU School, Hebrew Academy of Cleveland, Lutheran East School, Monarch School, Yeshiva Derech Hatorah, Ruffing Montessori Ingalls, Reserve School, 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, 2021

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

### **A. Description of the School District and Reporting Entity (continued)**

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

### **B. Fund Accounting**

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

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

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

*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 enterprise funds of the District account for food services, uniform school supplies, and customer services.

*Internal Service Fund* – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governmental units, on a cost-reimbursement basis. The internal service fund accounts for a self-insurance program that provides medical and dental benefits to employees.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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

### **B. Fund Accounting (continued)**

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District does not have any trust funds.

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for Ohio High School Athletic Association activity.

### **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.

***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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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

### **C. Basis of Presentation (continued)**

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.

Like the government-wide statements, the fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

### **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, 2021

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

### **D. Basis of Accounting (continued)**

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

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

**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, 2021.

**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, asset retirement obligation, 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, 2021, but which were levied to finance fiscal year 2022 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 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).

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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

### **D. Basis of Accounting (continued)**

*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.

### **E. Budgets**

All funds, other than custodial 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 2021, investments were limited to money market accounts, negotiable certificates of deposits, United States government securities and notes 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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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

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

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 a NAV per share that approximates fair value.

For the fiscal year 2021, 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 2021 amounted to \$60,434. The amount allocated from the other funds during fiscal year 2021 amounted to \$23,426.

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. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2021, 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.

### **H. 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.

### **I. 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, 2021

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

### I. 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.

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

### J. 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."

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension and OPEB items are eliminated in the total column of the entity wide Statement of Net Position.

### K. 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, 2021

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

### **L. 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.

### **M. 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, 2021

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

### **M. 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.

### **N. 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.

### **O. 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 first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. As of June 30, 2021, 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, 2021

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

### P. 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 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.

### Q. 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.

### R. 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

### *Newly Adopted Accounting Pronouncements*

For fiscal year 2021, the District implemented the following Governmental Accounting Standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

The implementation of GASB Statement No. 84 had the following effect on beginning net position and beginning fund balances as reported as of June 30, 2020:

	Governmental Activities
Net position at June 30, 2020	\$ (59,083,736)
GASB 84 fund reclassification	94,314
Restated net position at June 30, 2020	\$ <u>(58,989,422)</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 2: Change in Accounting Principles (continued)

### *Newly Adopted Accounting Pronouncements (continued)*

Governmental funds fund balances:

	Nonmajor Governmental Funds	Total Governmental Funds
Fund balance at June 30, 2020	\$ 6,865,296	\$ 24,061,270
GASB 84 fund reclassification	<u>94,314</u>	<u>94,314</u>
Restated fund balance at June 30, 2020	<u>\$ 6,959,610</u>	<u>\$ 24,155,584</u>

GASB Implementation Guide No. 2019-2, *Fiduciary Activities*, issued in June 2019, provides guidance to address issues related to accounting and financial reporting for fiduciary activities in accordance with the requirements of GASB Statement No. 84. These changes were incorporated in the District's 2021 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued in June 2018, establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period by simplifying accounting for interest cost incurred before the end of a construction period. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2020. These changes were incorporated in the District's 2021 financial statements; however, there was no effect on beginning net position.

### *Newly Issued Accounting Pronouncements, Not Yet Adopted*

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021. The District has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Implementation Guide No. 2019-3, *Leases*, effective date was also deferred as a result of GASB Statement No. 95. The effective date are for reporting periods beginning after June 15, 2021. The District has not yet determined the impact that this implementation guide will have on its financial statements and disclosures.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## **Note 2: Change in Accounting Principles (continued)**

### *Newly Issued Accounting Pronouncements, Not Yet Adopted (continued)*

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2021. The District has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020 to address accounting and financial reporting implications that result from global reference rate reform. The removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The District has not yet determined the impact that this GASB pronouncement 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).

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 3: Budgetary Basis of Accounting (continued)

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

	<u>General</u>
GAAP basis	\$ 3,057,862
Revenue accruals	(1,621,999)
Advances – in	108,745
Expenditure accruals	(663,408)
Advances – out	(153,800)
Encumbrances	(2,082,556)
To reclassify the net change in fund balance for funds combined with the General Fund	<u>4,551</u>
Budget basis	\$ <u><u>(1,350,605)</u></u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

## 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	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory	\$ 405,462	\$ -	\$ -	\$ 405,462
Prepays	<u>158,933</u>	<u>-</u>	<u>-</u>	<u>158,933</u>
Total nonspendable	<u>564,395</u>	<u>-</u>	<u>-</u>	<u>564,395</u>
Restricted for:				
Community activities	-	-	10,652	10,652
Student activities	-	-	185,177	185,177
Auxiliary services	-	-	349,494	349,494
Miscellaneous grants	-	-	3,664	3,664
Debt service payments	-	-	805,640	805,640
Capital improvements	<u>-</u>	<u>9,763,255</u>	<u>-</u>	<u>9,763,255</u>
Total restricted	<u>-</u>	<u>9,763,255</u>	<u>1,354,627</u>	<u>11,117,882</u>
Assigned to:				
Public school support	188,205	-	-	188,205
Subsequent year's budget: appropriation of fund balance	2,857,504	-	-	2,857,504
Purchases on order:				
Instruction services and supplies	501,209	-	-	501,209
Maintenance services and supplies	381,980	-	-	381,980
Equipment	124,547	-	-	124,547
Other	<u>651,000</u>	<u>-</u>	<u>-</u>	<u>651,000</u>
Total assigned	<u>4,704,445</u>	<u>-</u>	<u>-</u>	<u>4,704,445</u>
Unassigned (deficit)	<u>9,050,670</u>	<u>-</u>	<u>(981,026)</u>	<u>8,069,644</u>
Total	<u>\$ 14,319,510</u>	<u>\$ 9,763,255</u>	<u>\$ 373,601</u>	<u>\$ 24,456,366</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## **Note 5: Deposits and Investments**

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

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

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

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

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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

8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

### **Deposits**

**Custodial Credit Risk** is the risk that in the event of bank failure, the District's deposits may not be returned to it.

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 the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

At year-end, the bank balance of the District's deposits was \$6,601,093. At year-end \$1,679,818 of the District's total bank balance was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 60% resulting in the uninsured and uncollateralized balance.



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 5: Deposits and Investments (continued)

### Investments

Investments are reported at fair value. As of June 30, 2021, the District had the following investments:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
US Treasury Note	\$ 1,155,509	\$ 1,155,509	\$ -
Federal Farm Credit Bank (FFCB)	669,603	500,455	169,148
Federal Home Loan Bank (FHLB)	398,356	-	398,356
Negotiable certificates of deposits	6,527,838	1,801,884	4,725,954
Money market	1,532,852	1,532,852	-
STAR Ohio	<u>19,569,787</u>	<u>19,569,787</u>	<u>-</u>
Total portfolio	<u>\$ 29,853,945</u>	<u>\$ 24,560,487</u>	<u>\$ 5,293,458</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, 2021:

- STAR Ohio is measured at amortized cost, which approximates fair value. At June 30, 2021, the average days to maturity was 54.4 days.
- FFCB and FHLB are measured based on Level 2 inputs, using matrix pricing.
- Negotiable certificates of deposits, and the US Treasury Note 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, 2021

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## 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 Farm Credit Bank bonds and Federal Home Loan Bank notes all carry a rating of AA+ by Standard and Poor's. STAR Ohio carries a rating AAAM by Standard & Poor's and the money market and US Treasury Note carries a rating of AAA by Standard & Poor's. The negotiable certificates of deposits 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, 2021:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
US Treasury Note	3.9%
Federal Farm Credit Bank	2.2
Federal Home Loan Bank	1.3
Negotiable certificates of deposits	21.9
Money market	5.1
STAR Ohio	65.6

## Note 6: Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at 35% of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2019, were levied after April 1, 2020 and are collected in 2021 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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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**Note 6: Property Taxes (continued)**

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, 2021, are available to finance fiscal year 2021 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, 2021 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, 2021 was \$7,229,484 for the General Fund, \$505,315 in the Bond Retirement Fund, and \$323,091 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2021 taxes were collected are:

	2020		2021	
	<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	\$ 1,082,425,570	97.86%	\$ 1,077,680,970	97.54%
Public utility	<u>23,613,970</u>	<u>2.14</u>	<u>27,230,400</u>	<u>2.46</u>
	<u>\$ 1,106,039,540</u>	<u>100.00%</u>	<u>\$ 1,104,911,370</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 153.60		\$ 158.30

**Note 7: Interfund Transactions**

**Interfund Balances**

Interfund transactions for the year ended June 30, 2021 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 559,831

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, 2021, all interfund loans outstanding are anticipated to be repaid during fiscal year 2022.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 7: Interfund Transactions (continued)

### Interfund Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	Transfers – out		
	General	Nonmajor Governmental	Total
Transfers – in:			
General	\$ -	\$ 139,175	\$ 139,175
Permanent improvement	-	4,122,320	4,122,320
Nonmajor governmental	<u>250,500</u>	<u>-</u>	<u>250,500</u>
Total	<u>\$ 250,500</u>	<u>\$ 4,261,495</u>	<u>\$ 4,511,995</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from nonmajor governmental funds to the permanent improvement fund was to move funds as all obligations related to the building fund capital project was finalized in fiscal year 2021.

### Internal Balances – Changes in Proportionate Share

The District uses an internal proportionate share to allocate its net pension asset/liability, net OPEB asset/liability and corresponding deferred outflows/inflows of resources and pension and OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension and OPEB deferred outflows/inflows of resources in the total column of the entity wide Statement of Net Position.

Eliminations made in the total column include a deferred outflow and a deferred inflow of resources in the amount of \$147,907 related to pension and \$82,997 related to OPEB.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 8: Receivables

Receivables at June 30, 2021, 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	\$ 13,016
Teachers Union	23,505
Medicaid	384,471
SERS	87,287
Ohio school climate	2,170
ESSER	116,298
21 <sup>st</sup> CCLC	158,276
COVID relief	11,269
IDEA early childhood special education	4,738
Fuel reimbursement	21,677
Cuyahoga County	10,382
Casino tax	148,941
City of South Euclid	328,347
Early childhood education	17,196
Special education cluster	267,288
Carl D. Perkins grant	147,849
Title I grant	426,902
Title III grant	162
Title II-A grant	142,105
Miscellaneous federal grants	<u>30,856</u>
	2,342,735
Business-type activities:	
Department of Education	<u>444,333</u>
Total intergovernmental receivable	\$ <u><u>2,787,068</u></u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

## Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance at 6/30/20	Additions	Disposals	Balance at 6/30/21
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ (337,385)	\$ 1,644,238
Construction in progress	<u>35,085,932</u>	<u>608,452</u>	<u>(35,388,694)</u>	<u>305,690</u>
Total capital assets, not being depreciated	<u>37,067,555</u>	<u>608,452</u>	<u>(35,726,079)</u>	<u>1,949,928</u>
Capital assets, being depreciated:				
Land improvements	7,380,314	558,538	(704,825)	7,234,027
Buildings and improvements	178,326,123	36,653,662	(7,995,449)	206,984,336
Furniture and equipment	8,753,883	44,370	(290,939)	8,507,314
Vehicles	<u>5,074,421</u>	<u>293,559</u>	<u>(82,043)</u>	<u>5,285,937</u>
Total capital assets, being depreciated	<u>199,534,741</u>	<u>37,550,129</u>	<u>(9,073,256)</u>	<u>228,011,614</u>
Less accumulated depreciation:				
Land improvements	(4,631,623)	(290,309)	639,745	(4,282,187)
Buildings and improvements	(41,113,162)	(4,543,719)	7,025,522	(38,631,359)
Furniture and equipment	(7,449,429)	(242,874)	290,939	(7,401,364)
Vehicles	<u>(3,708,761)</u>	<u>(324,511)</u>	<u>82,043</u>	<u>(3,951,229)</u>
Total accumulated depreciation	<u>(56,902,975)</u>	<u>(5,401,413)</u>	<u>8,038,249</u>	<u>(54,266,139)</u>
Total capital assets being depreciated, net	<u>142,631,766</u>	<u>32,148,716</u>	<u>(1,035,007)</u>	<u>173,745,475</u>
Governmental activities capital assets, net	\$ <u>179,699,321</u>	\$ <u>32,757,168</u>	\$ <u>(36,761,086)</u>	\$ <u>175,695,403</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 316,959
Vocational	7,426
Support services:	
Business	70,522
Operations and maintenance of plant	4,882,111
Pupil transportation	73,693
Central	2,023
Food services	5,339
Community services	16,157
Extracurricular activities	<u>27,183</u>
	\$ <u>5,401,413</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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**Note 9: Capital Assets (continued)**

	<u>Balance at 6/30/20</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/21</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ <u>256,285</u>	\$ <u>29,886</u>	\$ <u>(256,285)</u>	\$ <u>29,886</u>
Capital assets, being depreciated:				
Furniture and equipment	573,856	256,285	(187,114)	643,027
Less accumulated depreciation:				
Furniture and equipment	<u>(537,680)</u>	<u>(20,931)</u>	<u>187,114</u>	<u>(371,497)</u>
Total capital assets being depreciated, net	<u>36,176</u>	<u>235,354</u>	<u>-</u>	<u>271,530</u>
Business-type activities capital assets, net	\$ <u><u>292,461</u></u>	\$ <u><u>265,240</u></u>	\$ <u><u>(256,285)</u></u>	\$ <u><u>301,416</u></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 2021, 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 \$343,970,708 limit
Flood and Earthquake Limit	\$50,000 deductible \$2,000,000 limit (each)
Crime	\$1,000 deductible \$1,000,000 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

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, 2021

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## 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 \$2,070,000 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2021, 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 \$2,070,000 reported in the Self-Insurance Internal Service Fund at June 30, 2021, 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 2019, 2020, and 2021 are as follows:

	Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2019	\$ 1,791,800	\$ 18,503,391	\$ 18,521,091	\$ 1,774,100
June 30, 2020	1,774,100	19,155,823	19,207,323	1,722,600
June 30, 2021	1,722,600	19,448,954	19,101,554	2,070,000

## Note 11: Pension Plans

### A. Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability (asset) reported on the Statements of Net Position represent a liability (asset) to employees for pensions/OPEB. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/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 pensions/OPEB 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, 2021

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

### **A. Net Pension/OPEB Liability (Asset) (continued)**

The net pension/OPEB liabilities (assets) represents the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/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 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/OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB Statement No. 68 and 75 assumes the liability (asset) 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). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

State statute requires the retirement systems to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Funded benefits is presented as a long-term net pension/OPEB asset. Any liability for the contractually-required contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

### **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, Medicare Part B premium reimbursements, and lump sum death benefits. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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**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*	Members attaining 25 years of service after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit 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%.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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, 2021, the allocation to pension, death benefits, and Medicare B was 14.0% while the funding for Health Care Fund was 0.0%.

The District’s contractually required contribution to SERS was \$2,006,084 for fiscal year 2021. Of this amount, \$131,649 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, 2021

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## **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. 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 viewed by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 888-227-7877.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. 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. Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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.

The CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate goes to the DC Plan and 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or CO 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 CO Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS therefore has included all three plan options in the GASB 68 schedules of employer allocations and pension amounts by employer.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 11: Pension Plans (continued)

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

A DB or CO Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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 CO Plans.

Administrative Expenses – The costs of administering the DB and postemployment health care plans are financed by investment income. The administrative costs of the DC 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, 2021 the employer rate was 14% and the plan members were also required to contribute 14% of covered salary.

The District's contractually required contribution to STRS was \$6,561,966 for fiscal year 2021. Of this amount, \$1,219,848 is reported as intergovernmental payable.

### 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of net pension liability prior measurement date	0.439391%	0.403600%	
Proportion of net pension liability current measurement date	<u>0.432407%</u>	<u>0.400445%</u>	
Change in proportionate share	<u>(0.006984%)</u>	<u>(0.003155%)</u>	
Proportionate share of the net pension liability	\$ 28,600,317	\$ 96,893,549	\$ 125,493,866
Pension expense	\$ 2,818,160	\$ 8,704,175	\$ 11,522,335

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 11: Pension Plans (continued)

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

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 55,554	\$ 217,405	\$ 272,959
Change in assumptions	-	5,201,312	5,201,312
Difference between projected and actual earnings on pension plan investments	1,815,540	4,711,944	6,527,484
Changes in proportionate share and difference between District contributions and proportionate share of contributions	201,300	-	201,300
District contributions subsequent to the measurement date	<u>2,006,084</u>	<u>6,561,966</u>	<u>8,568,050</u>
Total deferred outflows of resources	\$ <u>4,078,478</u>	\$ <u>16,692,627</u>	\$ <u>20,771,105</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 619,568	\$ 619,568
Changes in proportionate share and difference between District contributions and proportionate share of contributions	<u>256,006</u>	<u>3,033,596</u>	<u>3,289,602</u>
Total deferred inflows of resources	\$ <u>256,006</u>	\$ <u>3,653,164</u>	\$ <u>3,909,170</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 11: Pension Plans (continued)

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

The District reported \$8,568,050 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, 2022. 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>
2022	\$ 38,350	\$ 897,600	\$ 935,950
2023	452,863	1,114,367	1,567,230
2024	756,757	2,490,232	3,246,989
2025	<u>568,418</u>	<u>1,975,298</u>	<u>2,543,716</u>
Total	\$ <u>1,816,388</u>	\$ <u>6,477,497</u>	\$ <u>8,293,885</u>

Due to changes in allocation in the net pension liability, the food service non-major enterprise fund reports negative fringe benefit expense in its related financial statements.

### 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. Future benefits for all current plan members were projected through 2130.

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, 2021

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## 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, 2020 are presented below:

Valuation date	June 30, 2020
Actuarial cost method	Entry age normal (level percent of payroll)
Actuarial Assumptions:	
Investment rate of return	7.50%, net of investments expense
COLA or Ad Hoc COLA	2.50%, on or after April, 1 2018, COLA's for future retirees will be delayed for three years following commencement.
Future salary increases, including inflation	3.50% to 18.20%
Inflation	3.00%

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average 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	2.00%	1.85%
US equity	22.50	5.75
International equity	22.50	6.50
Fixed income	19.00	2.85
Private equity	12.00	7.60
Real assets	17.00	6.60
Multi-asset strategies	5.00	6.65
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, 2021

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## 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	\$ 39,178,941	\$ 28,600,317	\$ 19,724,649

### F. Actuarial Assumptions - STRS

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increase	3.00%
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Cost-of-living adjustments (COLA)	0.00%

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 rate 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.



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 11: Pension Plans (continued)

### F. Actuarial Assumptions - STRS (continued)

Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS'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'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.

**Discount Rate** The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. 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 as of June 30, 2020.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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**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** The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the 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	\$ 137,959,544	\$ 96,893,549	\$ 62,093,537

**Note 12: Defined Benefit OPEB Plans**

**A. 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 Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://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. 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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## **Note 12: Defined Benefit OPEB Plans (continued)**

### **A. Plan Description - School Employees Retirement System (SERS) (continued)**

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 14.0% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year ended June 30, 2021, 0.0% of covered payroll was made to health care. Active employee members do not contribute to the Health Care Plan. 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 ended June 30, 2021, this amount was \$23,000. 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 2021, the District’s surcharge obligation was \$168,011.

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 \$168,011 for fiscal year 2021. Of this amount \$168,011 is reported as an intergovernmental payable.

### **B. 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. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS 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. 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, 2021, STRS did not allocate any employer contributions to post-employment health care.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 12: Defined Benefit OPEB Plans (continued)

### C. 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, 2020, 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	0.440571%	0.403600%	
Proportion of net OPEB liability/asset current measurement date	<u>0.425284%</u>	<u>0.400445%</u>	
Change in proportionate share	<u>(0.015287%)</u>	<u>(0.003155%)</u>	
Proportionate share of the net OPEB liability	\$ 9,242,805	\$ -	\$ 9,242,805
Proportionate share of the net OPEB asset	\$ -	\$ 7,037,821	\$ 7,037,821
OPEB expense (reduction of expense)	\$ (354,501)	\$ (694,238)	\$ (1,048,739)

At June 30, 2021, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 121,394	\$ 450,950	\$ 572,344
Change in assumptions	1,575,577	116,177	1,691,754
Difference between projected and actual earnings on plan investments	104,145	246,646	350,791
Changes in proportionate share and difference between District contributions and proportionate share of contributions	211,768	2,080	213,848
District contributions subsequent to the measurement date	<u>168,011</u>	<u>-</u>	<u>168,011</u>
Total deferred outflows of resources	\$ <u>2,180,895</u>	\$ <u>815,853</u>	\$ <u>2,996,748</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 12: Defined Benefit OPEB Plans (continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Difference between expected and actual experience	\$ 4,700,612	\$ 1,401,831	\$ 6,102,443
Change in assumptions	232,803	6,684,748	6,917,551
Changes in proportionate share and difference between District contributions and proportionate share of contributions	<u>788,149</u>	<u>869,217</u>	<u>1,657,366</u>
Total deferred inflows of resources	\$ <u>5,721,564</u>	\$ <u>8,955,796</u>	\$ <u>14,677,360</u>

The \$168,011 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, 2022. 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:			
2022	\$ (754,524)	\$ (2,093,151)	\$ (2,847,675)
2023	(746,989)	(1,926,201)	(2,673,190)
2024	(748,215)	(1,867,634)	(2,615,849)
2025	(694,934)	(1,590,819)	(2,285,753)
2026	(547,577)	(321,320)	(868,897)
Thereafter	<u>(216,441)</u>	<u>(340,818)</u>	<u>(557,259)</u>
Total	\$ <u>(3,708,680)</u>	\$ <u>(8,139,943)</u>	\$ <u>(11,848,623)</u>

Due to changes in allocation in the net OPEB liability, the food service non-major enterprise fund reports negative fringe benefit expense in its related financial statements.

### D. 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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 12: Defined Benefit OPEB Plans (continued)

### D. Actuarial Assumptions - SERS (continued)

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, 2020, are presented below:

Wage inflation	3.00%
Projected salary increases	3.50% to 18.20%, including inflation
Investment rate of return	7.50%
Municipal bond index rate:	
Measurement date	2.45%
Prior measurement date	3.13%
Single equivalent interest rate, net of plan investment expense, including price inflation	
Measurement date	2.63%
Prior measurement date	3.22%
Medical trend assumption	
Medicare	5.25% to 4.75%
Pre-Medicare	7.00% 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 5-years.

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

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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 12: Defined Benefit OPEB Plans (continued)

### D. Actuarial Assumptions - SERS (continued)

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	2.00%	1.85%
US equity	22.50	5.75
International equity	22.50	6.50
Fixed income	19.00	2.85
Private equity	12.00	7.60
Real assets	17.00	6.60
Multi-asset strategies	5.00	6.65
Total	<u>100.00%</u>	

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. 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% 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, 2025. 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, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (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.

**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 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1% point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 12: Defined Benefit OPEB Plans (continued)

### D. Actuarial Assumptions - SERS (continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(1.63%)</u>	<u>(2.63%)</u>	<u>(3.63%)</u>
District's proportionate share of the net OPEB liability	\$ 11,312,963	\$ 9,242,805	\$ 7,597,032

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 7,278,005	\$ 9,242,805	\$ 11,870,244

### E. Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020 actuarial valuation are presented below:

Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increases	3.00%
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%

	<u>Initial</u>	<u>Ultimate</u>
Health care cost trends		
Medical		
Pre-Medicare	5.00%	4.00%
Medicare	(6.69%)	4.00%
Prescription drug		
Pre-Medicare	6.50%	4.00%
Medicare	11.87%	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.

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 12: Defined Benefit OPEB Plans (continued)

### E. Actuarial Assumptions - STRS (continued)

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'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.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS 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 make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB liability as of June 30, 2020.

**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, 2021, 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	\$ 6,123,363	\$ 7,037,821	\$ 7,813,708

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## Note 12: Defined Benefit OPEB Plans (continued)

### E. 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	\$ 7,765,546	\$ 7,037,821	\$ 6,151,347

***Benefit Term Changes Since the Prior Measurement Date*** There was no change to the claims costs process. Claim curves were updated to reflect the projected June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

## 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, 2021

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## Note 13: Employee Benefits (continued)

### B. Early Retirement Incentive (continued)

The last installment of the 2019-2020 and the first installment of the 2020-2021 Retirement Incentive Programs were paid prior to June 30, 2021. These payments of \$204,000 were made from the General Fund.

The last installment of the 2020-2021 and the first installment of the 2021-2022 Retirement Incentive Programs will be paid starting in July 2021. These payments of \$216,000 will be made from the General Fund and are reported as a liability in the fund financial statements.

The last installment of the 2021-2022 Retirement Incentive Programs will be completed in July 2022. The payments of \$120,000 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 2021 were as follows:

	Principal Outstanding at 6/30/20	Additions	Deletions	Principal Outstanding at 6/30/21	Amounts Due in One Year
Governmental activities:					
2012 \$6,750,000 Library Improvement Refunding Bonds – interest rates of 2.00-2.25%	\$ 3,625,000	\$ -	\$ 490,000	\$ 3,135,000	\$ 500,000
Premium on Library Improvement Refunding Bonds	93,202	-	13,315	79,887	-
2014 \$21,000,000 Certificates of Participation – interest rates of 3.00-5.00%	18,055,000	-	480,000	17,575,000	490,000
Discount on Certificates of Participation	(24,013)	-	(960)	(23,053)	-
2014 \$134,799,915 School Improvement Bonds – interest rates of 2.40-19.85%	72,435,708	-	898,259	71,537,449	846,785
Premium on 2014 School Improvement Bonds	752,760	-	23,897	728,863	-
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	9,083,481	-	288,365	8,795,116	-
Appreciation on Capital Appreciation Bonds	2,223,522	451,400	-	2,674,922	-
Capital lease obligations*	176,079	-	92,131	83,948	29,018

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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

	Principal Outstanding at 6/30/20	Additions	Deletions	Principal Outstanding at 6/30/21	Amounts Due in One Year
Early retirement incentive	96,000	120,000	96,000	120,000	-
Net pension liability:					
SERS	25,632,296	2,905,101	-	28,537,397	-
STRS	89,253,750	7,639,799	-	96,893,549	-
Net OPEB liability:					
SERS	10,802,454	-	1,579,983	9,222,471	-
Asset retirement obligation	-	40,000	-	40,000	-
Compensated absences	<u>7,913,473</u>	<u>1,769,434</u>	<u>2,983,936</u>	<u>6,698,971</u>	<u>899,811</u>
Total governmental long-term liabilities	\$ <u>300,843,712</u>	\$ <u>12,925,734</u>	\$ <u>6,944,926</u>	\$ <u>306,824,520</u>	\$ <u>2,765,614</u>
Business-type activities:					
Net pension liability – SERS	\$ 657,238	\$ -	\$ 594,318	\$ 62,920	\$ -
Net OPEB liability – SERS	276,986	-	256,652	20,334	-
Compensated absences	<u>24,423</u>	<u>-</u>	<u>23,872</u>	<u>551</u>	<u>551</u>
Total business-type long-term liabilities	\$ <u>958,647</u>	\$ <u>-</u>	\$ <u>874,842</u>	\$ <u>83,805</u>	\$ <u>551</u>

\*Direct placement

The school improvement bonds will be paid from property taxes. The asset retirement obligation will be paid from the General Fund. 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 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, 2021

## 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, 2021, 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, 2021, was \$-0- with an unvoted debt margin of \$1,104,911.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2021, are as follows:

	2014 School Improvement Bonds			2017 School Improvement Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	1,075,760	3,594,365	4,670,125	12,240	3,064,610	3,076,850
2026	1,168,620	3,736,505	4,905,125	6,688	3,065,162	3,071,850
2027-2031	-	15,350,625	15,350,625	5,223,833	19,692,417	24,916,250
2032-2036	3,430,000	15,119,100	18,549,100	14,315,000	9,026,950	23,341,950
2037-2041	5,075,000	14,464,688	19,539,688	18,430,000	5,515,938	23,945,938
2042-2046	29,850,000	10,233,001	40,083,001	1,085,000	3,882,464	4,967,464
2047-2051	24,595,000	3,380,725	27,975,725	16,025,000	2,919,439	18,944,439
2052	3,740,000	93,500	3,833,500	5,605,000	98,088	5,703,088
Total	\$ 71,537,449	\$ 76,034,815	\$ 147,572,264	\$ 60,725,000	\$ 54,943,379	\$ 115,668,379

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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

	Library Refunding Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
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	525,000	29,662	554,662	535,000	692,700	1,227,700
2026	535,000	18,394	553,394	555,000	674,294	1,229,294
2027-2031	550,000	6,188	556,188	3,090,000	3,041,658	6,131,658
2032-2036	-	-	-	3,755,000	2,355,218	6,110,218
2037-2041	-	-	-	4,720,000	1,355,975	6,075,975
2042-2046	-	-	-	3,405,000	234,338	3,639,338
2047-2051	-	-	-	-	-	-
2052	-	-	-	-	-	-
Total	\$ <u>3,135,000</u>	\$ <u>205,032</u>	\$ <u>3,340,032</u>	\$ <u>17,575,000</u>	\$ <u>10,527,440</u>	\$ <u>28,102,440</u>

	Total		
	Principal	Interest	Total
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	2,148,000	7,381,337	9,529,337
2026	2,265,308	7,494,355	9,759,663
2027-2031	8,863,833	38,090,888	46,954,721
2032-2036	21,500,000	26,501,268	48,001,268
2037-2041	28,225,000	21,336,601	49,561,601
2042-2046	34,340,000	14,349,803	48,689,803
2047-2051	40,620,000	6,300,164	46,920,164
2052	9,345,000	191,588	9,536,588
Total	\$ <u>152,972,449</u>	\$ <u>141,710,666</u>	\$ <u>294,683,115</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, 2021 in the amount of \$83,948. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$143,326 less accumulated depreciation, \$58,136. Principal payments for all of capital leases in the 2021 fiscal year totaled \$92,131. 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, 2021

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## Note 15: Lease Obligations (continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2021:

	Capital Leases
2022	\$ 32,358
2023	32,358
2024	16,512
2025	<u>8,792</u>
Total minimum lease payments	90,020
Less: amounts representing interest	<u>(6,072)</u>
Present value minimum capital lease payments	<u>\$ 83,948</u>

Amortization of capital leases is included in depreciation expense. The capital leases are considered direct placements.

The District also has an operating lease to assist with parking requirements during the school facilities construction project. The 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 following is a schedule of the future minimum lease payments required under the operating lease at year-end:

	Operating Lease
2022	\$ 26,400
2023	<u>8,800</u>
Total minimum lease payments	<u>\$ 35,200</u>

Rent expense related to the operating leases totaled \$26,400 for the year ended June 30, 2021.

## Note 16: Jointly Governed Organization

The Ohio Schools' Council (the "Council") is a jointly governed organization of more than 260 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, 2021

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## 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 2021, the District paid \$172,579 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, offerings electric generation savings for Ohio school districts.

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, 2020	\$ -
Qualifying off-sets	(3,214,880)
Current year set-aside requirements	897,172
Qualifying disbursements	<u>(525,665)</u>
Total set-aside reserve balance as of June 30, 2021	<u>\$ (2,843,373)</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, 2021

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## Note 18: Contractual Commitments and Other Significant Commitments

At June 30, 2021, the District's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Boulevard roof	\$ 197,550	\$ 10,874	\$ 186,676
Monticello roof	242,346	12,004	230,342
Roxboro masonry	<u>507,642</u>	<u>113,420</u>	<u>394,222</u>
Total	<u>\$ 947,538</u>	<u>\$ 136,298</u>	<u>\$ 811,240</u>

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

	<u>Encumbrances</u>
General Fund	\$ 1,660,412
Permanent Improvement Fund	595,984
Nonmajor Funds	<u>1,755,639</u>
Total other significant commitments	<u>\$ 4,012,035</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, 2021.

### 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.

### C. Foundation Funding

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. ODE has finalized the adjustments and they did not have any significant impact on the District's funding.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## 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, 2021:

### Special Revenue Funds:

Idea (Flo-Thru)	\$ 162,673
Vocational Education	132,589
Elementary and Secondary School Emergency Relief (ESSER)	305,810
Coronavirus Relief	5,038
Title IV	19,611
Title IIA-Improving Teacher Quality	59,096
Title I	232,895
Miscellaneous Federal Grants	43,827
Public School Preschool Grant	15,915
Preschool Disabilities Grant	3,538
Title III	34

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

## Note 22: Asset Retirement Obligations

Ohio Administrative Code Section 1301-7-9 requires a District classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$40,000 associated with the District's underground storage tanks was estimated by the District. The remaining useful life of these USTs are 12 years. The District maintains insurance related to any potential pollution remediation associated with the USTs.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2021

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## **Note 23: COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plan in which the District participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

## **Note 24: Subsequent Events**

On September 9, 2021, the District issued \$14,660,000 in refunding certificates of participation, series 2021, for the purpose of refunding, for debt service savings, the District's certificates of participation, series 2014. The final maturity is December 1, 2043, and the refunded certificates of participation carry an interest rate of 4.0%.

Also on September 9, 2021, the District issued \$66,686,779 in general obligation school improvement refunding bonds, series 2021, for the purposes refunding, for economic savings, the District's general obligation school improvement refunding bonds, series 2014. The final maturity is December 1, 2051, and the bonds carry interest rates ranging from 2.789% to 15.350%.

# 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 Eight Fiscal Years

	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>		
School district's proportion of the net pension liability	0.432407%	0.439391%	0.420330%		
School district's proportionate share of the net pension liability	\$ 28,600,317	\$ 26,289,534	\$ 24,073,099		
School district's covered payroll	\$ 15,151,007	\$ 15,017,429	\$ 14,786,457		
School district's proportionate share of the net pension liability as a percentage of its covered payroll	188.77%	175.06%	162.81%		
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%		
	<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	0.438239%	0.483673%	0.514349%	0.521422%	0.521422%
School district's proportionate share of the net pension liability	\$ 26,183,793	\$ 35,400,399	\$ 29,349,258	\$ 26,388,871	\$ 31,007,293
School district's covered payroll	\$ 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	181.87%	234.27%	190.61%	174.75%	209.27%
Plan fiduciary net position as a percentage of the total pension liability	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 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's Proportionate Share of the Net Pension Liability State Teachers Retirement System of Ohio

For the Last Eight Fiscal Years

	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>			
School district's proportion of the net pension liability	0.400445%	0.403600%	0.403167%			
School district's proportionate share of the net pension liability	\$ 96,893,549	\$ 89,253,750	\$ 88,647,341			
School district's covered payroll	\$ 48,696,336	\$ 48,124,964	\$ 45,873,871			
School district's proportionate share of the net pension liability as a percentage of its covered payroll	198.98%	185.46%	193.24%			
Plan fiduciary net position as a percentage of the total pension liability	75.50%	77.40%	77.30%			
	<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	0.409185%	0.440678%	0.462690%	0.420736%	0.420736%	
School district's proportionate share of the net pension liability	\$ 97,202,672	\$ 147,508,268	\$ 127,873,968	\$ 102,337,463	\$ 121,903,717	
School district's covered payroll	\$ 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	219.66%	310.25%	264.54%	216.32%	248.37%	
Plan fiduciary net position as a percentage of the total pension liability	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 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 School Employees Retirement System of Ohio

For the Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,006,084	\$ 2,121,141	\$ 2,027,353	\$ 1,996,172	\$ 2,015,526
Contributions in relation to the contractually required contribution	<u>(2,006,084)</u>	<u>(2,121,141)</u>	<u>(2,027,353)</u>	<u>(1,996,172)</u>	<u>(2,015,526)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 14,329,171	\$ 15,151,007	\$ 15,017,429	\$ 14,786,457	\$ 14,396,614
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%	14.00%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 2,115,504	\$ 2,029,427	\$ 2,092,939	\$ 2,050,667	\$ 2,087,659
Contributions in relation to the contractually required contribution	<u>(2,115,504)</u>	<u>(2,029,427)</u>	<u>(2,092,939)</u>	<u>(2,050,667)</u>	<u>(2,087,659)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 15,110,743	\$ 15,397,779	\$ 15,100,571	\$ 14,816,958	\$ 15,521,628
Contributions as a percentage of covered payroll	14.00%	13.18%	13.86%	13.84%	13.45%

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 6,561,966	\$ 6,817,487	\$ 6,737,495	\$ 6,422,342	\$ 6,195,236
Contributions in relation to the contractually required contribution	<u>(6,561,966)</u>	<u>(6,817,487)</u>	<u>(6,737,495)</u>	<u>(6,422,342)</u>	<u>(6,195,236)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 46,871,186	\$ 48,696,336	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 6,656,306	\$ 6,767,468	\$ 6,150,070	\$ 6,380,596	\$ 6,503,136
Contributions in relation to the contractually required contribution	<u>(6,656,306)</u>	<u>(6,767,468)</u>	<u>(6,150,070)</u>	<u>(6,380,596)</u>	<u>(6,503,136)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 47,545,043	\$ 48,339,057	\$ 47,308,229	\$ 49,081,508	\$ 50,024,123
Contributions as a percentage of covered payroll	14.00%	14.00%	13.00%	13.00%	13.00%

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's Proportionate Share of the Net OPEB Liability  
 School Employees Retirement System of Ohio

For the Last Five Fiscal Years

	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)
School district's proportion of the net OPEB liability	0.425284%	0.440571%	0.428203%	0.445562%	0.490592%
School district's proportionate share of the net OPEB liability	\$ 9,242,805	\$ 11,079,440	\$ 11,879,499	\$ 11,957,715	\$ 13,983,693
School district's covered payroll	\$ 15,151,007	\$ 15,017,429	\$ 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	61.00%	73.78%	80.34%	83.06%	92.54%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	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 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's Proportionate Share of the Net OPEB (Asset)/Liability  
State Teachers Retirement System of Ohio

For the Last Five Fiscal Years

	<u>2021 (1)</u>	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>
School district's proportion of the net OPEB asset/liability	0.400445%	0.403600%	0.403167%	0.409185%	0.440678%
School district's proportionate share of the net OPEB (asset)/liability	\$ (7,037,821)	\$ (6,684,587)	\$ (6,478,497)	\$ 15,964,872	\$ 23,567,584
School district's covered payroll	\$ 48,696,336	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686	\$ 47,545,043
School district's proportionate share of the net OPEB (asset)/liability as a percentage of its covered payroll	(14.45%)	(13.89%)	(14.12%)	36.08%	49.57%
Plan fiduciary net position as a percentage of the total OPEB asset/liability	182.10%	174.70%	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 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 OPEB Contribution School Employees Retirement System of Ohio

For the Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 168,011	\$ 162,419	\$ 298,453	\$ 313,159	\$ 246,778
Contributions in relation to the contractually required contribution	<u>(168,011)</u>	<u>(162,419)</u>	<u>(298,453)</u>	<u>(313,159)</u>	<u>(246,778)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 14,329,171	\$ 15,151,007	\$ 15,017,429	\$ 14,786,457	\$ 14,396,614
Contributions as a percentage of covered payroll	1.17%	1.07%	1.99%	2.12%	1.71%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 249,000	\$ 363,851	\$ 275,793	\$ 295,663	\$ 326,508
Contributions in relation to the contractually required contribution	<u>(249,000)</u>	<u>(363,851)</u>	<u>(275,793)</u>	<u>(295,663)</u>	<u>(326,508)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 15,110,743	\$ 15,397,779	\$ 15,100,571	\$ 14,816,958	\$ 15,521,628
Contributions as a percentage of covered payroll	1.65%	2.36%	1.83%	2.00%	2.10%

(1) Includes surcharge

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 OPEB Contribution State Teachers Retirement System of Ohio

For the Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 46,871,186	\$ 48,696,336	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ -	\$ -	\$ 473,082	\$ 490,815	\$ 500,241
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>(473,082)</u>	<u>(490,815)</u>	<u>(500,241)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 47,545,043	\$ 48,339,057	\$ 47,308,229	\$ 49,081,508	\$ 50,024,123
Contributions as a percentage of covered payroll	0.00%	0.00%	1.00%	1.00%	1.00%

The accompanying 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, 2021

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### Note 1: Net Pension Liability

#### Changes in Assumptions – SERS

Beginning in fiscal year 2019, an assumption of 2.5% was used for COLA or Ad Hoc Cola. Prior to 2019, an assumption of 3.0% 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</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 2019, 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 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	3.00%	3.50%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017	2.00% simple applied as follows: for members retiring before August 1, 2013, 2.00% per year; for members retiring August 1, 2013, or later, 2.00% 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, 2021

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## **Note 1: Net Pension Liability (continued)**

### **Changes in Assumptions – STRS (continued)**

Beginning in fiscal year 2019 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 2018 post-retirement mortality rates for healthy retirees are based on the RP-2014 annuitant Mortality Table with 50 percent of rates through age 69, 70% of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent 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 2021 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2021 2.45%

Fiscal year 2020 3.56%

Fiscal year 2019 3.62%

Fiscal year 2018 3.56%

Fiscal year 2017 2.92%

# Cleveland Heights-University Heights City School District

Notes to Required Supplementary Information (continued)

For the Fiscal Year Ended June 30, 2021

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## **Note 2: Net OPEB Liability (continued)**

### **Changes in Assumptions – SERS (continued)**

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

Fiscal year 2021 2.63%

Fiscal year 2020 3.63%

Fiscal year 2019 3.70%

Fiscal year 2018 3.63%

Fiscal year 2017 2.98%

Beginning in fiscal year 2020 the healthcare cost trend rate was updated from 7.25% decreasing to 4.75% to 7.00% decreasing to 4.75%.

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.

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 Heights-University Heights City School District

Notes to Required Supplementary Information (continued)

For the Fiscal Year Ended June 30, 2021

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## **Note 2: Net OPEB Liability (continued)**

### **Changes in Benefit Term Changes – STRS**

There was no change to the claims costs process. Claim curves were updated to reflect the projected June 30 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

# Combining Statements & Individual Fund Schedules



**Marriah Kern**  
7th grade



**Raven Austin**  
7th grade







CLEVELAND UNIVERSITY **HEIGHTS**  
CITY SCHOOL DISTRICT

# Cleveland Heights-University Heights City School District

## Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2021

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### Nonmajor Special Revenue Funds

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

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

***Student Activity*** This fund is used to account for those student activity programs which have student participation in the activity and limited student management of the programs.

***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.

***Student Wellness and Success*** This fund accounts for restricted state grant monies used to support students' academic achievement through mental health counseling, wraparound services, mentoring and after-school programs.

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

***Elementary and Secondary School Emergency Relief*** This fund is represents state monies that are restricted to respond to the COVID-19 pandemic.

***Title IV*** The purpose of this federal program is to support the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children.

***Coronavirus Relief*** The purpose of this federal program is to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

***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.

# Cleveland Heights-University Heights City School District

## Combining Statements – Nonmajor Governmental Funds Fund Descriptions (continued)

June 30, 2021

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### Nonmajor Special Revenue Funds (continued)

**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. As the fund was inactive during the fiscal year, no budgetary information is provided.

**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.

**Special Trust** To account for monies from local donations for the purpose of scholarships for students. With the implementation of GASB No. 54, this fund has been classified with the general fund for GAAP reporting purposes. However, this fund has its own legally adopted budget. As a result, an Individual Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for the fund.

**Public School Support** To account for school site sales revenue and expenditures for field trips, assemblies, and other activity costs. With the implementation of GASB No. 54, this fund has been classified with the general fund for GAAP reporting purposes. However, this fund has its own legally adopted budget. As a result, an Individual Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for the fund.

# Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds

Fund Descriptions (continued)

June 30, 2021

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## **Nonmajor Capital Projects Funds**

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust.

***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.

## **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 UNIVERSITY **HEIGHTS**  
CITY SCHOOL DISTRICT

# Cleveland Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Government Funds

June 30, 2021

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 974,377	\$ -	\$ 300,325	\$ 1,274,702
Intergovernmental receivable	1,335,491	-	-	1,335,491
Taxes receivable	-	-	6,140,820	6,140,820
Total assets	<u>\$ 2,309,868</u>	<u>\$ -</u>	<u>\$ 6,441,145</u>	<u>\$ 8,751,013</u>
<b>Liabilities, deferred inflows of resources and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 873,973	\$ -	\$ -	\$ 873,973
Accrued wages and benefits	319,471	-	-	319,471
Interfund payable	559,831	-	-	559,831
Intergovernmental payable	71,724	-	-	71,724
Total liabilities	<u>1,824,999</u>	<u>-</u>	<u>-</u>	<u>1,824,999</u>
<b>Deferred inflows of resources:</b>				
Property taxes	-	-	4,600,812	4,600,812
Unavailable revenue	916,908	-	1,034,693	1,951,601
Deferred inflows of resources	<u>916,908</u>	<u>-</u>	<u>5,635,505</u>	<u>6,552,413</u>
<b>Fund balances:</b>				
Restricted	548,987	-	805,640	1,354,627
Unassigned	(981,026)	-	-	(981,026)
Total fund balances	<u>(432,039)</u>	<u>-</u>	<u>805,640</u>	<u>373,601</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,309,868</u>	<u>\$ -</u>	<u>\$ 6,441,145</u>	<u>\$ 8,751,013</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 5,380,026	\$ 5,380,026
Intergovernmental	10,780,479	-	187,929	10,968,408
Grants	245,206	-	-	245,206
Earnings on investments	2,446	6,365	-	8,811
Extracurricular activities	59,068	-	-	59,068
Miscellaneous	44,966	2,026	-	46,992
Total revenues	<u>11,132,165</u>	<u>8,391</u>	<u>5,567,955</u>	<u>16,708,511</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	840,975	-	-	840,975
Special	2,427,132	-	-	2,427,132
Vocational	302,407	-	-	302,407
Other	295,532	-	-	295,532
<b>Support services:</b>				
Pupil	1,882,701	-	-	1,882,701
Instructional staff	540,493	-	-	540,493
Administration	680,490	-	-	680,490
Fiscal	-	-	83,798	83,798
Business	6,825	-	-	6,825
Operations and maintenance of plant	334,937	-	-	334,937
Pupil transportation	41,570	-	-	41,570
Central	99,562	-	-	99,562
<b>Operation of non-instructional services:</b>				
Community services	4,078,334	-	-	4,078,334
Extracurricular activities	368,720	-	-	368,720
Facilities acquisition and construction services	-	302,761	-	302,761
<b>Debt service:</b>				
Principal	-	-	1,388,259	1,388,259
Interest and fiscal charges	-	-	5,609,029	5,609,029
Total expenditures	<u>11,899,678</u>	<u>302,761</u>	<u>7,081,086</u>	<u>19,283,525</u>
Excess of revenues (under) over expenditures	<u>(767,513)</u>	<u>(294,370)</u>	<u>(1,513,131)</u>	<u>(2,575,014)</u>
<b>Other financing sources (uses):</b>				
Transfers – in	250,500	-	-	250,500
Transfers – out	<u>(139,175)</u>	<u>(4,122,320)</u>	<u>-</u>	<u>(4,261,495)</u>
Total other financing sources (uses)	<u>111,325</u>	<u>(4,122,320)</u>	<u>-</u>	<u>(4,010,995)</u>
Net change in fund balance	(656,188)	(4,416,690)	(1,513,131)	(6,586,009)
Fund balance at beginning of year, restated	<u>224,149</u>	<u>4,416,690</u>	<u>2,318,771</u>	<u>6,959,610</u>
Fund balance at end of year	<u>\$ (432,039)</u>	<u>\$ -</u>	<u>\$ 805,640</u>	<u>\$ 373,601</u>

# Cleveland Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2021

	Other Grants	Student Activity	District Managed Activity	Auxiliary Services	Public School Preschool Grant
Assets:					
Equity in pooled cash and investments	\$ 154,720	\$ 75,674	\$ 114,491	\$ 625,828	\$ -
Intergovernmental receivable	10,382	-	-	-	17,196
Total assets	<u>\$ 165,102</u>	<u>\$ 75,674</u>	<u>\$ 114,491</u>	<u>\$ 625,828</u>	<u>\$ 17,196</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 4,988	\$ 276,334	\$ -
Accrued wages and benefits	-	-	-	-	13,422
Interfund payable	153,800	-	-	-	6,497
Intergovernmental payable	650	-	-	-	2,493
Total liabilities	<u>154,450</u>	<u>-</u>	<u>4,988</u>	<u>276,334</u>	<u>22,412</u>
Deferred inflows of resources:					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,699</u>
Fund balances:					
Restricted	10,652	75,674	109,503	349,494	-
Unassigned	-	-	-	-	(15,915)
Total fund balances (deficit)	<u>10,652</u>	<u>75,674</u>	<u>109,503</u>	<u>349,494</u>	<u>(15,915)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 165,102</u>	<u>\$ 75,674</u>	<u>\$ 114,491</u>	<u>\$ 625,828</u>	<u>\$ 17,196</u>



Data Communication	Student Wellness and Success	Miscellaneous State Grants	Elementary and Secondary School Emergency Relief	Title IV
\$ -	\$ -	\$ 3,664	\$ -	\$ -
-	-	2,170	116,298	158,276
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,834</u>	<u>\$ 116,298</u>	<u>\$ 158,276</u>
\$ -	\$ -	\$ 2,170	\$ 305,810	\$ 2,463
-	-	-	-	12,643
-	-	-	3,694	74,423
-	-	-	-	4,505
<u>-</u>	<u>-</u>	<u>2,170</u>	<u>309,504</u>	<u>94,034</u>
-	-	-	112,604	83,853
-	-	3,664	-	-
-	-	-	(305,810)	(19,611)
<u>-</u>	<u>-</u>	<u>3,664</u>	<u>(305,810)</u>	<u>(19,611)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,834</u>	<u>\$ 116,298</u>	<u>\$ 158,276</u>

Continued

# Cleveland Heights-University Heights City School District

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

June 30, 2021

	Coronavirus Relief	IDEA (Flo-Thru)	Vocational Education	Title I Improvement	Title III
Assets:					
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivable	11,269	267,288	147,849	-	162
Total assets	<u>\$ 11,269</u>	<u>\$ 267,288</u>	<u>\$ 147,849</u>	<u>\$ -</u>	<u>\$ 162</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Accounts payable	\$ 5,038	\$ 30,329	\$ 121,040	\$ -	\$ -
Accrued wages and benefits	-	102,180	9,824	-	-
Interfund payable	6,956	118,547	3,839	-	-
Intergovernmental payable	-	30,164	1,725	-	34
Total liabilities	<u>11,994</u>	<u>281,220</u>	<u>136,428</u>	<u>-</u>	<u>34</u>
Deferred inflows of resources:					
Unavailable revenue	<u>4,313</u>	<u>148,741</u>	<u>144,010</u>	<u>-</u>	<u>162</u>
Fund balances:					
Restricted	-	-	-	-	-
Unassigned	<u>(5,038)</u>	<u>(162,673)</u>	<u>(132,589)</u>	<u>-</u>	<u>(34)</u>
Total fund balances (deficit)	<u>(5,038)</u>	<u>(162,673)</u>	<u>(132,589)</u>	<u>-</u>	<u>(34)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,269</u>	<u>\$ 267,288</u>	<u>\$ 147,849</u>	<u>\$ -</u>	<u>\$ 162</u>

Title I	Preschool Disabilities Grant	Title IIA- Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ 974,377
426,902	4,738	142,105	30,856	1,335,491
\$ 426,902	\$ 4,738	\$ 142,105	\$ 30,856	\$ 2,309,868
\$ 31,055	\$ -	\$ 51,231	\$ 43,515	\$ 873,973
171,936	2,874	6,592	-	319,471
109,267	1,947	69,570	11,291	559,831
29,903	664	1,274	312	71,724
342,161	5,485	128,667	55,118	1,824,999
317,636	2,791	72,534	19,565	916,908
-	-	-	-	548,987
(232,895)	(3,538)	(59,096)	(43,827)	(981,026)
(232,895)	(3,538)	(59,096)	(43,827)	(432,039)
\$ 426,902	\$ 4,738	\$ 142,105	\$ 30,856	\$ 2,309,868

# 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, 2021

	Other Grants	Student Activity	District Managed Activity	Auxiliary Services	Public School Preschool Grant
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,762,725	\$ 137,381
Grants	245,206	-	-	-	-
Earnings on investments	-	-	-	2,446	-
Extracurricular activities	-	4,932	54,136	-	-
Miscellaneous	-	2,783	31,777	-	-
Total revenues	<u>245,206</u>	<u>7,715</u>	<u>85,913</u>	<u>2,765,171</u>	<u>137,381</u>
Expenditures:					
Current:					
Instruction:					
Regular	137,452	-	-	-	136,258
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupil	-	2,825	-	-	-
Instructional staff	72,735	-	-	-	-
Administration	577	-	-	-	-
Business	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services					
Community services	962	-	-	2,764,245	-
Extracurricular activities	-	23,530	345,190	-	-
Total expenditures	<u>211,726</u>	<u>26,355</u>	<u>345,190</u>	<u>2,764,245</u>	<u>136,258</u>
Excess of revenues over (under) expenditures	<u>33,480</u>	<u>(18,640)</u>	<u>(259,277)</u>	<u>926</u>	<u>1,123</u>
Other financing sources (uses):					
Transfers – in	-	-	250,500	-	-
Transfers – out	(139,175)	-	-	-	-
Total other financing sources (uses)	<u>(139,175)</u>	<u>-</u>	<u>250,500</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(105,695)	(18,640)	(8,777)	926	1,123
Fund balance (deficit) at beginning of year, restated	<u>116,347</u>	<u>94,314</u>	<u>118,280</u>	<u>348,568</u>	<u>(17,038)</u>
Fund balance (deficit) at end of year	<u>\$ 10,652</u>	<u>\$ 75,674</u>	<u>\$ 109,503</u>	<u>\$ 349,494</u>	<u>\$ (15,915)</u>

	<u>Data Communication</u>	<u>Student Wellness and Success</u>	<u>Miscellaneous State Grants</u>	<u>Elementary and Secondary School Emergency Relief</u>	<u>Title IV</u>
\$	18,000	\$ 1,380,518	\$ 60,738	\$ 498,777	\$ 597,429
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>18,000</u>	<u>1,380,518</u>	<u>60,738</u>	<u>498,777</u>	<u>597,429</u>
	-	-	3,633	103,779	199,645
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	295,532	-
	-	1,380,518	-	-	243,895
	-	-	-	-	4,363
	-	-	-	-	115,848
	6,825	-	-	-	-
	-	-	22,580	-	-
	-	-	31,317	-	6,613
	18,000	-	-	-	44,000
	-	-	-	405,276	2,676
	-	-	-	-	-
	<u>24,825</u>	<u>1,380,518</u>	<u>57,530</u>	<u>804,587</u>	<u>617,040</u>
	<u>(6,825)</u>	<u>-</u>	<u>3,208</u>	<u>(305,810)</u>	<u>(19,611)</u>
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	(6,825)	-	3,208	(305,810)	(19,611)
	6,825	-	456	-	-
\$	<u>-</u>	<u>-</u>	<u>3,664</u>	<u>(305,810)</u>	<u>(19,611)</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, 2021

	Coronavirus Relief	IDEA (Flo-Thru)	Vocational Education	Title I Improvement	Title III
Revenues:					
Intergovernmental	\$ 379,132	\$ 1,851,160	\$ 194,644	\$ -	\$ 8,145
Grants	-	-	-	-	-
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Miscellaneous	-	-	-	138	-
Total revenues	<u>379,132</u>	<u>1,851,160</u>	<u>194,644</u>	<u>138</u>	<u>8,145</u>
Expenditures:					
Current:					
Instruction:					
Regular	71,813	-	-	-	-
Special	-	837,170	-	-	3,546
Vocational	-	-	302,407	-	-
Other	-	-	-	-	-
Support services:					
Pupil	-	246,022	4,607	-	-
Instructional staff	-	-	6,376	-	1,271
Administration	-	488,492	160	-	-
Business	-	-	-	-	-
Operation and maintenance of plant	312,357	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services					
Community services	-	301,481	-	-	3,358
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>384,170</u>	<u>1,873,165</u>	<u>313,550</u>	<u>-</u>	<u>8,175</u>
Excess of revenues over (under) expenditures	<u>(5,038)</u>	<u>(22,005)</u>	<u>(118,906)</u>	<u>138</u>	<u>(30)</u>
Other financing sources (uses):					
Transfers – in	-	-	-	-	-
Transfers – out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,038)	(22,005)	(118,906)	138	(30)
Fund balance (deficit) at beginning of year, restated	<u>-</u>	<u>(140,668)</u>	<u>(13,683)</u>	<u>(138)</u>	<u>(4)</u>
Fund balance (deficit) at end of year	<u>\$ (5,038)</u>	<u>\$ (162,673)</u>	<u>\$ (132,589)</u>	<u>\$ -</u>	<u>\$ (34)</u>

	Title I	Preschool Disabilities Grant	Title IIA- Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue
\$	2,396,427	\$ 26,451	\$ 225,718	\$ 243,234	\$ 10,780,479
	-	-	-	-	245,206
	-	-	-	-	2,446
	-	-	-	-	59,068
	-	-	10,268	-	44,966
	<u>2,396,427</u>	<u>26,451</u>	<u>235,986</u>	<u>243,234</u>	<u>11,132,165</u>
	38,698	-	-	149,697	840,975
	1,563,654	22,762	-	-	2,427,132
	-	-	-	-	302,407
	-	-	-	-	295,532
	-	-	-	4,834	1,882,701
	217,749	-	199,824	38,175	540,493
	75,413	-	-	-	680,490
	-	-	-	-	6,825
	-	-	-	-	334,937
	-	-	-	3,640	41,570
	-	-	37,562	-	99,562
	479,205	-	65,793	55,338	4,078,334
	-	-	-	-	368,720
	<u>2,374,719</u>	<u>22,762</u>	<u>303,179</u>	<u>251,684</u>	<u>11,899,678</u>
	<u>21,708</u>	<u>3,689</u>	<u>(67,193)</u>	<u>(8,450)</u>	<u>(767,513)</u>
	-	-	-	-	250,500
	-	-	-	-	(139,175)
	-	-	-	-	111,325
	21,708	3,689	(67,193)	(8,450)	(656,188)
	<u>(254,603)</u>	<u>(7,227)</u>	<u>8,097</u>	<u>(35,377)</u>	<u>224,149</u>
\$	<u><u>(232,895)</u></u>	<u><u>(3,538)</u></u>	<u><u>(59,096)</u></u>	<u><u>(43,827)</u></u>	<u><u>(432,039)</u></u>

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



Kafui Donou-Adonsou  
2nd grade





# 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, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 69,252,071	\$ 69,252,071	\$ 78,674,218	\$ 9,422,147
Intergovernmental	34,114,472	34,114,472	31,721,319	(2,393,153)
Tuition and fees	3,263,195	3,263,195	3,034,279	(228,916)
Earnings on investments	222,437	222,437	206,833	(15,604)
Miscellaneous	2,645,202	2,645,202	2,459,640	(185,562)
Total revenues	<u>109,497,377</u>	<u>109,497,377</u>	<u>116,096,289</u>	<u>6,598,912</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Salaries and wages	26,321,866	26,329,014	25,700,400	628,614
Employee benefits	13,024,232	13,027,770	11,708,324	1,319,446
Purchased services	182,569	182,621	57,834	124,787
Supplies and materials	855,193	855,424	511,761	343,663
Capital outlay	41,835	41,846	34,858	6,988
Other	58,801	58,816	34,221	24,595
Total regular	<u>40,484,496</u>	<u>40,495,491</u>	<u>38,047,398</u>	<u>2,448,093</u>
<b>Special:</b>				
Salaries and wages	10,718,883	10,721,795	10,721,795	-
Employee benefits	5,218,381	5,219,798	5,219,798	-
Purchased services	7,807,517	7,809,638	7,362,301	447,337
Supplies and materials	75,529	75,549	47,155	28,394
Capital outlay	18,621	18,626	12,516	6,110
Other	51,586	51,600	19,532	32,068
Total special	<u>23,890,517</u>	<u>23,897,006</u>	<u>23,383,097</u>	<u>513,909</u>
<b>Vocational:</b>				
Salaries and wages	1,204,468	1,204,794	1,204,794	-
Employee benefits	529,802	529,947	529,947	-
Purchased services	54,642	54,657	49,310	5,347
Supplies and materials	92,891	92,916	69,024	23,892
Capital outlay	28,395	28,403	28,334	69
Other	8,231	8,234	4,562	3,672
Total vocational	<u>1,918,429</u>	<u>1,918,951</u>	<u>1,885,971</u>	<u>32,980</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other:				
Salaries and wages	29,235	29,243	29,243	-
Employee benefits	5,967	5,969	5,969	-
Purchased services	12,961,474	12,964,994	14,177,118	(1,212,124)
Supplies and materials	5,799	5,800	-	5,800
Total other	13,002,475	13,006,006	14,212,330	(1,206,324)
Continuing education:				
Salaries and wages	253	253	253	-
Employee benefits	34	34	34	-
Total continuing education	287	287	287	-
Total instruction	79,296,204	79,317,741	77,529,083	1,788,658
Support services:				
Pupil:				
Salaries and wages	3,882,215	3,883,268	3,883,152	116
Employee benefits	1,825,191	1,825,688	1,824,426	1,262
Purchased services	185,850	185,899	121,845	64,054
Supplies and materials	73,759	73,779	44,106	29,673
Capital outlay	2,135	2,135	2,097	38
Other	10,209	10,211	5,912	4,299
Total pupil	5,979,359	5,980,980	5,881,538	99,442
Instructional staff:				
Salaries and wages	2,585,506	2,586,208	2,586,208	-
Employee benefits	1,116,054	1,116,358	1,116,624	(266)
Purchased services	134,793	134,829	98,538	36,291
Supplies and materials	127,226	127,261	95,606	31,655
Other	36,113	36,123	36,000	123
Total instructional staff	3,999,692	4,000,779	3,932,976	67,803
Board of education:				
Salaries and wages	25,868	25,875	25,875	-
Employee benefits	4,834	4,835	4,835	-
Purchased services	1,284,764	1,285,115	1,058,427	226,688
Supplies and materials	14,246	14,250	10,520	3,730
Other	29,842	29,850	29,547	303
Total board of education	1,359,554	1,359,925	1,129,204	230,721
Administration:				
Salaries and wages	3,749,294	3,750,313	3,750,313	-
Employee benefits	1,975,555	1,976,093	1,976,093	-
Purchased services	286,704	286,783	108,331	178,452
Supplies and materials	134,259	134,297	69,353	64,944
Capital outlay	4,966	4,968	432	4,536
Other	43,575	43,587	33,753	9,834
Total administration	6,194,353	6,196,041	5,938,275	257,766

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Fiscal:</b>				
Salaries and wages	843,717	843,945	843,945	-
Employee benefits	432,942	433,058	433,058	-
Purchased services	274,089	274,163	240,516	33,647
Supplies and materials	56,144	56,160	36,978	19,182
Capital outlay	2,499	2,500	2,358	142
Other	1,228,683	1,229,016	1,391,496	(162,480)
Total fiscal	<u>2,838,074</u>	<u>2,838,842</u>	<u>2,948,351</u>	<u>(109,509)</u>
<b>Business:</b>				
Salaries and wages	234,609	234,672	234,672	-
Employee benefits	132,040	132,076	132,076	-
Purchased services	424,166	424,280	318,201	106,079
Supplies and materials	7,498	7,500	5,038	2,462
Capital outlay	1,000	1,000	-	1,000
Other	513,761	513,900	513,055	845
Total business	<u>1,313,074</u>	<u>1,313,428</u>	<u>1,203,042</u>	<u>110,386</u>
<b>Operations and maintenance of plant:</b>				
Salaries and wages	4,182,912	4,184,049	4,184,049	-
Employee benefits	2,726,608	2,727,348	2,727,196	152
Purchased services	2,943,034	2,943,831	2,501,085	442,746
Supplies and materials	1,033,189	1,033,470	912,946	120,524
Capital outlay	230,575	230,638	224,242	6,396
Other	13,808	13,811	10,815	2,996
Total operations and maintenance of plant	<u>11,130,126</u>	<u>11,133,147</u>	<u>10,560,333</u>	<u>572,814</u>
<b>Pupil transportation:</b>				
Salaries and wages	1,427,587	1,427,976	1,427,976	-
Employee benefits	1,086,049	1,086,346	1,086,346	-
Purchased services	845,250	845,480	344,988	500,492
Supplies and materials	425,799	425,895	233,106	192,789
Capital outlay	8,698	8,700	2,700	6,000
Other	1,803	1,803	1,401	402
Total pupil transportation	<u>3,795,186</u>	<u>3,796,200</u>	<u>3,096,517</u>	<u>699,683</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	1,445,312	1,445,704	1,445,705	(1)
Employee benefits	867,647	867,880	867,880	-
Purchased services	850,681	850,914	747,419	103,495
Supplies and materials	379,249	379,353	351,326	28,027
Capital outlay	680,055	680,239	663,910	16,329
Other	10,163	10,166	5,995	4,171
Total central	4,233,107	4,234,256	4,082,235	152,021
Total support services	40,842,525	40,853,598	38,772,471	2,081,127
Operation of non-instructional services:				
Community services:				
Employee benefits	506	506	506	-
Purchased services	19,995	20,000	19,760	240
Total operation of non-instructional services	20,501	20,506	20,266	240
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	58,562	58,578	58,578	-
Employee benefits	22,025	22,030	22,030	-
Supplies and materials	6,456	6,458	3,786	2,672
Other	2,100	2,100	385	1,715
Total academic and subject oriented	89,143	89,166	84,779	4,387
Occupational oriented:				
Salaries and wages	1,247	1,247	1,247	-
Employee benefits	179	179	179	-
Total occupational oriented	1,426	1,426	1,426	-

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports oriented:				
Salaries and wages	615,401	615,568	615,568	-
Employee benefits	185,385	185,433	185,433	-
Purchased services	13,696	13,700	8,500	5,200
Supplies and materials	10,608	10,610	4,500	6,110
Other	15,296	15,300	13,500	1,800
Total sports oriented	<u>840,386</u>	<u>840,611</u>	<u>827,501</u>	<u>13,110</u>
Co-curricular activities:				
Salaries and wages	44,343	44,355	44,355	-
Employee benefits	6,548	6,550	6,550	-
Purchased services	7,759	7,762	3,500	4,262
Other	1,500	1,500	583	917
Total co-curricular activities	<u>60,150</u>	<u>60,167</u>	<u>54,988</u>	<u>5,179</u>
Total extracurricular activities	<u>991,105</u>	<u>991,370</u>	<u>968,694</u>	<u>22,676</u>
Total expenditures	<u>121,150,335</u>	<u>121,183,215</u>	<u>117,290,514</u>	<u>3,892,701</u>
Excess of revenues (under) over expenditures	<u>(11,652,958)</u>	<u>(11,685,838)</u>	<u>(1,194,225)</u>	<u>10,491,613</u>
Other financing sources (uses):				
Transfers – in	224,675	224,675	139,175	(85,500)
Transfers – out	(272,926)	(273,000)	(250,500)	22,500
Advances – in	116,949	116,949	108,745	(8,204)
Advances – out	(159,957)	(160,000)	(153,800)	6,200
Total other financing sources (uses)	<u>(91,259)</u>	<u>(91,376)</u>	<u>(156,380)</u>	<u>(65,004)</u>
Net change in fund balance	(11,744,217)	(11,777,214)	(1,350,605)	10,426,609
Fund balance at beginning of year	13,513,978	13,513,978	13,513,978	-
Prior year encumbrances appropriated	<u>1,565,286</u>	<u>1,565,286</u>	<u>1,565,286</u>	<u>-</u>
Fund balance at end of year	\$ <u>3,335,047</u>	\$ <u>3,302,050</u>	\$ <u>13,728,659</u>	\$ <u>10,426,609</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 16,200	\$ (13,800)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	326	326	-	326
Support services:				
Instructional staff:				
Supplies and materials	277	277	-	277
Extracurricular activities:				
Co-curricular activities:				
Purchased services	22,991	22,991	-	22,991
Other	73,006	73,006	17,380	55,626
Total co-curricular activities	95,997	95,997	17,380	78,617
Total expenditures	96,600	96,600	17,380	79,220
Net change in fund balance	(66,600)	(66,600)	(1,180)	65,420
Fund balance at beginning of year	78,498	78,498	78,498	-
Fund balance at end of year	\$ 11,898	\$ 11,898	\$ 77,318	\$ 65,420

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Extracurricular activities	\$ 28,334	\$ 28,334	\$ 7,744	\$ (20,590)
Classroom materials and fees	6,538	6,538	1,787	(4,751)
Miscellaneous	65,128	65,128	17,800	(47,328)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>27,331</u>	<u>(72,669)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	-	69	(69)
Employee benefits	-	-	9	(9)
Purchased services	49,268	68,531	385	68,146
Supplies and materials	4,283	5,957	1,993	3,964
Total regular	<u>53,551</u>	<u>74,488</u>	<u>2,456</u>	<u>72,032</u>
Vocational:				
Purchased services	144	200	-	200
Supplies and materials	1,797	2,500	1,187	1,313
Other	1,078	1,500	1,200	300
Total vocational	<u>3,019</u>	<u>4,200</u>	<u>2,387</u>	<u>1,813</u>
Total instruction	<u>56,570</u>	<u>78,688</u>	<u>4,843</u>	<u>73,845</u>
Support services:				
Pupil:				
Purchased services	6,499	9,039	5,199	3,840
Supplies and materials	25,961	36,110	16,064	20,046
Capital outlay	2,157	3,000	-	3,000
Other	9,903	13,775	4,092	9,683
Total pupil	<u>44,520</u>	<u>61,924</u>	<u>25,355</u>	<u>36,569</u>
Administration:				
Purchased services	575	800	-	800
Supplies and materials	521	725	700	25
Total administration	<u>1,096</u>	<u>1,525</u>	<u>700</u>	<u>825</u>
Total support services	<u>45,616</u>	<u>63,449</u>	<u>26,055</u>	<u>37,394</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Co-curricular activities:				
Purchased services	6,111	8,500	-	8,500
Supplies and materials	1,192	1,659	1,472	187
Other	-	-	6	(6)
Total co-curricular activities	<u>7,303</u>	<u>10,159</u>	<u>1,478</u>	<u>8,681</u>
Total expenditures	<u>109,489</u>	<u>152,296</u>	<u>32,376</u>	<u>119,920</u>
Excess of revenues (under) over expenditures	(9,489)	(52,296)	(5,045)	47,251
Other financing uses:				
Transfers – out	<u>(22,940)</u>	<u>(31,908)</u>	<u>-</u>	<u>31,908</u>
Net change in fund balance	(32,429)	(84,204)	(5,045)	79,159
Fund balance at beginning of year	184,146	184,146	184,146	-
Prior year encumbrances appropriated	<u>7,431</u>	<u>7,431</u>	<u>7,431</u>	<u>-</u>
Fund balance at end of year	<u>\$ 159,148</u>	<u>\$ 107,373</u>	<u>\$ 186,532</u>	<u>\$ 79,159</u>



# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Earnings on investment	\$ 1,744,667	\$ 1,744,667	\$ 6,365	\$ (1,738,302)
Miscellaneous	555,333	555,333	2,026	(553,307)
Total revenues	<u>2,300,000</u>	<u>2,300,000</u>	<u>8,391</u>	<u>(2,291,609)</u>
<b>Expenditures:</b>				
Capital outlay:				
Facilities acquisition and construction services:				
Architecture and engineering services:				
Purchased services	<u>2,469,664</u>	<u>2,469,664</u>	<u>849,604</u>	<u>1,620,060</u>
Building acquisition and construction services:				
Purchased services	150,541	150,541	45,246	105,295
Capital outlay	<u>489,547</u>	<u>489,547</u>	<u>-</u>	<u>489,547</u>
Total building acquisition and construction services	<u>640,088</u>	<u>640,088</u>	<u>45,246</u>	<u>594,842</u>
Building improvement services:				
Capital outlay	<u>36,229</u>	<u>36,229</u>	<u>-</u>	<u>36,229</u>
Other facilities acquisition and construction services:				
Purchased services	600	600	-	600
Supplies and materials	<u>35,266</u>	<u>35,266</u>	<u>-</u>	<u>35,266</u>
Total other facilities acquisition and construction services	<u>35,866</u>	<u>35,866</u>	<u>-</u>	<u>35,866</u>
Total expenditures	<u>3,181,847</u>	<u>3,181,847</u>	<u>894,850</u>	<u>2,286,997</u>
Excess of revenues under expenditures	(881,847)	(881,847)	(886,459)	(4,612)

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing uses:				
Transfers – out	(4,122,320)	(4,122,320)	(4,122,320)	-
Net change in fund balance	(5,004,167)	(5,004,167)	(5,008,779)	(4,612)
Fund balance at beginning of year	2,704,612	2,704,612	2,704,612	-
Prior year encumbrances appropriated	2,304,167	2,304,167	2,304,167	-
Fund balance at end of year	\$ 4,612	\$ 4,612	\$ -	\$ (4,612)

# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 2,871,809	\$ 2,871,809	\$ 3,214,883	\$ 343,074
Intergovernmental	40,455	40,455	434,606	394,151
Total revenues	<u>2,912,264</u>	<u>2,912,264</u>	<u>3,649,489</u>	<u>737,225</u>
<b>Expenditures:</b>				
Current:				
Support services:				
Fiscal:				
Other	60,692	65,000	50,643	14,357
Operations and maintenance of plant:				
Purchased services	585,235	626,774	460,736	166,038
Capital outlay	4,860,438	5,205,424	4,116,212	1,089,212
Total operations and maintenance of plant	<u>5,445,673</u>	<u>5,832,198</u>	<u>4,576,948</u>	<u>1,255,250</u>
Pupil transportation:				
Capital outlay	270,780	290,000	-	290,000
Central:				
Capital outlay	113,578	121,640	-	121,640
Total support services	<u>5,890,723</u>	<u>6,308,838</u>	<u>4,627,591</u>	<u>1,681,247</u>
Debt service:				
Principal	448,188	480,000	480,000	-
Interest and fiscal charges	705,481	755,555	754,044	1,511
Total debt service	<u>1,153,669</u>	<u>1,235,555</u>	<u>1,234,044</u>	<u>1,511</u>
Total expenditures	<u>7,044,392</u>	<u>7,544,393</u>	<u>5,861,635</u>	<u>1,682,758</u>
Excess of revenues (under) over expenditures	(4,132,128)	(4,632,129)	(2,212,146)	2,419,983

Continued

# Cleveland Heights-University Heights City School District

## Permanent Improvement 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, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Other financing sources:				
Proceeds from sale	213	213	2,289	2,076
Transfers – in	383,728	383,728	4,122,320	3,738,592
Total other financing sources	<u>383,941</u>	<u>383,941</u>	<u>4,124,609</u>	<u>3,740,668</u>
Net change in fund balance	(3,748,187)	(4,248,188)	1,912,463	6,160,651
Fund balance at beginning of year	4,141,270	4,141,270	4,141,270	-
Prior year encumbrances appropriated	<u>1,979,393</u>	<u>1,979,393</u>	<u>1,979,393</u>	-
Fund balance at end of year	<u>\$ 2,372,476</u>	<u>\$ 1,872,475</u>	<u>\$ 8,033,126</u>	<u>\$ 6,160,651</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 199,726	\$ 385,011	\$ 245,206	\$ (139,805)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	54,491	89,903	47,000	42,903
Employee benefits	1,915	3,160	25,127	(21,967)
Purchased services	47,387	78,181	53,233	24,948
Supplies and materials	44,332	73,142	39,670	33,472
Capital outlay	98,544	162,582	16,262	146,320
Other	1,515	2,500	2,500	-
Total regular	248,184	409,468	183,792	225,676
Support services:				
Pupil:				
Purchased services	306	505	-	505
Instructional staff:				
Salaries and wages	12,365	20,400	391	20,009
Employee benefits	2,182	3,600	49	3,551
Purchased services	29,721	49,035	27,205	21,830
Supplies and materials	7,150	11,797	11,797	-
Total instructional staff	51,418	84,832	39,442	45,390
Administration:				
Purchased services	848	1,400	-	1,400
Supplies and materials	745	1,229	517	712
Other	263	435	60	375
Total administration	1,856	3,064	577	2,487
Pupil transportation:				
Purchased services	1,778	2,933	925	2,008
Total support services	55,358	91,334	40,944	50,390

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Food service operations:				
Supplies and materials	393	649	-	649
Community services:				
Purchased services	5,122	8,451	2,324	6,127
Supplies and materials	3,031	5,000	5,000	-
Total community services	8,153	13,451	7,324	6,127
Total operation of non-instructional services	8,546	14,100	7,324	6,776
Total expenditures	312,088	514,902	232,060	282,842
Excess of revenues (under) over expenditures	(112,362)	(129,891)	13,146	143,037
Other financing sources (uses):				
Transfers – out	(100,704)	(166,146)	(139,175)	26,971
Advances – in	125,274	241,489	153,800	(87,689)
Advances – out	(65,930)	(108,775)	(108,745)	30
Total other financing sources (uses)	(41,360)	(33,432)	(94,120)	(60,688)
Net change in fund balance	(153,722)	(163,323)	(80,974)	82,349
Fund balance at beginning of year	26,804	26,804	26,804	-
Prior year encumbrances appropriated	136,927	136,927	136,927	-
Fund balance at end of year	\$ 10,009	\$ 408	\$ 82,757	\$ 82,349

# Cleveland Heights-University Heights City School District

## Student 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Extracurricular activities	\$ 31,963	\$ 31,963	\$ 4,932	\$ (27,031)
Miscellaneous	18,036	18,036	2,783	(15,253)
Total revenues	<u>49,999</u>	<u>49,999</u>	<u>7,715</u>	<u>(42,284)</u>
<b>Expenditures:</b>				
Current:				
Support services:				
Pupil:				
Purchased services	2,321	3,850	3,325	525
Supplies and materials	1,025	1,700	-	1,700
Other	1,145	1,900	-	1,900
Total pupil	<u>4,491</u>	<u>7,450</u>	<u>3,325</u>	<u>4,125</u>
Extracurricular activities:				
Purchased services	15,619	25,900	4,987	20,913
Supplies and materials	11,273	18,694	1,414	17,280
Other	6,766	11,220	19,379	(8,159)
Total extracurricular activities	<u>33,658</u>	<u>55,814</u>	<u>25,780</u>	<u>30,034</u>
Total expenditures	<u>38,149</u>	<u>63,264</u>	<u>29,105</u>	<u>34,159</u>
Excess of revenues over (under) expenditures	11,850	(13,265)	(21,390)	(8,125)
Other financing uses:				
Transfers – out	<u>(37,796)</u>	<u>(62,679)</u>	<u>-</u>	<u>62,679</u>
Net change in fund balance	(25,946)	(75,944)	(21,390)	54,554
Fund balance at beginning of year	93,371	93,371	93,371	-
Prior year encumbrances appropriated	<u>943</u>	<u>943</u>	<u>943</u>	<u>-</u>
Fund balance at end of year	<u>\$ 68,368</u>	<u>\$ 18,370</u>	<u>\$ 72,924</u>	<u>\$ 54,554</u>

# Cleveland Heights-University Heights City School District

## District Managed Activity Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Extracurricular activities	\$ 64,368	\$ 64,368	\$ 54,136	\$ (10,232)
Miscellaneous	37,312	37,312	31,777	(5,535)
Total revenues	<u>101,680</u>	<u>101,680</u>	<u>85,913</u>	<u>(15,767)</u>
<b>Expenditures:</b>				
Current:				
Support services:				
Pupil:				
Supplies and materials	112	182	-	182
Extracurricular activities:				
Purchased services	113,970	184,250	160,310	23,940
Supplies and materials	144,950	234,331	202,356	31,975
Capital outlay	8,625	13,943	13,941	2
Other	8,767	14,172	8,958	5,214
Total extracurricular activities	<u>276,312</u>	<u>446,696</u>	<u>385,565</u>	<u>61,131</u>
Total expenditures	<u>276,424</u>	<u>446,878</u>	<u>385,565</u>	<u>61,313</u>
Excess of revenues (under) over expenditures	<u>(174,744)</u>	<u>(345,198)</u>	<u>(299,652)</u>	<u>45,546</u>
Other financing sources (uses):				
Transfers – in	298,319	298,319	250,500	(47,819)
Transfers – out	(33,778)	(54,607)	-	54,607
Total other financing sources (uses)	<u>264,541</u>	<u>243,712</u>	<u>250,500</u>	<u>6,788</u>
Net change in fund balance	89,797	(101,486)	(49,152)	52,334
Fund balance at beginning of year	85,714	85,714	85,714	-
Prior year encumbrances appropriated	<u>45,205</u>	<u>45,205</u>	<u>45,205</u>	<u>-</u>
Fund balance at end of year	<u>\$ 220,716</u>	<u>\$ 29,433</u>	<u>\$ 81,767</u>	<u>\$ 52,334</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,447,487	\$ 2,770,637	\$ 2,762,725	\$ (7,912)
Earnings on investments	2,167	2,453	2,446	(7)
Total revenues	<u>2,449,654</u>	<u>2,773,090</u>	<u>2,765,171</u>	<u>(7,919)</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services:				
Community services:				
Purchased services	1,789,328	2,068,343	2,059,414	8,929
Supplies and materials	816,496	943,814	941,285	2,529
Capital outlay	301,171	348,134	347,964	170
Total expenditures	<u>2,906,995</u>	<u>3,360,291</u>	<u>3,348,663</u>	<u>11,628</u>
Net change in fund balance	(457,341)	(587,201)	(583,492)	3,709
Fund balance at beginning of year	144,409	144,409	144,409	-
Prior year encumbrances appropriated	<u>441,820</u>	<u>441,820</u>	<u>441,820</u>	-
Fund balance (deficit) at end of year	\$ <u>128,888</u>	\$ <u>(972)</u>	\$ <u>2,737</u>	\$ <u>3,709</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 150,000	\$ 170,000	\$ 136,825	\$ (33,175)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	98,339	112,380	86,429	25,951
Employee benefits	41,740	47,700	50,952	(3,252)
Total expenditures	140,079	160,080	137,381	22,699
Net change in fund balance	9,921	9,920	(556)	(10,476)
Fund deficit at beginning of year	(5,941)	(5,941)	(5,941)	-
Fund balance (deficit) at end of year	\$ 3,980	\$ 3,979	\$ (6,497)	\$ (10,476)

# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
Expenditures:				
Current:				
Support services:				
Business:				
Capital outlay	17,892	17,892	17,892	-
Central:				
Purchased services	18,000	18,000	18,000	-
Total expenditures	35,892	35,892	35,892	-
Net change in fund balance	(17,892)	(17,892)	(17,892)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	17,892	17,892	17,892	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

# Cleveland Heights-University Heights City School District

## Student Wellness and Success Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 1,380,518	\$ (119,482)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	1,123,277	1,123,277	1,120,524	2,753
Employee benefits	259,995	259,995	259,994	1
Total expenditures	1,383,272	1,383,272	1,380,518	2,754
Net change in fund balance	116,728	116,728	-	(116,728)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 116,728	\$ 116,728	\$ -	\$ (116,728)

# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 35,000	\$ 64,469	\$ 58,568	\$ (5,901)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	1,911	3,682	3,682	-
Support services:				
Operations and maintenance of plant:				
Purchased services	1,901	3,664	3,664	-
Capital outlay	11,715	22,580	22,580	-
Total operations	13,616	26,244	26,244	-
Pupil transportation				
Capital outlay	16,248	31,317	31,317	-
Total support services	29,864	57,561	57,561	-
Total expenditures	31,775	61,243	61,243	-
Net change in fund balance	3,225	3,226	(2,675)	(5,901)
Fund balance at beginning of year	456	456	456	-
Fund balance (deficit) at end of year	\$ 3,681	\$ 3,682	\$ (2,219)	\$ (5,901)

# Cleveland Heights-University Heights City School District

## Elementary and Secondary School Emergency Relief Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 738,226	\$ 738,226	\$ 495,083	\$ (243,143)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	259,723	259,723	245,732	13,991
Operation of non-instructional services:				
Community services:				
Purchased services	283,919	283,919	283,920	(1)
Supplies and materials	25,635	25,635	25,635	-
Capital outlay	168,948	168,948	121,013	47,935
Total operation of non-instructional services	478,502	478,502	430,568	47,934
Total expenditures	738,225	738,225	676,300	61,925
Net change in fund balance	1	1	(181,217)	(181,218)
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	\$ 1	\$ 1	\$ (181,217)	\$ (181,218)

# Cleveland Heights-University Heights City School District

## Title IV Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,050,000	\$ 1,050,000	\$ 523,006	\$ (526,994)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	155,477	155,477	46,240	109,237
Employee benefits	36,679	36,679	7,776	28,903
Purchased services	97,182	97,182	92,372	4,810
Supplies and materials	100,443	100,443	85,699	14,744
Capital outlay	86,980	86,980	23,860	63,120
Other	19,000	19,000	17,000	2,000
Total regular	495,761	495,761	272,947	222,814
Support services:				
Pupil:				
Salaries and wages	191,250	191,250	142,711	48,539
Employee benefits	91,406	91,406	86,383	5,023
Total pupil	282,656	282,656	229,094	53,562
Instructional staff:				
Purchased services	21,901	21,901	21,301	600
Supplies and materials	99	99	99	-
Total instructional staff	22,000	22,000	21,400	600
Administration:				
Purchased services	143,320	143,320	115,848	27,472
Fiscal:				
Other	17,911	17,911	-	17,911
Pupil transportation:				
Purchased services	19,000	19,000	19,001	(1)
Central:				
Purchased services	50,000	50,000	44,000	6,000
Total support services	534,887	534,887	429,343	105,544

Continued

# Cleveland Heights-University Heights City School District

Title IV 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Other	9,500	9,500	9,499	1
Total expenditures	1,040,148	1,040,148	711,789	328,359
Net change in fund balance	9,852	9,852	(188,783)	(198,635)
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	\$ 9,852	\$ 9,852	\$ (188,783)	\$ (198,635)



# Cleveland Heights-University Heights City School District

## Coronavirus Relief Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 463,823	\$ 463,823	\$ 372,176	\$ (91,647)
Expenditures:				
Current:				
Instruction:				
Regular:				
Capital outlay	151,466	151,466	151,466	-
Operation of non-instructional services:				
Operations and maintenance of plant:				
Purchased services	-	-	31,600	(31,600)
Supplies and materials	312,356	312,356	280,757	31,599
Total operations and maintenance of plant	312,356	312,356	312,357	(1)
Total expenditures	463,822	463,822	463,823	(1)
Net change in fund balance	1	1	(91,647)	(91,648)
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	\$ 1	\$ 1	\$ (91,647)	\$ (91,648)

# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,600,000	\$ 2,600,000	\$ 1,799,900	\$ (800,100)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	656,165	656,165	432,749	223,416
Employee benefits	526,408	526,408	386,085	140,323
Purchased services	11,640	11,640	11,640	-
Total special	<u>1,194,213</u>	<u>1,194,213</u>	<u>830,474</u>	<u>363,739</u>
Support services:				
Pupil:				
Salaries and wages	120,021	120,021	178,768	(58,747)
Employee benefits	56,553	56,553	67,338	(10,785)
Total pupil	<u>176,574</u>	<u>176,574</u>	<u>246,106</u>	<u>(69,532)</u>
Administration:				
Salaries and wages	370,107	370,107	311,448	58,659
Employee benefits	71,899	71,899	175,634	(103,735)
Total administration	<u>442,006</u>	<u>442,006</u>	<u>487,082</u>	<u>(45,076)</u>
Fiscal:				
Other	35,812	35,812	-	35,812
Total support services	<u>654,392</u>	<u>654,392</u>	<u>733,188</u>	<u>(78,796)</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	-	-	95,527	(95,527)
Employee benefits	-	-	36,378	(36,378)
Purchased services	606,980	606,980	355,679	251,301
Total community services	<u>606,980</u>	<u>606,980</u>	<u>487,584</u>	<u>119,396</u>
Total expenditures	<u>2,455,585</u>	<u>2,455,585</u>	<u>2,051,246</u>	<u>404,339</u>

Continued

## Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund (continued)

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balance	144,415	144,415	(251,346)	(395,761)
Fund deficit at beginning of year	(267,239)	(267,239)	(267,239)	-
Prior year encumbrances appropriated	<u>199,952</u>	<u>199,952</u>	<u>199,952</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u><u>77,128</u></u>	\$ <u><u>77,128</u></u>	\$ <u><u>(318,633)</u></u>	\$ <u><u>(395,761)</u></u>

# Cleveland Heights-University Heights City School District

## Vocational Education Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 550,000	\$ 550,000	\$ 201,189	\$ (348,811)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	84,426	84,669	65,641	19,028
Employee benefits	26,898	26,977	21,060	5,917
Purchased services	128,838	129,209	122,219	6,990
Supplies and materials	99,608	99,895	91,518	8,377
Capital outlay	133,672	134,058	122,511	11,547
Total vocational	<u>473,442</u>	<u>474,808</u>	<u>422,949</u>	<u>51,859</u>
Support services:				
Instructional staff:				
Purchased services	37,377	37,485	37,485	-
Administration:				
Purchased services	160	160	160	-
Total support services	<u>37,537</u>	<u>37,645</u>	<u>37,645</u>	<u>-</u>
Total expenditures	<u>510,979</u>	<u>512,453</u>	<u>460,594</u>	<u>51,859</u>
Net change in fund balance	39,021	37,547	(259,405)	(296,952)
Fund deficit at beginning of year	(46,128)	(46,128)	(46,128)	-
Prior year encumbrances appropriated	<u>35,744</u>	<u>35,744</u>	<u>35,744</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u>28,637</u>	\$ <u>27,163</u>	\$ <u>(269,789)</u>	\$ <u>(296,952)</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 8,379	\$ (21,621)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	-	-	138	(138)
Employee benefits	-	-	25	(25)
Purchased services	6,500	6,500	4,000	2,500
Supplies and materials	8,226	8,226	753	7,473
Other	500	500	-	500
Total special	15,226	15,226	4,916	10,310
Support services:				
Instructional staff:				
Salaries and wages	1,600	1,600	1,086	514
Employee benefits	100	100	162	(62)
Purchased services	2,212	2,212	1,000	1,212
Total instructional staff	3,912	3,912	2,248	1,664
Fiscal:				
Other	380	380	-	380
Pupil transportation:				
Purchased services	420	420	-	420
Total support services	4,712	4,712	2,248	2,464
Operation of non-instructional services:				
Community services:				
Salaries and wages	-	-	299	(299)
Employee benefits	-	-	89	(89)
Purchased services	7,600	7,600	6,072	1,528
Total community services	7,600	7,600	6,460	1,140
Total expenditures	27,538	27,538	13,624	13,914
Net change in fund balance	2,462	2,462	(5,245)	(7,707)
Fund deficit at beginning of year	(2,460)	(2,460)	(2,460)	-
Prior year encumbrances appropriated	2,226	2,226	2,226	-
Fund balance (deficit) at end of year	\$ 2,228	\$ 2,228	\$ (5,479)	\$ (7,707)

# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,100,000	\$ 4,100,000	\$ 2,379,341	\$ (1,720,659)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	4,800	4,800	1,742	3,058
Employee benefits	800	800	226	574
Purchased services	25,259	25,259	15,479	9,780
Supplies and materials	18,779	18,779	18,741	38
Total regular	<u>49,638</u>	<u>49,638</u>	<u>36,188</u>	<u>13,450</u>
Special:				
Salaries and wages	1,505,772	1,505,772	989,364	516,408
Employee benefits	441,751	441,751	442,296	(545)
Purchased services	10,250	10,250	-	10,250
Supplies and materials	9,523	9,523	9,472	51
Capital outlay	117,055	117,055	117,055	-
Total special	<u>2,084,351</u>	<u>2,084,351</u>	<u>1,558,187</u>	<u>526,164</u>
Total instruction	<u>2,133,989</u>	<u>2,133,989</u>	<u>1,594,375</u>	<u>539,614</u>
Support services:				
Instructional staff:				
Salaries and wages	266,420	266,420	101,916	164,504
Employee benefits	48,251	48,251	41,644	6,607
Purchased services	275,199	275,199	245,833	29,366
Supplies and materials	62,515	62,515	31,779	30,736
Total instructional staff	<u>652,385</u>	<u>652,385</u>	<u>421,172</u>	<u>231,213</u>
Administration:				
Salaries and wages	59,193	59,193	49,550	9,643
Employee benefits	22,115	22,115	29,459	(7,344)
Total administration	<u>81,308</u>	<u>81,308</u>	<u>79,009</u>	<u>2,299</u>
Fiscal:				
Other	<u>61,824</u>	<u>61,824</u>	<u>-</u>	<u>61,824</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Purchased services	1,000	1,000	-	1,000
Total support services	796,517	796,517	500,181	296,336
Operation of non-instructional services:				
Community services:				
Salaries and wages	61,520	61,520	49,160	12,360
Employee benefits	16,218	16,218	36,593	(20,375)
Purchased services	891,824	891,824	644,819	247,005
Supplies and materials	19,156	19,156	15,899	3,257
Other	100	100	-	100
Total community services	988,818	988,818	746,471	242,347
Total expenditures	3,919,324	3,919,324	2,841,027	1,078,297
Net change in fund balance	180,676	180,676	(461,686)	(642,362)
Fund deficit at beginning of year	(573,733)	(573,733)	(573,733)	-
Prior year encumbrances appropriated	481,554	481,554	481,554	-
Fund balance (deficit) at end of year	\$ 88,497	\$ 88,497	\$ (553,865)	\$ (642,362)

# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 24,504	\$ (5,496)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	17,377	17,377	15,484	1,893
Employee benefits	11,299	11,299	10,967	332
Total special	28,676	28,676	26,451	2,225
Support services:				
Fiscal:				
Other	573	573	-	573
Total expenditures	29,249	29,249	26,451	2,798
Net change in fund balance	751	751	(1,947)	(2,698)
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	\$ 751	\$ 751	\$ (1,947)	\$ (2,698)



# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 675,000	\$ 685,000	\$ 166,370	\$ (518,630)
Miscellaneous	-	-	10,268	10,268
Total revenues	<u>675,000</u>	<u>685,000</u>	<u>176,638</u>	<u>(508,362)</u>
<b>Expenditures:</b>				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	181,970	184,760	57,330	127,430
Employee benefits	7,064	7,172	9,962	(2,790)
Purchased services	235,078	238,683	173,349	65,334
Supplies and materials	4,924	5,000	-	5,000
Total instructional staff	<u>429,036</u>	<u>435,615</u>	<u>240,641</u>	<u>194,974</u>
Fiscal:				
Other	<u>7,297</u>	<u>7,409</u>	<u>-</u>	<u>7,409</u>
Central:				
Purchased services	53,904	54,731	54,731	-
Supplies and materials	4,925	5,000	5,000	-
Total central	<u>58,829</u>	<u>59,731</u>	<u>59,731</u>	<u>-</u>
Total support services	<u>495,162</u>	<u>502,755</u>	<u>300,372</u>	<u>202,383</u>
Operation of non-instructional services:				
Community services:				
Purchased services	155,954	158,345	87,956	70,389
Supplies and material	1,037	1,053	500	553
Total community services	<u>156,991</u>	<u>159,398</u>	<u>88,456</u>	<u>70,942</u>
Total expenditures	<u>652,153</u>	<u>662,153</u>	<u>388,828</u>	<u>273,325</u>
Net change in fund balance	22,847	22,847	(212,190)	(235,037)
Fund deficit at beginning of year	(57,986)	(57,986)	(57,986)	-
Prior year encumbrances appropriated	<u>56,950</u>	<u>56,950</u>	<u>56,950</u>	<u>-</u>
Fund balance (deficit) at end of year	\$ <u>21,811</u>	\$ <u>21,811</u>	\$ <u>(213,226)</u>	\$ <u>(235,037)</u>

# 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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 271,094	\$ (328,906)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	41,121	41,121	1,540	39,581
Employee benefits	5,474	5,474	224	5,250
Purchased services	216,325	216,325	211,001	5,324
Supplies and materials	25,202	25,202	13,600	11,602
Capital outlay	2,000	2,000	-	2,000
Total regular	290,122	290,122	226,365	63,757
Support services:				
Pupil:				
Salaries and wages	16,638	16,638	16,638	-
Employee benefits	8,129	8,129	8,129	-
Total pupil	24,767	24,767	24,767	-
Instructional staff:				
Salaries and wages	10,000	10,000	8,320	1,680
Employee benefits	1,600	1,600	4,784	(3,184)
Purchased services	67,744	67,744	50,761	16,983
Supplies and materials	2,000	2,000	-	2,000
Total instructional staff	81,344	81,344	63,865	17,479
Fiscal:				
Other	5,954	5,954	3,374	2,580
Pupil transportation:				
Purchased services	11,000	11,000	6,640	4,360
Total support services	123,065	123,065	98,646	24,419

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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	86,563	86,563	64,228	22,335
Supplies and materials	15,815	15,815	10,283	5,532
Capital outlay	11,372	11,372	-	11,372
Total community services	<u>113,750</u>	<u>113,750</u>	<u>74,511</u>	<u>39,239</u>
Total expenditures	<u>526,937</u>	<u>526,937</u>	<u>399,522</u>	<u>127,415</u>
Net change in fund balance	73,063	73,063	(128,428)	(201,491)
Fund deficit at beginning of year	(209,590)	(209,590)	(209,590)	-
Prior year encumbrances appropriated	<u>170,439</u>	<u>170,439</u>	<u>170,439</u>	-
Fund balance (deficit) at end of year	\$ <u>33,912</u>	\$ <u>33,912</u>	\$ <u>(167,579)</u>	\$ <u>(201,491)</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, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,818,054	\$ 4,818,054	\$ 5,330,064	\$ 512,010
Intergovernmental	485,129	485,129	187,929	(297,200)
Total revenues	<u>5,303,183</u>	<u>5,303,183</u>	<u>5,517,993</u>	<u>214,810</u>
Expenditures:				
Current:				
Support services:				
Fiscal:				
Other	<u>150,000</u>	<u>150,000</u>	<u>83,798</u>	<u>66,202</u>
Debt service:				
Principal	1,390,000	1,390,000	1,388,259	1,741
Interest and fiscal charges	<u>5,610,000</u>	<u>5,610,000</u>	<u>5,609,029</u>	<u>971</u>
Total debt service	<u>7,000,000</u>	<u>7,000,000</u>	<u>6,997,288</u>	<u>2,712</u>
Total expenditures	<u>7,150,000</u>	<u>7,150,000</u>	<u>7,081,086</u>	<u>68,914</u>
Net change in fund balance	(1,846,817)	(1,846,817)	(1,563,093)	283,724
Fund balance at beginning of year	<u>1,863,418</u>	<u>1,863,418</u>	<u>1,863,418</u>	-
Fund balance at end of year	<u>\$ 16,601</u>	<u>\$ 16,601</u>	<u>\$ 300,325</u>	<u>\$ 283,724</u>

# Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2021

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## **Nonmajor Enterprise Funds**

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

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

***Uniform School Supplies*** This fund accounts for the purchase and sale of necessary supplies, materials, or other school related items.

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

## **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, 2021

	Food Services	Uniform School Supplies	Customer Services	Total Nonmajor Enterprise Funds
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and investments	\$ 1,266,460	\$ 61,271	\$ 2,756	\$ 1,330,487
Prepaid items	90	-	-	90
Intergovernmental receivable	444,333	-	-	444,333
Materials and supplies inventories	38,169	-	-	38,169
Total current assets	<u>1,749,052</u>	<u>61,271</u>	<u>2,756</u>	<u>1,813,079</u>
Non-current assets:				
Nondepreciable capital assets	29,886	-	-	29,886
Depreciable capital assets, net	271,530	-	-	271,530
Total non-current assets	<u>301,416</u>	<u>-</u>	<u>-</u>	<u>301,416</u>
Total assets	<u>2,050,468</u>	<u>61,271</u>	<u>2,756</u>	<u>2,114,495</u>
Deferred outflows of resources:				
Pension – SERS	8,529	-	-	8,529
OPEB – SERS	4,332	-	-	4,332
Total deferred outflows of resources	<u>12,861</u>	<u>-</u>	<u>-</u>	<u>12,861</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	312,124	-	-	312,124
Accrued wages and benefits	4,736	-	-	4,736
Intergovernmental payable	1,029	-	-	1,029
Current portion of accrued compensated absences	551	-	-	551
Total current liabilities	<u>318,440</u>	<u>-</u>	<u>-</u>	<u>318,440</u>
Non-current liabilities:				
Net Pension Liability	62,920	-	-	62,920
Net OPEB Liability	20,334	-	-	20,334
Total non-current liabilities	<u>83,254</u>	<u>-</u>	<u>-</u>	<u>83,254</u>
Total liabilities	<u>401,694</u>	<u>-</u>	<u>-</u>	<u>401,694</u>
Deferred inflows of resources:				
Pension – SERS	403,913	-	-	403,913
OPEB – SERS	392,118	-	-	392,118
Total deferred inflows of resources	<u>796,031</u>	<u>-</u>	<u>-</u>	<u>796,031</u>
<b>Net position:</b>				
Net investment in capital assets	279,381	-	-	279,381
Unrestricted (deficit)	586,223	61,271	2,756	650,250
Total net position (deficit)	<u>\$ 865,604</u>	<u>\$ 61,271</u>	<u>\$ 2,756</u>	<u>\$ 929,631</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, 2021

	Food Services	Uniform School Supplies	Customer Services	Total Nonmajor Enterprise Funds
Operating revenues:				
Classroom materials and fees	\$ -	\$ 3,805	\$ -	\$ 3,805
Food services	95,448	-	-	95,448
Miscellaneous	622	-	618	1,240
Total operating revenues	<u>96,070</u>	<u>3,805</u>	<u>618</u>	<u>100,493</u>
Operating expenses:				
Salaries and wages	30,179	-	-	30,179
Fringe benefits	(385,511)	-	-	(385,511)
Purchased services	1,826,054	-	-	1,826,054
Supplies and materials	199,743	1,836	-	201,579
Depreciation	20,931	-	-	20,931
Other	1,781	91	111	1,983
Total operating expenses	<u>1,693,177</u>	<u>1,927</u>	<u>111</u>	<u>1,695,215</u>
Operating (loss) income	<u>(1,597,107)</u>	<u>1,878</u>	<u>507</u>	<u>(1,594,722)</u>
Non-operating revenues:				
Federal donated commodities	189,308	-	-	189,308
Intergovernmental grants	3,090,013	-	-	3,090,013
Total non-operating revenues	<u>3,279,321</u>	<u>-</u>	<u>-</u>	<u>3,279,321</u>
Change in net position	1,682,214	1,878	507	1,684,599
Net position (deficit) at beginning of year	<u>(816,610)</u>	<u>59,393</u>	<u>2,249</u>	<u>(754,968)</u>
Net position (deficit) at end of year	<u>\$ 865,604</u>	<u>\$ 61,271</u>	<u>\$ 2,756</u>	<u>\$ 929,631</u>

# Cleveland Heights-University Heights City School District

## Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2021

	Food Services	Uniform School Supplies	Customer Services	Total Nonmajor Enterprise Funds
<b>Increase (decrease) in cash and cash equivalents:</b>				
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 95,448	\$ 3,805	\$ -	\$ 99,253
Cash received from other operating sources	622	-	618	1,240
Cash payments for materials and supplies	(15,000)	(1,836)	-	(16,836)
Cash payments for goods and service	(1,945,497)	-	-	(1,945,497)
Cash payments to employees for services	(30,399)	-	-	(30,399)
Cash payments for employee benefits	(35,866)	-	-	(35,866)
Cash payments for other	-	(91)	(111)	(202)
Net cash (used) provided by operating activities	<u>(1,930,692)</u>	<u>1,878</u>	<u>507</u>	<u>(1,928,307)</u>
<b>Cash flows from noncapital financing activities:</b>				
Intergovernmental grants received	<u>2,916,020</u>	<u>-</u>	<u>-</u>	<u>2,916,020</u>
<b>Cash flows from capital financing activities:</b>				
Acquisition of capital assets	<u>(7,851)</u>	<u>-</u>	<u>-</u>	<u>(7,851)</u>
Net increase in cash and cash equivalents	977,477	1,878	507	979,862
Cash and cash equivalents at beginning of year	<u>288,983</u>	<u>59,393</u>	<u>2,249</u>	<u>350,625</u>
Cash and cash equivalents at end of year	<u>\$ 1,266,460</u>	<u>\$ 61,271</u>	<u>\$ 2,756</u>	<u>\$ 1,330,487</u>
<b>Non-cash capital and noncapital financing activities:</b>				
Federal donated commodities	\$ 189,308	\$ -	\$ -	\$ 189,308
Capital assets purchased on credit	22,035	-	-	22,035

Continued



# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2021

	Food Services	Uniform School Supplies	Customer Services	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating (loss) income to net cash (used) provided by operating activities:</b>				
Operating (loss) income	\$ (1,597,107)	\$ 1,878	\$ 507	\$ (1,594,722)
Adjustments:				
Depreciation	20,931	-	-	20,931
Federal donated commodities	189,308	-	-	189,308
Changes in assets/liabilities:				
Prepaid items	816	-	-	816
Materials and supplies inventories	590	-	-	590
Inventory held for resale	(5,155)	-	-	(5,155)
Deferred outflows – pension	51,480	-	-	51,480
Deferred outflows – OPEB	4,508	-	-	4,508
Accounts payable	(117,662)	-	-	(117,662)
Accrued wages and benefits	(220)	-	-	(220)
Intergovernmental payable	(465)	-	-	(465)
Accrued compensated absences	(23,872)	-	-	(23,872)
Net pension liability	(255)	-	-	(255)
Net OPEB liability	1,768	-	-	1,768
Deferred inflows – pension	(364,149)	-	-	(364,149)
Deferred inflows – OPEB	(91,208)	-	-	(91,208)
Total adjustments	<u>(333,585)</u>	<u>-</u>	<u>-</u>	<u>(333,585)</u>
Net cash (used) provided by operating activities	<u>\$ (1,930,692)</u>	<u>\$ 1,878</u>	<u>\$ 507</u>	<u>\$ (1,928,307)</u>

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



**Nadia Culp**  
11th grade



**Ruby Blackman**  
11th grade



**Grace Pindel**  
12th grade



# Cleveland Heights-University Heights City School District

## Food Services Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Food services	\$ 87,143	\$ 87,143	\$ 95,448	\$ 8,305
Miscellaneous	568	568	622	54
Operating grants	2,662,289	2,662,289	2,916,020	253,731
Total revenues	<u>2,750,000</u>	<u>2,750,000</u>	<u>3,012,090</u>	<u>262,090</u>
<b>Expenses:</b>				
Food service operations:				
Salaries and wages	41,481	42,500	30,399	12,101
Employee benefits	38,065	39,000	35,866	3,134
Purchased services	2,267,180	2,322,829	2,243,238	79,591
Supplies and materials	14,641	15,000	15,000	-
Other	2,440	2,500	1,781	719
Total expenses	<u>2,363,807</u>	<u>2,421,829</u>	<u>2,326,284</u>	<u>95,545</u>
Excess of revenues over expenses	386,193	328,171	685,806	357,635
<b>Other financing uses:</b>				
Advances – out	<u>(488,021)</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
Net change in fund equity	(101,828)	(171,829)	685,806	857,635
Fund equity at beginning of year	37,154	37,154	37,154	-
Prior year encumbrances appropriated	<u>251,829</u>	<u>251,829</u>	<u>251,829</u>	<u>-</u>
Fund equity at end of year	<u>\$ 187,155</u>	<u>\$ 117,154</u>	<u>\$ 974,789</u>	<u>\$ 857,635</u>

# Cleveland Heights-University Heights City School District

## Uniform School Supplies Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 5,000	\$ 5,000	\$ 3,805	\$ (1,195)
Expenses:				
Supplies and materials	53,413	53,413	1,883	51,530
Other	250	250	91	159
Capital outlay	5,750	5,750	-	5,750
Total expenses	<u>59,413</u>	<u>59,413</u>	<u>1,974</u>	<u>57,439</u>
Net change in fund equity	(54,413)	(54,413)	1,831	56,244
Fund equity at beginning of year	<u>59,393</u>	<u>59,393</u>	<u>59,393</u>	-
Fund equity at end of year	\$ <u><u>4,980</u></u>	\$ <u><u>4,980</u></u>	\$ <u><u>61,224</u></u>	\$ <u><u>56,244</u></u>

# Cleveland Heights-University Heights City School District

## Customer Services Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 618	\$ (9,382)
Expenses:				
Supplies and materials:	8,100	8,100	-	8,100
Other	1,900	1,900	111	1,789
Total expenses	10,000	10,000	111	9,889
Net change in fund equity	-	-	507	507
Fund equity at beginning of year	2,249	2,249	2,249	-
Fund equity at end of year	\$ 2,249	\$ 2,249	\$ 2,756	\$ 507

# Cleveland Heights-University Heights City School District

## Self-Insurance Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 20,000,000	\$ 20,000,000	\$ 20,082,039	\$ 82,039
Expenses:				
Employee benefits	19,964,359	19,964,359	19,101,719	862,640
Purchases services	57,254	57,254	25,620	31,634
Supplies and materials	7,399	7,399	2,399	5,000
Total expenses	<u>20,029,012</u>	<u>20,029,012</u>	<u>19,129,738</u>	<u>899,274</u>
Net change in fund equity	(29,012)	(29,012)	952,301	981,313
Fund equity at beginning of year	7,171,300	7,171,300	7,171,300	-
Prior year encumbrances appropriated	<u>29,012</u>	<u>29,012</u>	<u>29,012</u>	<u>-</u>
Fund equity at end of year	\$ <u>7,171,300</u>	\$ <u>7,171,300</u>	\$ <u>8,152,613</u>	\$ <u>981,313</u>

# STATISTICAL SECTION



**Demi Williams**  
4th grade



**Savanah Owens**  
4th grade



# Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2021

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

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

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



# Cleveland Heights-University Heights City School District

## Net Position by Component

Last Ten Fiscal Years	2012	2013	2014	2015	2016	2017	2018	2019	2020 (a)	2021
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 27,342,544	\$ 28,594,961	\$ 30,541,659	\$ 31,052,012	\$ 36,665,245	\$ 31,837,064	\$ 25,104,971	\$ 24,910,830	\$ 26,948,908	\$ 23,947,703
Restricted for:										
Capital projects	1,220,404	1,858,176	3,749,045	4,939,326	6,018,920	6,462,956	10,079,692	10,376,347	10,414,429	10,417,500
Debt service	756,981	239,222	2,907,465	3,879,732	4,055,002	3,143,643	-	-	-	-
Other purposes	461,744	471,046	372,466	328,565	865,805	235,382	529,568	611,900	884,198	722,957
Qualified Zone Academy										
Bond retirement	4,057,651	4,226,341	4,401,300	4,582,819	4,768,679	4,955,750	5,146,803	5,355,823	-	-
Unrestricted (deficit)	46,627,095	44,601,776	(110,110,600)	(109,538,804)	(108,570,623)	(154,710,889)	(89,078,082)	(79,946,850)	(97,236,957)	(96,264,075)
Total net position – governmental activities	80,466,419	79,991,522	(68,138,665)	(64,756,350)	(56,196,972)	(108,076,094)	(48,217,048)	(38,691,950)	(58,989,422)	(61,175,915)
<b>Business-type activities:</b>										
Net investment in capital assets	505,491	472,519	440,105	407,689	375,274	70,508	58,826	146,412	292,461	279,381
Unrestricted (deficit)	(9,642,747)	(12,609,793)	(3,524,685)	(3,971,286)	(3,743,283)	(2,679,434)	(2,110,788)	(1,841,431)	(1,047,429)	650,250
Total net position – business-type activities	(9,137,256)	(12,137,274)	(3,084,580)	(3,563,597)	(3,368,009)	(2,608,926)	(2,051,962)	(1,695,019)	(754,968)	929,631
<b>Primary government:</b>										
Net investment in capital assets	27,848,035	29,067,480	30,981,764	31,459,701	37,040,519	31,907,572	25,163,797	25,057,242	27,241,369	24,227,084
Restricted for:										
Capital projects	1,220,404	1,858,176	3,749,045	4,939,326	6,018,920	6,462,956	10,079,692	10,376,347	10,414,429	10,417,500
Debt service	756,981	239,222	2,907,465	3,879,732	4,055,002	3,143,643	-	-	-	-
Other purposes	461,744	471,046	372,466	328,565	865,805	235,382	529,568	611,900	884,198	722,957
Qualified zone academy										
bond retirement	4,057,651	4,226,341	4,401,300	4,582,819	4,768,679	4,955,750	5,146,803	5,355,823	-	-
Unrestricted (deficit)	36,984,348	31,991,983	(113,635,285)	(113,510,090)	(112,313,906)	(157,390,323)	(91,188,870)	(81,788,281)	(98,284,386)	(95,613,825)
Total net position – primary government	\$ 71,329,163	\$ 67,854,248	\$ (71,223,245)	\$ (68,319,947)	\$ (59,564,981)	\$ (110,685,020)	\$ (50,269,010)	\$ (40,386,969)	\$ (59,744,390)	\$ (60,246,284)

Source: School District financial records.  
(a) Restated for GASB 84.

# Cleveland Heights-University Heights City School District

## Changes in Net Position

### Last Ten Fiscal Years

Table 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses:</b>										
<b>Governmental activities:</b>										
Regular instruction	\$ 40,951,163	\$ 43,005,293	\$ 41,223,022	\$ 41,960,022	\$ 40,814,609	\$ 43,626,268	\$ 12,949,352	\$ 33,772,850	\$ 42,912,160	\$ 39,259,869
Special instruction	12,947,396	12,536,158	15,496,883	15,630,864	20,678,670	23,021,354	12,702,297	21,612,647	33,261,198	24,869,224
Vocational instruction	2,306,559	1,988,214	2,199,170	1,729,582	1,820,465	1,887,316	733,208	1,785,442	2,106,297	2,206,214
Adult/continuing instruction	335,150	258,202	46	214,853	-	-	-	-	-	294
Other instruction	7,154,104	8,257,928	8,817,024	8,653,671	6,284,908	5,975,458	6,135,377	8,628,069	4,747,157	14,496,660
Pupil	9,891,614	9,412,636	7,674,501	7,861,619	7,606,276	8,184,224	2,740,833	6,515,947	8,343,753	7,764,918
Instructional staff	6,445,138	8,004,270	5,838,505	6,740,256	5,296,223	5,271,824	2,635,760	4,135,898	5,501,084	4,314,831
Board of education	586,707	584,645	702,812	660,086	570,267	639,543	556,874	674,582	820,893	851,193
Administration	6,110,464	5,922,772	8,077,153	6,651,527	6,501,228	6,483,332	3,147,054	6,036,398	6,996,024	6,677,556
Fiscal	2,573,478	2,980,897	2,920,898	3,198,752	3,081,449	3,175,566	3,510,872	3,081,101	3,176,914	3,036,965
Business	1,552,317	556,890	1,748,679	1,536,059	990,990	1,047,575	934,024	858,780	1,125,107	1,215,741
Operation and maintenance of plant	12,510,123	12,391,012	13,286,205	13,177,175	12,299,919	12,691,307	12,114,146	14,284,656	16,718,490	17,033,474
Pupil transportation	5,302,386	4,616,743	4,168,805	4,081,598	3,767,197	4,122,183	3,660,423	3,978,709	4,026,440	2,959,364
Central	5,429,990	4,452,855	3,966,623	4,044,855	3,695,810	4,125,428	3,242,196	3,701,731	3,901,982	3,715,374
Food service operations	2,981	15,636	20,162	6,458	5,374	6,944	9,418	5,623	5,611	5,339
Community services	1,958,644	2,100,792	2,255,657	2,579,166	2,743,629	3,348,015	3,005,501	3,689,807	3,055,369	4,116,137
Shared services	-	-	5,149	-	-	-	-	-	-	-
Other operation of non-instructional services	117,942	120,356	926	2,081	267	423	584	206	-	-
Extracurricular activities	1,769,909	1,955,860	2,157,104	1,734,080	1,565,698	1,549,558	1,082,469	1,461,395	1,673,243	1,373,018
Interest and fiscal charges	461,235	299,445	3,776,729	7,507,361	7,278,250	7,364,064	7,184,831	6,644,931	7,309,910	6,747,558
<b>Total governmental activities expenses</b>	<b>118,407,300</b>	<b>119,460,604</b>	<b>124,336,053</b>	<b>127,970,065</b>	<b>125,001,229</b>	<b>132,520,382</b>	<b>76,345,219</b>	<b>120,868,772</b>	<b>145,681,632</b>	<b>140,643,729</b>
<b>Business-type activities:</b>										
Food services	2,434,896	2,507,990	2,442,610	2,276,189	2,624,070	2,579,471	2,354,594	2,602,197	2,360,152	1,693,177
Uniform school supplies	31,824	21,260	31,744	6,858	3,460	3,394	1,481	3,854	4,475	1,927
Customer services	-	34,212	-	10,565	8,858	7,974	9,578	8,374	4,368	111
Community services/early childhood	743,185	770,293	821,397	994,837	917,304	919,274	-	-	-	-
Bellefaire General Rotary	3,189,684	3,114,669	2,355	-	-	-	-	-	-	-
<b>Total business-type activities expenses</b>	<b>6,399,589</b>	<b>6,448,424</b>	<b>3,298,106</b>	<b>3,288,449</b>	<b>3,553,692</b>	<b>3,510,113</b>	<b>2,365,653</b>	<b>2,614,425</b>	<b>2,368,995</b>	<b>1,695,215</b>
<b>Total primary government expenses</b>	<b>124,806,889</b>	<b>125,909,028</b>	<b>127,634,159</b>	<b>131,258,514</b>	<b>128,554,921</b>	<b>136,030,495</b>	<b>78,710,872</b>	<b>123,483,197</b>	<b>148,050,627</b>	<b>142,338,944</b>

# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

Last Ten Fiscal Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program revenues:										
Governmental activities:										
Charges for services:										
Regular instruction	157,440	1,974,958	2,033,784	1,865,301	2,235,640	1,542,619	629,659	1,970,795	1,657,173	781,652
Special instruction	2,833,543	2,814,090	3,048,640	2,913,068	2,559,043	2,401,660	3,370,647	770,369	2,411,643	781,187
Vocational instruction	-	402,269	241,934	79,112	5,060	11,808	3,590	11,751	6,447	11,442
Administration	132,968	26,345	59,783	195,163	198,336	252,256	156,208	139,404	121,156	126,028
Pupil transportation	205,743	25,097	26,165	13,298	38,392	6,924	38,404	42,268	59,534	1,566
Extracurricular activities	115,175	155,691	102,970	111,836	80,261	92,178	119,080	110,087	77,410	44,185
Operating grants and contributions:										
Regular instruction	623,151	1,483,338	1,275,340	795,124	892,723	666,545	874,223	1,497,527	2,513,329	1,417,514
Special instruction	5,259,112	4,268,212	4,164,420	3,439,308	3,713,268	3,820,067	3,766,969	4,580,498	3,851,008	3,997,515
Vocational instruction	194,247	328,861	302,953	265,366	237,709	231,876	285,428	256,476	228,880	308,190
Adult/continuing instruction	537,124	432,062	99,484	-	-	-	-	-	-	-
Pupil	112,257	90,267	107,986	103,246	105,593	105,911	18,000	18,000	797,501	1,398,518
Instructional staff	-	-	-	-	-	-	-	-	8,227	58,568
Community services	1,784,599	1,851,027	1,932,315	2,080,860	2,269,212	2,567,730	2,320,922	2,521,953	2,695,765	2,762,725
Capital grants and contributions:										
Operation and maintenance of plant	-	-	-	20,000	-	-	-	-	-	-
Central	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>11,955,359</b>	<b>13,852,217</b>	<b>13,395,774</b>	<b>11,881,682</b>	<b>12,335,237</b>	<b>11,699,574</b>	<b>11,583,130</b>	<b>11,919,128</b>	<b>14,428,073</b>	<b>11,689,090</b>

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

Last Ten Fiscal Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Business-type activities:</b>										
Charges for services:										
Food services	384,300	359,057	331,037	323,606	359,710	148,554	184,268	194,028	128,759	96,070
Uniform school supplies	27,468	23,825	28,907	13,402	9,456	11,214	15,636	12,274	6,063	3,805
Customer services	-	11,890	11,890	12,167	8,618	8,356	9,453	8,549	3,911	400
Community services/early childhood	620,621	647,205	662,846	566,556	554,364	544,241	-	-	-	-
Bellefaire General Rotary	2,222,430	283,102	683,844	-	-	-	-	-	-	-
Operating grants and contributions:										
Food services	1,613,137	2,123,327	1,868,291	1,901,444	1,762,391	2,834,985	2,713,260	2,756,187	3,169,731	3,279,321
<b>Total business-type activities</b>	<b>4,867,956</b>	<b>3,448,406</b>	<b>3,586,815</b>	<b>2,817,175</b>	<b>2,694,539</b>	<b>3,547,350</b>	<b>2,922,617</b>	<b>2,971,038</b>	<b>3,308,464</b>	<b>3,379,596</b>
<b>Total primary government</b>	<b>16,823,315</b>	<b>17,300,623</b>	<b>16,982,589</b>	<b>14,698,857</b>	<b>15,029,776</b>	<b>15,246,924</b>	<b>14,505,747</b>	<b>14,890,166</b>	<b>17,736,537</b>	<b>15,068,686</b>
Net expense:										
Governmental activities	(106,451,941)	(105,608,387)	(110,940,279)	(116,088,383)	(112,665,992)	(120,820,808)	(64,762,089)	(108,949,644)	(131,253,559)	(128,954,639)
Business-type activities	(1,531,633)	(3,000,018)	288,709	(471,274)	(859,153)	37,237	556,964	356,613	939,469	1,684,381
<b>Total primary government net expense</b>	<b>(107,983,574)</b>	<b>(108,608,405)</b>	<b>(110,651,570)</b>	<b>(116,559,657)</b>	<b>(113,525,145)</b>	<b>(120,783,571)</b>	<b>(64,205,125)</b>	<b>(108,593,031)</b>	<b>(130,314,090)</b>	<b>(127,270,258)</b>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes levied for:										
General purpose	65,982,589	69,354,404	74,045,127	73,060,036	75,153,473	62,806,651	76,763,349	71,980,283	68,062,834	81,433,114
Debt service	671,452	631,509	5,746,485	7,141,001	7,352,980	6,081,146	7,759,557	6,090,617	4,820,138	5,436,666
Capital projects	3,087,683	3,059,156	3,394,926	3,374,548	3,546,925	2,657,127	3,302,707	3,154,427	2,878,855	3,323,836
Grants and entitlements not restricted to specific programs	31,837,748	30,580,845	31,506,047	32,483,747	31,775,332	32,013,598	32,960,944	32,324,850	30,894,244	33,574,521
Investment earnings	273,286	230,870	504,723	1,756,112	1,499,671	906,980	1,178,732	1,949,799	1,109,356	60,559
Miscellaneous	493,226	1,276,706	1,044,771	1,647,511	2,951,730	2,502,529	2,655,846	2,975,096	3,096,928	2,939,450
Transfers	-	-	(11,056,420)	7,743	-	(1,271,323)	-	(330)	(582)	-
<b>Total governmental activities</b>	<b>102,345,984</b>	<b>105,133,490</b>	<b>105,185,659</b>	<b>119,470,698</b>	<b>122,280,111</b>	<b>105,696,708</b>	<b>124,621,135</b>	<b>118,474,742</b>	<b>110,861,773</b>	<b>126,768,146</b>

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

Last Ten Fiscal Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Transfers	-	-	11,056,420	(7,743)	-	1,271,323	-	330	582	-
Miscellaneous	-	-	-	-	-	-	-	-	-	218
Total business-type activities	-	-	11,056,420	(7,743)	-	1,271,323	-	330	582	218
Total primary government general revenues and other changes in net position										
	102,345,984	105,133,490	116,242,079	119,462,955	122,280,111	106,968,031	124,621,135	118,475,072	110,862,355	126,768,364
Change in net position:										
Governmental activities	(4,105,957)	(474,897)	(5,754,620)	3,382,315	9,614,119	(15,124,100)	59,859,046	9,525,098	(20,391,786)	(2,186,493)
Business-type activities	(1,531,633)	(3,000,018)	11,345,129	(479,017)	(859,153)	1,308,560	556,964	356,943	940,051	1,684,599
Total primary government change in net position	\$ (5,637,590)	\$ (3,474,915)	\$ 5,590,509	\$ 2,903,298	\$ 8,754,966	\$ (13,815,540)	\$ 60,416,010	\$ 9,882,041	\$ (19,451,735)	\$ (501,894)

Source: School District financial records.

# Cleveland Heights-University Heights City School District

## Program Revenues by Function/Program

Last Ten Fiscal Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Regular instruction	\$ 780,591	\$ 3,458,296	\$ 3,309,124	\$ 2,660,425	\$ 3,128,363	\$ 2,209,164	\$ 1,503,882	\$ 3,468,322	\$ 4,170,502	\$ 2,199,166
Special instruction	8,092,655	7,082,302	7,213,060	4,309,115	6,272,311	6,221,727	7,137,616	5,350,867	6,262,651	4,778,702
Vocational instruction	194,247	731,130	544,887	344,478	242,769	243,684	289,018	268,227	235,327	319,632
Adult/continuing instruction	537,124	432,062	99,484	-	-	-	-	-	-	-
Pupil	112,257	90,267	107,986	103,246	105,593	105,911	18,000	18,000	797,501	1,398,518
Instructional staff	-	-	-	-	-	-	-	-	8,227	58,568
Administration	132,968	26,345	59,783	195,163	198,336	252,256	156,208	139,404	121,156	126,028
Operation and maintenance of plant	-	-	-	20,000	-	-	-	-	-	-
Pupil transportation	205,743	25,097	26,165	13,298	38,392	6,924	38,404	42,268	59,534	1,566
Central	-	-	-	-	-	-	-	-	-	-
Community services	1,784,599	1,851,027	1,932,315	2,080,860	2,269,212	2,567,730	2,320,922	2,521,953	2,695,765	2,762,725
Extracurricular activities	115,175	155,691	102,970	111,836	80,261	92,178	119,080	110,087	77,410	44,185
Total governmental activities	<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>	<u>14,428,073</u>	<u>11,689,090</u>
Business-type activities:										
Food services	1,997,437	2,482,384	2,199,328	2,225,050	2,122,101	2,983,539	2,897,528	2,950,215	3,298,490	3,375,391
Uniform school supplies	27,468	23,825	28,907	13,402	9,456	11,214	15,636	12,274	6,063	3,805
Customer services	-	11,890	11,890	12,167	8,618	8,356	9,453	8,549	3,911	400
Community services/early childhood	620,621	647,205	662,846	566,556	554,364	544,241	-	-	-	-
Bellefleur General Rotary	2,222,430	283,102	683,844	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>3,308,464</u>	<u>3,379,596</u>
Total primary government program revenues	<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>	<u>\$ 17,736,537</u>	<u>\$ 15,068,686</u>

Source: School District financial records.

Table 3

# Cleveland Heights-University Heights City School District

## Fund Balances, Governmental Funds

	2012	2013	2014	2015	2016	2017	2018	2019	2020 (a)	2021
General fund:										
Nonspendable	\$ 388,565	\$ 421,946	\$ 485,956	\$ 400,634	\$ 408,564	\$ 698,645	\$ 601,068	\$ 611,776	\$ 584,051	\$ 564,395
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	16,583	169,433	-	249,020	-	-	-	-	-	-
Assigned	3,008,658	2,855,580	10,942,612	20,777,177	15,263,935	9,892,519	10,369,467	10,265,497	10,677,597	4,704,445
Unassigned	42,156,930	39,137,025	19,296,525	9,241,633	18,324,871	14,314,303	16,687,556	12,270,472	-	9,050,670
<b>Total general fund</b>	<b>45,570,736</b>	<b>42,583,984</b>	<b>30,725,093</b>	<b>30,668,464</b>	<b>33,997,370</b>	<b>24,905,467</b>	<b>27,658,091</b>	<b>23,147,745</b>	<b>11,261,648</b>	<b>14,319,510</b>
All other governmental funds:										
Nonspendable	-	-	-	-	-	33	-	-	-	-
Restricted	6,146,770	6,472,636	164,189,868	145,242,640	112,954,576	58,328,729	48,725,311	24,838,198	13,362,674	11,117,882
Unassigned (deficit)	(1,014,561)	(691,665)	(349,436)	(209,254)	(347,404)	(444,423)	(981,970)	(193,720)	(468,738)	(981,026)
<b>Total all other governmental funds</b>	<b>5,132,209</b>	<b>5,780,971</b>	<b>163,840,432</b>	<b>145,033,386</b>	<b>112,607,172</b>	<b>57,884,339</b>	<b>47,743,341</b>	<b>24,644,478</b>	<b>12,893,936</b>	<b>10,136,856</b>
<b>Total governmental funds</b>	<b>\$ 50,702,945</b>	<b>\$ 48,364,955</b>	<b>\$ 194,565,525</b>	<b>\$ 175,701,850</b>	<b>\$ 146,604,542</b>	<b>\$ 82,789,806</b>	<b>\$ 75,401,432</b>	<b>\$ 47,792,223</b>	<b>\$ 24,155,584</b>	<b>\$ 24,456,366</b>

Source: School District financial records.

(a) Restated for GASB 84.

# Cleveland Heights-University Heights City School District

## Changes in Fund Balances, Governmental Funds

### Last Ten Fiscal Years

Table 5

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Taxes	\$ 67,893,727	\$ 72,593,187	\$ 81,019,869	\$ 82,427,691	\$ 84,468,564	\$ 70,025,921	\$ 85,881,504	\$ 83,287,647	\$ 75,776,080	\$ 88,659,409
Intergovernmental	41,721,066	39,293,275	39,705,007	38,533,550	38,219,569	39,404,171	39,818,434	41,754,742	40,731,464	43,202,986
Grants	-	-	-	36,147	95,763	77,065	136,652	204,066	199,282	245,206
Tuition and fees	2,103,521	4,261,340	5,205,135	5,212,754	4,870,192	5,347,394	3,730,574	2,572,132	4,156,509	3,023,895
Earnings on investments	229,786	269,926	383,159	1,743,978	1,493,336	890,212	1,158,393	2,072,177	1,149,119	69,245
Extracurricular activities	214,197	249,403	328,105	281,315	218,737	181,037	208,333	234,260	192,693	66,812
Classroom materials and fees	6,628	9,899	10,983	8,210	7,407	9,968	5,639	5,684	4,016	1,787
Miscellaneous	590,072	1,288,159	925,607	1,713,082	2,968,872	2,678,979	2,813,234	2,975,513	3,065,493	2,915,820
<b>Total revenues</b>	<b>112,758,997</b>	<b>117,965,189</b>	<b>127,577,865</b>	<b>129,956,727</b>	<b>132,342,440</b>	<b>118,614,747</b>	<b>133,752,763</b>	<b>133,106,221</b>	<b>125,274,656</b>	<b>138,185,160</b>
<b>Expenditures:</b>										
<b>Current:</b>										
<b>Instruction:</b>										
Regular	41,711,646	41,694,037	41,252,792	42,780,196	41,165,894	40,375,853	39,820,252	40,754,315	41,414,582	38,702,164
Special	12,871,556	12,550,247	15,446,175	15,640,475	20,813,764	22,116,942	22,819,044	24,423,936	32,738,745	24,874,982
Vocational	2,253,201	2,025,443	2,202,132	1,790,287	1,810,390	1,754,725	2,133,247	2,187,965	2,018,439	2,210,173
Adult/continuing	359,859	258,355	42	214,853	-	-	-	-	-	294
Other	7,119,352	8,260,680	8,852,295	8,661,935	6,281,759	5,927,681	6,390,021	8,706,651	4,734,917	14,489,628
<b>Support services:</b>										
Pupil	9,710,922	9,471,275	7,779,443	7,819,662	7,752,082	7,656,795	7,945,144	7,990,632	8,183,497	7,693,601
Instructional staff	5,744,220	7,360,021	5,579,026	6,655,202	5,355,690	4,946,508	5,748,727	5,044,696	5,218,766	4,350,092
Board of education	586,707	584,645	702,812	660,818	570,730	637,691	563,822	678,367	811,740	858,028
Administration	6,069,379	5,921,173	8,002,595	6,666,267	6,580,971	6,141,738	6,196,289	6,996,923	6,767,860	6,504,671
Fiscal	2,577,403	2,992,173	2,898,090	3,199,810	3,120,432	3,119,583	3,761,570	3,219,601	3,067,024	3,039,697
Business	1,418,638	486,832	1,620,092	1,419,952	1,148,867	944,826	851,840	846,438	984,229	1,143,850
Operation and maintenance of plant	13,738,248	13,995,828	13,982,246	11,709,772	11,947,714	11,944,593	12,095,174	14,005,395	12,543,679	13,115,360
Pupil transportation	4,956,598	4,319,901	3,866,048	3,878,073	4,033,071	3,795,667	4,038,336	4,160,575	3,858,304	3,121,856
Central	5,419,739	4,421,726	3,929,804	4,065,836	3,749,689	4,055,053	3,712,479	3,891,125	3,763,559	3,700,581
<b>Operations of non-instructional services:</b>										
Food service	2,981	15,636	24,779	1,119	35	1,605	4,079	284	272	-
Community services	1,965,327	2,146,012	2,241,565	2,572,447	2,735,318	3,290,253	3,009,464	3,659,100	3,044,557	4,097,570
Shared services	-	-	5,149	-	-	-	-	-	-	-
Other	117,942	120,356	926	2,081	267	423	584	206	-	-
Extracurricular activities	1,731,341	1,940,700	2,132,543	1,733,151	1,561,140	1,445,612	1,590,912	1,621,344	1,603,383	1,349,775
Facilities acquisition and construction services	-	-	3,209,965	22,081,669	35,111,364	54,576,672	12,382,864	24,741,265	4,485,192	302,761

Continued



# Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt service:										
Principal	1,721,314	1,497,177	1,225,155	1,307,703	995,670	1,026,348	1,570,268	1,611,767	6,901,548	1,960,390
Interest and fiscal charges	474,274	328,040	1,661,324	7,293,440	7,110,316	7,102,480	6,508,521	6,261,298	6,932,369	6,368,905
Bond issuance costs	-	124,721	1,224,233	-	-	-	438,253	-	-	-
Total expenditures	<u>120,550,647</u>	<u>120,514,978</u>	<u>127,839,231</u>	<u>150,154,748</u>	<u>161,845,163</u>	<u>180,861,048</u>	<u>141,580,890</u>	<u>160,801,883</u>	<u>149,072,662</u>	<u>137,884,378</u>
Excess of revenues over (under) expenditures	(7,791,650)	(2,549,789)	(261,366)	(20,198,021)	(29,502,723)	(62,246,301)	(7,828,127)	(27,695,662)	(23,798,006)	300,782
Other financing sources (uses):										
Inception of capital leases	-	87,077	88,483	-	395,108	-	-	75,691	67,635	-
General obligation bonds issued	-	-	134,799,915	-	-	-	-	-	-	-
Refunding bonds issued	-	6,750,000	-	-	-	-	60,725,000	-	-	-
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	914,388	625,321	805,350	1,670,886	253,500	150,000	276,974	242,992	303,620	4,511,995
Transfers-out	(914,388)	(625,321)	(11,861,770)	(336,540)	(253,500)	(1,718,435)	(276,974)	(243,322)	(304,202)	(4,511,995)
Payment to refunded bond escrow agent	-	(6,825,000)	-	-	-	-	(70,089,641)	-	-	-
Sale of capital assets	-	-	-	-	10,307	-	-	11,092	-	-
Total other financing sources (uses)	-	211,799	146,461,936	1,334,346	405,415	(1,568,435)	439,753	86,453	67,053	-
Net change in fund balances	<u>\$ (7,791,650)</u>	<u>\$ (2,337,990)</u>	<u>\$ 146,200,570</u>	<u>\$ (18,863,675)</u>	<u>\$ (29,097,308)</u>	<u>\$ (63,814,736)</u>	<u>\$ (7,388,374)</u>	<u>\$ (27,609,209)</u>	<u>\$ (23,730,953)</u>	<u>\$ 300,782</u>
Debt service as a percentage of noncapital expenditures	1.86%	1.55%	2.36%	6.72%	6.48%	6.49%	6.34%	5.95%	9.62%	6.15%

Source: School District financial records.

Table 5

# 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		
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
2020	1,082,425,570	3,092,644,486	23,613,970	26,834,057	1,106,039,540	3,119,478,543	153.60	35.5
2021	1,077,680,970	3,079,088,486	27,230,400	30,943,636	1,104,911,370	3,110,032,122	158.30	35.5

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.

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 2021 and Fiscal Year 2012

Table 7

	December 31, 2020 (1)	
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Co.	\$ 14,412,330	1.34%
Inland Cedar Center Properties	10,805,970	1.00%
East Ohio Gas Co.	7,605,120	0.71%
American Transmission System	5,212,220	0.48%
Oakwood Commons LLC	4,962,340	0.46%
Wal-Mart Real Estate Business Trust	4,883,660	0.45%
Cleveland Heights City	3,977,990	0.37%
John Carroll University	3,362,000	0.31%
Musicians Towers Ohio TC LP	2,855,200	0.26%
Kensington LTD Partnership	2,852,290	0.26%
Total	\$ 60,929,120	5.64%
Name of Taxpayer	Assessed Value (2)	Percent of Total Assessed Value
Severance Spe Lease Co., LLC (SCIT, Inc.)	\$ 16,115,440	1.44%
Kaiser Foundation Health Plan of Ohio	11,621,820	1.04%
Cleveland Electric Illuminating Company	9,864,610	0.88%
Inland Western University	6,377,040	0.57%
Coral Cedar Center LLC	5,330,190	0.48%
The May Department Stores	2,607,500	0.23%
Concord Apartments LLC	2,591,190	0.23%
ARC Cleveland Hts LLC	2,537,510	0.23%
Kensington, LTD	2,520,000	0.22%
Western Reserve (Severance Housing Corp)	2,275,010	0.20%
Total	\$ 61,840,310	5.52%

Source: Cuyahoga County Fiscal Officer

(1) Assessed values are for the 2021 collection year.

(2) Assessed values are for the 2012 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			Total	
									School	County	City		Tri-C
2011/2012	\$ 143.70(1)	\$ 13.22	\$ 12.90	\$ 1.85	\$ 7.80	\$ 3.10	\$ 0.13	\$ 182.70	\$ 0.70	\$ 0.85	\$ 2.90	\$ -	\$ 4.45
2012/2013	143.70(1)	13.22	13.00	1.85	7.80	3.10	0.13	182.80	0.70	0.85	3.00	-	4.55
2013/2014	149.59(2)	14.05	12.90	2.75	7.80	3.10	0.13	190.32	6.59	0.85	2.55	-	9.99
2014/2015	149.59(2)	14.05	13.92	2.75	10.00	4.00	0.13	194.44	6.59	0.85	2.65	-	10.09
2015/2016	149.59(2)	14.05	13.92	2.75	10.00	4.00	0.13	194.44	6.59	0.95	3.00	-	10.54
2016/2017	155.59(3)	14.05	13.92	2.75	10.00	4.00	0.13	200.44	7.09	0.95	3.00	-	11.04
2017/2018	156.09(4)	14.05	12.42	2.75	10.00	4.50	0.13	199.94	7.59	0.95	1.50	-	10.04
2018/2019	154.20(5)	14.05	12.42	2.75	10.00	4.50	0.13	198.05	5.70	0.95	1.50	0.50	8.65
2019/2020	153.60(6)	14.05	12.42	2.75	10.00	4.90	0.13	197.85	5.10	0.55	1.50	0.50	7.65
2020/2021	158.30(7)	14.85	12.42	2.75	10.00	4.90	0.13	203.35	5.00	0.45	1.50	0.50	7.45

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 \$139.20 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$7 in the Bond Retirement Fund.
- (2) District's direct rate is comprised of \$139.20 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$6.59 in the Bond Retirement Fund.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) District's direct rate is comprised of \$144.70 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$5.10 in the Bond Retirement Fund.
- (7) District's direct rate is comprised of \$149.50 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$5.00 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
2011/2012	\$ 77,532,166	\$ 8,729,765	\$ 86,261,931	\$ 70,108,742	90.43 %	\$ 3,494,985	\$ 73,603,727	85.33 %
2012/2013	85,035,680	10,219,590	95,255,270	78,252,617	92.02	4,012,461	82,265,078	86.36
2013/2014	84,009,574	11,665,988	95,675,562	77,585,448	92.35	3,779,198	81,364,646	85.04
2014/2015	90,585,706	12,775,749	103,361,455	83,479,091	92.15	4,636,048	88,115,139	85.25
2015/2016	89,956,812	15,510,292	105,467,104	84,034,219	93.42	4,317,182	88,351,401	83.77
2016/2017	90,097,918	16,044,426	106,142,344	84,289,202	93.55	3,512,990	87,802,192	82.72
2017/2018	95,802,609	16,233,458	112,036,067	88,161,090	92.02	4,256,109	92,417,199	82.49
2018/2019	97,301,556	17,557,160	114,858,716	90,046,301	92.54	4,599,730	94,646,031	82.40
2019/2020	95,967,398	19,189,804	115,157,202	86,000,573	89.61	5,207,588	91,208,161	79.20
2020/2021	94,770,541	16,540,298	111,310,839	89,556,791	94.50	4,316,191	93,872,982	84.33

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, 2020

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	\$ 135,397,449	100.00 %	\$ 135,397,449
Total direct	<u>135,397,449</u>		<u>135,397,449</u>
Overlapping			
City of Cleveland Heights	18,585,000	95.55	17,758,855
City of South Euclid	14,323,009	8.70	1,246,753
City of University Heights	1,695,000	100.00	1,695,000
Cuyahoga County	266,975,000	2.63	7,008,697
Cuyahoga Community College	201,500,000	2.63	5,289,831
Total overlapping	<u>503,078,009</u>		<u>32,999,136</u>
Grand total	\$ <u>638,475,458</u>		\$ <u>168,396,585</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 2021 collection year.

# Cleveland Heights-University Heights City School District

## Computation of Legal Debt Margin

Last Ten Fiscal Years

Table 11

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	\$ 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	\$ 1,106,039,540	\$ 1,104,911,370
Debt limit - 9% of assessed value	\$ 102,095,000	\$ 97,516,374	\$ 97,628,534	\$ 96,795,937	\$ 94,921,713	\$ 95,098,128	\$ 94,113,626	\$ 100,231,083	\$ 99,543,559	\$ 99,442,023
Amount of debt applicable to debt limit:										
General obligation bonds	8,455,000	7,596,407	141,144,915	140,948,900	140,793,127	140,628,654	139,978,681	139,389,203	139,009,230	138,072,371
Exempt debt	-	-	(40,803,518)	(40,876,406)	(41,881,632)	(42,254,977)	(41,670,186)	(34,852,485)	(37,146,900)	(37,824,708)
Total	8,455,000	7,596,407	100,341,397	100,072,494	98,911,495	98,373,677	98,308,495	104,536,718	101,862,330	100,247,663
Less: amount available in debt service funds	(683,128)	(162,985)	(2,712,863)	(3,276,557)	(3,989,782)	(3,275,549)	(4,194,869)	(4,305,635)	(2,318,771)	(805,640)
Amount of debt subject to the limit	7,771,872	7,433,422	97,628,534	96,795,937	94,921,713	95,098,128	94,113,626	100,231,083	99,543,559	99,442,023
Overall debt margin	\$ 94,323,128	\$ 90,082,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt margin - .10% of assessed value	\$ 1,134,389	\$ 1,083,515	\$ 1,084,761	\$ 1,075,510	\$ 1,054,686	\$ 1,056,646	\$ 1,045,707	\$ 1,113,679	\$ 1,106,040	\$ 1,104,911
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ 1,134,389	\$ 1,083,515	\$ 1,084,761	\$ 1,075,510	\$ 1,054,686	\$ 1,056,646	\$ 1,045,707	\$ 1,113,679	\$ 1,106,040	\$ 1,104,911
Total net debt applicable to the limit as a percentage of debt limit	7.61%	7.62%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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 Years Table 12

Year	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
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
2020	146,715,151	2,223,522	18,030,987	-	176,079	-	167,145,739	11.98	2,801.64
2021	145,001,315	2,674,922	17,551,947	-	83,948	-	165,312,132	11.46	2,910.99

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									
Fiscal Year	Gross General Bonded Debt (1)	Net Position Restricted for Debt Service Funds	Net General Bonded Debt	Estimated Actual Value (2)	Population (3)	Ratio of Net Debt to Estimated Actual Value	Debt Per Capita			
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	138,489,175	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			
2019/2020	146,715,151	-	146,715,151	3,119,478,543	59,660	4.70	2,459			
2020/2021	145,001,315	-	145,001,315	3,110,032,122	56,789	4.66	2,553			

**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 Heights Median Family Income	University Heights Median Family Income	Total Personal Income (1)	Total Personal Per Capita
2012	1,280,122	46,121	13,539	5,763	6.9 \$	49,056 \$	74,759 \$	1,395,621,460 \$	23,393
2013	1,280,122	46,121	13,539	5,301	8.0	49,056	74,759	1,395,621,460	23,393
2014	1,280,122	46,121	13,539	5,693	7.9	49,056	74,759	1,395,621,460	23,393
2015	1,280,122	46,121	13,539	5,393	6.7	49,056	74,759	1,395,621,460	23,393
2016	1,280,122	46,121	13,539	5,221	6.7	49,056	74,759	1,395,621,460	23,393
2017	1,280,122	46,121	13,539	4,957	6.7	49,056	74,759	1,395,621,460	23,393
2018	1,280,122	46,121	13,539	5,214	6.4	49,056	74,759	1,395,621,460	23,393
2019	1,280,122	46,121	13,539	5,214	6.4	49,056	74,759	1,395,621,460	23,393
2020	1,280,122	46,121	13,539	5,214	6.4	49,056	74,759	1,395,621,460	23,393
2021	1,264,817	43,992	12,797	4,850	6.5	57,768	77,256	1,443,106,584	25,412

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 2012 and Fiscal Year 2021

Table 15

Employer	December 31, 2011		December 31, 2020		
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	
John Carroll University	2,271	33.50 %	John Carroll University	2,017	28.54 %
Cleveland Heights-University Heights Board of Education	1,470	21.68	Cleveland Heights-University Heights Board of Education	1,001	14.16
Cleveland Heights City Hall	789	11.64	Bellefaire Jewish Children's Bureau	718	10.16
Target	436	6.43	Cleveland Heights City Hall	715	10.12
Bellefaire Jewish Children's Bureau	429	6.33	Minute Men Select Inc.	585	8.28
Whole Foods	314	4.63	MetroHealth System	566	8.01
Kaiser Foundation	313	4.62	CAS Health Investors Inc.	397	5.62
Macy's Retail Holdings Inc.	300	4.43	Hebrew Academy of Cleveland	396	5.60
CAS Health Investors Inc.	234	3.45	Dave's Supermarket, Inc.	354	5.01
Home Depot	223	3.29	Cuyahoga county Fiscal Office	319	4.51
Total	<u>6,779</u>	<u>100.00 %</u>	Total	<u>7,068</u>	<u>100.00 %</u>
Total Employment within the School District	<u>N/A</u>		Total Employment within the School District	<u>N/A</u>	

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020(a)	2021(a)
<b>Boulevard Elementary School</b>										
Constructed in 1975										
Total Building Square Footage	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437
Enrollment Grades K-5	332	296	304	325	305	286	306	268	286	256
Regular Instruction Teachers	22	24	24	24	25	22	22	19	19	17
Special Instruction Teachers	3	5	5	5	3	6	6	6	6	6
<b>Canterbury Elementary School</b>										
Constructed in 1927										
Total Building Square Footage	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800
Enrollment Grades K-5	354	374	380	345	373	389	401	405	364	346
Regular Instruction Teachers	24	25	25	24	24	26	25	23	23	20
Special Instruction Teachers	5	5	5	5	3	5	4	4	4	5
<b>Bellefaire School</b>										
Constructed in 1928										
Total Building Square Footage	22,000	22,000	22,000	22,000	-	-	-	-	-	-
Enrollment Grades K-5	76	71	-	-	-	-	-	-	-	-
Regular Instruction Teachers	9	8	-	-	-	-	-	-	-	-
Special Instruction Teachers	13	12	-	-	-	-	-	-	-	-
<b>Coventry Elementary School</b>										
Constructed in 1975										
Total Building Square Footage	61,200	61,200	61,200	61,200	-	-	-	-	-	-
Enrollment Grades K-5	-	-	-	-	-	-	-	-	-	-
Regular Instruction Teachers	-	-	-	-	-	-	-	-	-	-
Special Instruction Teachers	-	-	-	-	-	-	-	-	-	-
<b>Fairfax Elementary School</b>										
Constructed in 1975										
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Enrollment Grades K-5	386	392	299	334	327	339	341	359	340	329
Regular Instruction Teachers	26	26	22	24	30	28	28	23	23	20
Special Instruction Teachers	6	6	5	5	3	7	8	8	8	8
<b>Gearity Professional Development School</b>										
Constructed in 1954										
Total Building Square Footage	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856
Enrollment Grades K-5	360	338	365	268	252	261	266	258	252	240
Regular Instruction Teachers	20	24	24	24	31	30	26	22	23	24
Special Instruction Teachers	11	10	10	5	3	7	10	11	12	13
<b>Noble Elementary School</b>										
Constructed in 1922										
Total Building Square Footage	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250
Enrollment Grades K-5	424	423	381	421	415	369	381	337	348	349
Regular Instruction Teachers	24	30	30	30	31	30	28	25	25	25
Special Instruction Teachers	4	7	7	7	4	4	3	3	3	4
<b>Deborah S. Delisle Educational Options Center</b>										
Constructed in 1923										
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Total Building Square Footage	-	116	116	100	86	116	126	122	115	111
Enrollment Grades K-5	-	11	11	10	11	11	11	9	7	7
Regular Instruction Teachers	-	1	1	1	-	2	1	1	1	1
Special Instruction Teachers	-	-	-	-	-	-	-	-	-	-

Continued

# Cleveland Heights-University Heights City School District

## Building Statistics by Function/Program (continued)

Last Ten Fiscal Years

Table 16

	2012	2013	2014	2015	2016	2017	2018	2019	2020(a)	2021(a)
<b>Oxford Elementary School</b>										
Constructed in 1928	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400
Total Building Square Footage	325	340	328	294	291	270	279	268	273	271
Enrollment Grades K-5	23	25	25	24	24	24	24	25	20	17
Regular Instruction Teachers	3	4	4	4	3	6	5	4	4	5
Special Instruction Teachers										
<b>Roxboro Elementary School</b>										
Constructed in 1920										
Total Building Square Footage	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600
Enrollment Grades K-5	410	408	404	423	365	328	330	307	299	266
Regular Instruction Teachers	23	29	29	29	27	26	24	17	18	17
Special Instruction Teachers	4	3	3	4	3	4	5	6	6	6
<b>Monticello Middle School</b>										
Constructed in 1930										
Total Building Square Footage	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Enrollment Grades 6-8	367	400	400	597	591	558	575	568	573	569
Regular Instruction Teachers	34	31	31	37	52	46	41	39	39	42
Special Instruction Teachers	10	9	9	11	7	9	9	11	12	13
<b>Roxboro Middle School</b>										
Constructed in 1931										
Total Building Square Footage	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380
Enrollment Grades 6-8	517	436	487	645	619	611	631	582	594	594
Regular Instruction Teachers	41	39	39	41	52	50	44	37	39	40
Special Instruction Teachers	9	9	9	9	7	9	13	13	13	14
<b>Wiley Middle School</b>										
Constructed in 1954										
Total Building Square Footage	133,127	133,127	133,127	133,127	-	-	-	-	-	-
Enrollment Grades 6-8	387	403	402	-	-	-	-	-	-	-
Regular Instruction Teachers	35	30	30	-	-	-	-	-	-	-
Special Instruction Teachers	8	8	8	-	-	-	-	-	-	-
<b>Cleveland Heights High School</b>										
Constructed in 1925										
Total Building Square Footage	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400
Enrollment Grades 9-12	1,828	1,400	1,254	1,522	1,597	1,430	1,578	1,555	1,512	1,519
Regular Instruction Teachers	115	110	113	113	120	113	99	91	93	92
Special Instruction Teachers	24	24	25	25	11	25	21	24	22	24

Source: School District's appraisal reports and personnel records.

(a) Information does not include preschool enrollment or teachers.

## Cleveland Heights-University Heights City School District

### Per Pupil Cost

Table 17

Year	General Fund Expenditures (1)	Average Daily Student Enrollment (2)	Per Pupil Cost	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students who Receive Free or Reduced Lunch (3)
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
2020	118,596,125	5,096	23,272	(0.50)	504	10.11	100.00
2021	114,843,132	4,850	23,679	1.75	420	11.55	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 City School District

## Teacher Education and Experience

Last Ten Fiscal Years Table 18

Degree	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Associate's Degree	-	-	-	-	-	-	-	1	2	1
Bachelor's Degree	89	94	127	63	71	56	62	75	79	72
Master's Degree	402	431	380	410	393	397	389	379	351	343
PhD	5	6	6	6	5	6	6	5	5	4
<b>Total</b>	<b>496</b>	<b>531</b>	<b>513</b>	<b>479</b>	<b>469</b>	<b>459</b>	<b>457</b>	<b>460</b>	<b>437</b>	<b>420</b>
Years of Experience	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
0-5	52	116	157	46	127	79	72	53	58	37
6-10	177	142	113	104	122	143	121	106	108	48
11 and over	267	273	243	329	220	237	264	301	271	335
<b>Total</b>	<b>496</b>	<b>531</b>	<b>513</b>	<b>479</b>	<b>469</b>	<b>459</b>	<b>457</b>	<b>460</b>	<b>437</b>	<b>420</b>

Source: School District personnel records.

# Cleveland Heights-University Heights City School District

## Attendance and Graduation Rates

Table 19

Year	District Attendance Rate	State Average	District Graduation Rate	State Average
2012	94.80 %	95.20 %	78.00 %*	81.30 %*
2013	94.60	94.20	80.00 *	82.20 *
2014	94.40	94.30	81.30 *	82.30 *
2015	93.20	94.10	85.70 *	83.00 *
2016	93.00	94.10	85.60 *	83.50 *
2017	92.80	93.90	84.90 *	84.10 *
2018	91.80	93.70	86.60 *	85.30 *
2019	(b)	(b)	89.60 *	85.90 *
2020	(b)	(b)	87.80 *	87.20 *
2021	88.30	(b)	(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.

(b) Information is not available.



# Cleveland Heights-University Heights City School District

## Full-time School District Employees by Function

Last Ten Fiscal Years Table 20

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function:										
Instruction:										
Regular	382	374	360	367	369	365	360	334	312	284
Special	148	161	155	153	86	85	97	92	96	99
Vocational	21	19	20	17	14	14	14	14	13	13
Adult/continuing	1	-	-	-	-	-	-	-	-	-
Other	13	15	11	10	11	11	11	-	-	14
Support services:										
Pupil	113	125	115	135	130	132	144	157	198	183
Instructional staff	63	68	64	52	56	56	60	66	22	10
Administration	65	62	63	61	43	43	45	45	45	42
Fiscal	10	10	10	10	7	7	8	7	7	7
Business	4	3	3	3	1	1	1	1	1	1
Operations of maintenance of plant	96	93	90	85	74	76	77	97	91	90
Pupil transportation	42	34	40	44	39	36	38	40	39	34
Central	23	19	20	20	19	19	19	21	19	17
Operations of non-instructional services:										
Community services (1)	42	51	45	39	39	40	40	46	52	48
Other	1	1	1	1	1	1	1	2	42	40
Extracurricular activities	12	2	2	2	1	2	2	1	1	1
<b>Total</b>	<b>1,036</b>	<b>1,037</b>	<b>999</b>	<b>999</b>	<b>890</b>	<b>888</b>	<b>917</b>	<b>923</b>	<b>938</b>	<b>883</b>

Source: School District personnel records.

(1) Includes food services personnel.

# ABOUT THE ARTWORK

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



# OHIO AUDITOR OF STATE KEITH FABER



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

**CUYAHOGA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 1/18/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

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