



Dave Yost • Auditor of State

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

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures.....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to its Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 and the Schedule of Federal Awards Receipts and Expenditures.....	5
Schedule of Findings.....	9
Corrective Action Plan.....	23
Schedule of Prior Audit Findings.....	25
Independent Accountants' Report on Applying Agreed-Upon Procedure	27

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

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012**

<u>FEDERAL GRANTOR/ Pass Through Grantor Program Title</u>	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	2012	10.555	\$ -	\$ 113,420	\$ -	\$ 113,420
Cash Assistance:						
School Breakfast Program	2012	10.553	276,258	-	276,258	-
National School Lunch Program	2012	10.555	1,185,655	-	1,185,655	-
Total Cash Assistance			1,461,913	-	1,461,913	-
Total Child Nutrition Cluster			1,461,913	113,420	1,461,913	113,420
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,461,913	113,420	1,461,913	113,420
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster (IDEA):						
Special Education - Grants to States (IDEA, Part B)	2011	84.027	163,906	-	8,520	-
Special Education - Grants to States (IDEA, Part B)	2012	84.027	1,560,300	-	1,606,165	-
ARRA - Special Education - Grants to States (IDEA, Part B)	2011	84.391	439,966	-	183,192	-
Total Special Education - Grants to States (IDEA, Part B)			2,164,172	-	1,797,877	-
Special Education - Preschool Grants (IDEA Preschool)	2011	84.173	5,482	-	5,182	-
Special Education - Preschool Grants (IDEA Preschool)	2012	84.173	32,866	-	28,695	-
Total Special Education - Preschool Grants (IDEA Preschool)			38,348	-	33,877	-
Total Special Education Cluster (IDEA)			2,202,520	-	1,831,754	-
Title I, Part A Cluster:						
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2010	84.010	1,109	-	15	-
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2011	84.010	134,302	-	49,195	-
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2012	84.010	2,373,787	-	2,429,723	-
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	2011	84.389	151,753	-	138,934	-
ARRA - Title I School Improvement Grant, Sub A	2011	84.389	140,630	-	141,697	-
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	2012	84.389	28,444	-	30,345	-
Total Title I, Part A Cluster			2,830,025	-	2,789,909	-
Safe and Drug-Free Schools and Communities - State Grants	2011	84.186	-	-	27,000	-
Safe and Drug-Free Schools and Communities - State Grants	2012	84.186	5,451	-	-	-
Total Safe and Drug-Free Schools and Communities - State Grants			5,451	-	27,000	-
Career and Technical Education - Basic Grants to States (Perkins IV)	2011	84.048	31,151	-	6,732	-
Career and Technical Education - Basic Grants to States (Perkins IV)	2012	84.048	163,096	-	224,057	-
Total Career and Technical Education - Basic Grants to States (Perkins IV)			194,247	-	230,789	-
Twenty-First Century Community Learning Centers	2011	84.287	2,135	-	628	-
Twenty-First Century Community Learning Centers	2012	84.287	105,012	-	144,382	-
Total Twenty-First Century Community Learning Centers			107,147	-	145,010	-
Title II-D, Education Technology State Grants	2011	84.318	-	-	3,943	-
Title II-D, Education Technology State Grants	2012	84.318	-	-	15,391	-
Total Title II-D, Education Technology State Grants			-	-	19,334	-
Improving Teacher Quality State Grants	2011	84.367	15,362	-	221,200	-
Improving Teacher Quality State Grants	2012	84.367	193,162	-	2,672	-
Total Improving Teacher Quality State Grants			208,524	-	223,872	-
Title III, English Language Acquisition Grant	2011	84.365	1,617	-	317	-
Title III, English Language Acquisition Grant	2012	84.365	19,585	-	15,714	-
Total Title III, English Language Acquisition Grant			21,202	-	16,031	-
School Improvement Grants, Recovery Act	2012	84.388	706,853	-	633,732	-
ARRA - Race To The Top	2011	84.395	27,827	-	58,389	-
ARRA - Race To The Top	2012	84.395	277,879	-	254,947	-
Total Race To The Top			305,706	-	313,336	-
Education Jobs	2012	84.410	25,627	-	25,627	-
Adult Education - State Grant Program	2011	84.002	42,107	-	4,486	-
Adult Education - State Grant Program	2012	84.002	259,579	-	298,276	-
			301,686	-	302,762	-
<i>Passed Through Cuyahoga Community College</i>						
Adult Education - Rotary Program	2011	84.002	-	-	11,468	-
Adult Education - Rotary Program	2012	84.002	234,939	-	218,405	-
			234,939	-	229,873	-
<i>Direct Program:</i>						
Foreign Language Assistance Program	2011	84.293	55,046	-	65,064	-
Foreign Language Assistance Program	2012	84.293	54,750	-	10,914	-
Total Foreign Language Assistance Program			109,796	-	75,978	-
TOTAL U.S. DEPARTMENT OF EDUCATION			7,253,723	-	6,865,007	-
U.S. DEPARTMENT OF TRANSPORTATION						
<i>Direct Program:</i>						
Highway Training and Education	2012	20.215	-	-	36,227	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	-	36,227	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 8,715,636	\$ 113,420	\$ 8,363,147	\$ 113,420

The accompanying notes are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Cleveland Heights-University Heights City School District's (the District's) federal award programs' receipts and expenditures. The Schedule has been prepared on the cash basis of accounting.

NOTE B - 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.

NOTE C – FOOD DONATION PROGRAM

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



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INDEPENDENT ACCOUNTANTS' 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 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, (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 4, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a 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. We consider findings 2012-004 and 2012-005 described in the accompanying schedule of findings to be material weaknesses.

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 determination of financial statement amounts. However, providing an opinion 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2012-001 through 2012-003, and 2012-006.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated September 4, 2013.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the audit committee, Board of Education, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

September 4, 2013



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

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

To the Board of Education:

Compliance

We have audited the compliance of the Cleveland Heights-University Heights City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

As described in findings 2012-008 through 2012-010 in the accompanying schedule of findings, the District did not comply with requirements regarding Allowable Costs/Cost Principles, Equipment and Real Property Management, and Procurement and Suspension and Debarment, applicable to its Adult Basic Literacy Education and Title 1 Cluster major federal programs; the District did not comply with requirements regarding Allowable Costs/Cost Principles and Procurement and Suspension and Debarment, applicable to its Race to the Top major federal program; the District did not comply with requirements regarding Equipment and Real Property Management and Procurement and Suspension and Debarment, applicable to its Special Education Cluster major federal program. Compliance with these requirements is necessary, in our opinion, for the District to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Cleveland Heights-University Heights City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

The results of our auditing procedures also disclosed another instance of noncompliance with these requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists this instance as Finding 2012-011.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2012-007 through 2012-011 to be material weaknesses.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated September 4, 2013.

The District's responses to the findings we identified are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

Schedule of Federal Awards Receipts and Expenditures

We have also audited and issued our unqualified opinion on 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, 2012, and have issued our report thereon dated September 4, 2013. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to September 4, 2013. The accompanying Schedule of Federal Awards Receipts and Expenditures (the schedule) provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also attempted to apply 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 schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

September 4, 2013

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified for Adult Basic Literacy Education, Race to the Top, Special Education Cluster and Title I Cluster Unqualified for the Child Nutrition Cluster and School Improvement Grant
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Adult Basic Literacy Education, CFDA #84.002 Child Nutrition Cluster, CFDA #10.553 and 10.555 Race to the Top, CFDA #84.395 School Improvement Grant, CFDA #84.388 Special Education Cluster, CFDA #84.027, 84.173, 84.391 Title I Cluster, CFDA #84.010, 84.389
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

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

FINDING NUMBER 2012-001

Duplicate Check Cashing – Finding For Recovery Partially Repaid Under Audit – Material Noncompliance

As a Payroll Staff Assistant, Kandace Stone was responsible for processing and disbursing payroll checks to District employees. In November 2012, Ms. Stone discovered payroll check number 395378, in the amount of \$3,039, issued on December 2, 2011, had been returned after being lost by the check recipient. The reprinted check had already been cashed by the original recipient on December 12, 2011. Ms. Stone obtained the original check from the District safe and had it deposited into her own bank account at PNC Bank on November 13, 2012.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies misappropriated is hereby issued against Kandace Stone, former Payroll Staff Assistant, in the amount of \$3,039, and in favor of the Cleveland Heights-University Heights City School District.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen, to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Accordingly, A. Scott Gainer, Treasurer, and Travelers Casualty and Surety Company of America, his bonding company, are jointly and severally liable in the amount of \$3,039 and in favor of the Cleveland Heights-University Heights City School District.

After being detected by the District’s fraud software, on April 10, 2013, Ms. Stone was indicted on one count of theft and two counts of forgery in the Cuyahoga County Court of Common Pleas. She entered the Cuyahoga County Pre-Trial Diversion Program on April 16, 2013 and agreed to pay restitution in the full amount of the finding. On June 24, 2013 and August 6, 2013, the Cuyahoga County Court of Common Pleas issued check numbers 308535 and 309604 in the amounts of \$275 and \$40, respectively, on behalf of Ms. Stone as a partial repayment of this finding.

Official’s Response: The District discovered this isolated incident of fraud through the internal control of using a positive pay process with our bank. The employee was fired, prosecuted and is obligated by court order to make full restitution, as noted above.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

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

(Continued)

FINDING NUMBER 2012-002

Unsupported Credit Card Purchases – Finding For Recovery – Material Noncompliance

Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During fiscal year 2012, Sherice Kado, former Payroll Supervisor, made credit card purchases totaling \$530, in which no supporting documentation was maintained.

Without appropriate documentation, it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the District's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Sherice Kado, former Payroll Supervisor, in the amount of \$530, and in favor of the Cleveland Heights-University Heights City School District.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. rel. *Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen, to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

Accordingly, A. Scott Gainer, Treasurer, and Travelers Casualty and Surety Company of America, his bonding company, are jointly and severally liable in the amount of \$530 and in favor of the Cleveland Heights-University Heights City School District.

Official's Response: The District previously utilized an affidavit whereby an employee who lost a receipt or had a summary receipt without the detail was able to attest to the fact that charges were for a proper public purchase. The AOS indicates this process is unacceptable. The District has discontinued using the affidavit and will not honor any reimbursement request without detailed receipts attached. The findings noted above will be sent to a collection agency used by the District.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

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

(Continued)

FINDING NUMBER 2012-003

Unsupported Credit Card Purchases – Finding For Recovery Repaid Under Audit – Material Noncompliance

Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

During fiscal year 2012, seven different District employees made credit card purchases totaling \$879 in which no supporting documentation for the disbursements was maintained.

Without appropriate documentation, it is not possible to determine if the expenditures were made for a proper public purpose. The failure to maintain adequate support for expenditures could result in a loss of accountability over the District's finances, making it difficult to identify errors which could go undetected, and possibly result in expenditures that are not for a proper public purpose.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. *Steward v. National Surety Co.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State, ex. rel. Village of Linndale v. Masten* (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen, to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, Findings for Recovery for public monies illegally expended are hereby issued against the following District employees:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
A. Scott Gainer	Treasurer	\$18
Kevin Harrell	Former Coordinator of Educational Services	81
Joan Hill	Former Transportation Supervisor	101
Donald Phillips	Former Director of Information Technology	300
Angela Shaker	Director of Communications	192
Stephen Shergalis	Director of Business Services	45
Jeff Talbert	Former Assistant Superintendent	142
Total		<u>\$879</u>

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

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

(Continued)

**FINDING NUMBER 2012-003
(Continued)**

Finding For Recovery Repaid Under Audit – Material Noncompliance (Continued)

The above findings were all repaid under audit, as shown in the below table:

<u>Name</u>	<u>Repayment Date</u>	<u>Check Number</u>	<u>Amount</u>
A. Scott Gainer	April 18, 2013	168	\$18
Kevin Harrell	April 17, 2013	2101	81
Joan Hill	August 27, 2013	8011	101
Donald Phillips	April 10, 2013	2620	300
Angela Shaker	April 24, 2013	589	192
Stephen Shargalis	April 19, 2013	1361	45
Jeff Talbert	April 11, 2013	2425	142
	Total		\$879

Official's Response: The District previously utilized an affidavit whereby an employee who lost a receipt or had a summary receipt without the detail was able to attest to the fact that charges were for a proper public purchase. The AOS indicates this process is unacceptable. The District has discontinued using the affidavit and will not honor any reimbursement request without detailed receipts attached.

FINDING NUMBER 2012-004

Financial Reporting – Material Weakness

Sound financial reporting is the responsibility of the Treasurer and Board, and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following weaknesses were noted and subsequent adjustments made to the District's accounting system for fiscal year 2012:

- The District misposted property tax receipts resulting in a property tax revenue overstatement of \$70,956 in the General Fund and understatements of \$12,833 and \$58,123 in the Bond Retirement and Permanent Improvement Funds, respectively;
- The District misposted \$140,630 in Title I funds to the Title I School Improvement Part A Fund;
- The District misposted \$188,005 in Title I School Improvement Part G funds to Title I School Improvement Part A Fund;
- The District misposted \$2,119,226 in State Foundation Revenue to Tuition and Fees rather than Intergovernmental Revenue in the Rotary-Internal Service Fund; and
- The District misposted \$3,600,000 in its stop-loss reserve in it Employee Benefits-Self Insurance Fund.

Furthermore, the Early Childhood Program receipts were typically not posted until seven to 15 days after the initial receipt of payment.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

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

(Continued)

**FINDING NUMBER 2012-004
(Continued)**

Financial Reporting – Material Weakness (Continued)

The lack of controls over the posting of financial transactions resulted in several errors and mispostings that required adjustments during the conversion process, which can result in errors or irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the District take appropriate measures to ensure that all transactions are properly posted to its accounting system and updated in a timely manner.

Official's Response: Processes for review of posting of receipts have been put in place to address receipt posting errors. The staff assistant who posts federal funds will be required to match postings to the project cash request supporting documentation provided and use the fund code that is similarly provided. The federal funds manager will reconcile cash bi-monthly to ensure accountability. Specific to the self-insurance fund, both retirement costs and insurance costs are posted to that fund and a detailed review of those receipts was completed post-audit to ensure the appropriate items are maintained in specific cost centers.

FINDING NUMBER 2012-005

Bank Reconciliations – Material Weakness

Reconciliation of the District's bank accounts with its cash ledgers is a necessary control procedure to adequately safeguard cash and to provide an accurate financial picture of the District. A necessary step in internal control over financial reporting is to determine the accuracy of both the balance of the bank and the balance of "cash" in the accounting records. As part of the bank reconciliation, all differences between the balance appearing on the bank statements and the balance of cash according to the District's records should be accounted for.

We noted that although the District did perform monthly bank-to-book reconciliations, these reconciliations did not balance bank and book in seven of the 12 months during fiscal year 2012. Per review of the year-end reconciliation, we noted the District had a book over bank difference of \$19,824.

Failure to reconcile bank accounts and resolve discrepancies may result in errors in budgeting and financial reporting. Bank and investment balances should be reconciled with the District's cash fund balances on a monthly basis.

We recommend completing an accurate monthly District-wide cash reconciliation which compares reconciled bank and investment balances to the District book balances. Also, on a monthly basis, the Treasurer should perform an additional review of the District-wide cash and investment reconciliation. This should include reviewing support for reconciling items.

Official's Response: Bank reconciliations continue to be performed monthly and the Treasurer now requires that he sign off to ensure a completed reconciliation where all reconciling items are identified.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

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

(Continued)

FINDING NUMBER 2012-006

Approval of Transfers and Advances – Material Noncompliance

Ohio Rev. Code Sections 5705.14, 5705.15, and 5705.16 provide guidelines pertaining to allowable inter-fund transfers. In certain circumstances, which are detailed in Ohio Rev. Code Section 5705.14, transfers from funds other than the General Fund may be made by resolution of the taxing authority, passed with a two-thirds affirmative vote. In addition to transfers from the General Fund and those permitted by Ohio Rev. Code Section 5705.14, the taxing authority of any political subdivision, with the approval of the Tax Commissioner and the Court of Common Pleas, may transfer from one fund to any other public funds under its supervision, with certain exceptions, which are detailed in Ohio Rev. Code Section 5705.15.

Except in the case of transfers from the General Fund, transfers can be made only by resolution of the taxing authority passed with the affirmative vote of two thirds of the members. Transfers from the General Fund require a resolution passed by a simple majority of the board members (i.e., a two thirds vote is not required for General Fund transfers though a resolution is required).

Transfers and advances must be approved and clearly labeled as such by a formal resolution of the taxing authority of the subdivision which must include: a specific statement that the transaction is a transfer/advance of cash, and, if an advance, an indication of the money (fund) from which it is expected that repayment will be made.

During our testing of transfers and advances, we noted the District made \$914,388 in transfers and \$12,164,250 in advances without formal board approval documenting the amount, purpose, or time frame for repayment of an advance. Instead of a formal transfer or advance resolution, the amount of the advances or transfers was included within the overall appropriation measure and not clearly marked as either transfer or advance. The Board then approves all the transfers and advances in detail subsequent to the fiscal year end.

By not clearly identifying transfers and advances when approving appropriation measures the District may make illegal or improper transfers and advances.

We recommend the District make transfers and advances in accordance with the above Ohio Rev. Code sections. All transfers and advances should be approved by the Board prior to being entered into the District's accounting system.

Official's Response: The process as indicated has been utilized by the District in prior audit periods with no issue. The concerns in the finding are noted and the process is being revised in an effort to comply as practicable.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Approval of Federal Disbursements – Material Weakness

Finding Number	2012-007
CFDA Title and Number	Adult Basic Literacy Education, CFDA #84.002 Race to the Top, CFDA #84.395 School Improvement Grant, CFDA #84.388 Special Education Cluster, CFDA #84.027, 84.173, 84.391 Title I Cluster, CFDA #84.010, 84.389
Federal Award Number / Year	2012
Federal Agency	United States Department of Education
Pass-Through Agency	Ohio Department of Education

Non-Federal entities receiving Federal awards should establish and maintain internal control designed to reasonable ensure compliance with federal laws, and regulations, and program compliance requirements. Effective control and accountability should be maintained for all grant and subgrant cash, real and personal property, and other assets. Internal control activities, such as the review of expenditures by management, should be in place to help reduce the risk unallowable costs.

During our testing of the District's Major Federal Programs, we noted the following non-payroll disbursements tested did contain the signatures of the appropriate personnel to certify that the expenses or activities were allowable:

- Six out of 60 disbursements tested in the Adult Basic Literacy Education major Federal program;
- 25 out of 60 disbursements tested in the Race to the Top major Federal program;
- Eight of 14 disbursements tested in the School Improvement major Federal program;
- 10 of 60 disbursements tested in the Special Education Cluster major Federal program; and
- Two of 60 disbursements tested in the Title I Cluster major Federal program.

Failure to implement the necessary Federal internal controls may result in unallowable costs.

We recommend the Board formally adopt procedures detailing internal control practices to ensure compliance requirements to its Federal programs. All expenditures relating to these grants should be approved by employees who are familiar with the grant requirements. Furthermore, payroll charges should be regularly reviewed to ensure that staff charging the grant work on the program.

Official's Response: To ensure proper controls, Accounts Payable staff will be trained in the process of refusing payment on purchase orders that lack the proper administrative approval. Those invoices lacking administrative approval will be returned to the proper administrative department for approval prior to payment.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Maintenance and Level of Effort – Allowable Costs/Cost Principles – Material Noncompliance and Material Weakness

Finding Number	2012-008
CFDA Title and Number	Adult Basic Literacy Education, CFDA #84.002 Race to the Top, CFDA #84.395 Title I Cluster, CFDA #84.010, 84.389
Federal Award Number / Year	2012
Federal Agency	United States Department of Education
Pass-Through Agency	Ohio Department of Education

20 USC Section 7901 states a local educational agency (LEA) may not use Title I, Part A funds for activities that it would have conducted in the absence of these federal funds (Title I, Part A). To meet Maintenance of Effort (MOE), combined fiscal effort (per student or the aggregate expenditures of the LEA and the State) cannot be less than 90% of the combined fiscal effort for the second preceding year.

20 USC Section 6321(b) states an LEA shall use Federal funds received under this part only to supplement the funds that would, in the absence of the Federal funds, be made available from non-Federal sources for the education of participating students. In no case may an LEA use Federal program funds to supplant funds from non-Federal sources.

- During our testing of the requirements for Maintenance and Level of Effort, we noted the following:
- 60 out of 60 employees tested charging the Adult Basic Literacy Education grant did not have time and effort logs or semi-annual certifications maintained;
 - Two of 15 employees tested charging the Race to the Top program did not complete the required semi-annual certification; and
 - 26 of the 60 employees tested charging the Title I Cluster did not have the required semi-annual certifications.

Failure to maintain the proper maintenance of effort documentation resulted in employees improperly charging federal grants and questioned costs.

The District should maintain adequate supporting documentation for maintenance and level of effort to ensure compliance with the above requirements.

Official’s Response: All employees paid through federal funds will keep a time and effort log, use extra hourly assignment sheets with federal funds coordinators’ signatures, and/or semi-annual certifications. Federal funds program coordinators will be responsible for ensuring every employee paid with federal funds is documented and approved by the appropriate administrator.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Inventory Management – Equipment and Real Property Management – Material Noncompliance and Material Weakness

Finding Number	2012-009
CFDA Title and Number	Adult Basic Literacy Education, CFDA #84.002 Special Education Cluster, CFDA #84.027, 84.173, 84.391
Federal Award Number / Year	2012
Federal Agency	United States Department of Education
Pass-Through Agency	Ohio Department of Education

2 CFR 215.34 and 34 CFR Section 80.32, requires that equipment be used in the program for which it was acquired or, when appropriate, other Federal Programs.

Equipment records shall be maintained, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, and appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained. Furthermore 2 CFR 215.34 and 34 CFR Section 80.32 states, procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property;
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years;
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated;
- (4) Adequate maintenance procedures must be developed to keep the property in good condition; and
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

(Continued)

FINDING NUMBER 2012-009

(Continued)

Inventory Management – Equipment and Real Property Management – Material Noncompliance and Material Weakness (Continued)

During our testing of the Adult Basic Literacy Education (ABLE), Special Education Cluster and Title I Cluster Major Federal Programs, we noted the District does have written accounting practices to account for inventory purchased with Federal funds for items costing over \$500 on an inventory listing. However, federal requirements dictate that all inventory purchased with federal funds should be on the inventory listing. Furthermore, these practices have not been formally incorporated into the Board Policies. Additional errors were noted during a review of inventory for various federal programs which noted the following:

- 47 of 128 items tested in the ABLE major Federal program did not have adequate records in accordance with the above requirements; and
- One of two items tested in the Special Education Cluster major Federal program, with a cost of \$3,010, was not included in the District's inventory of items purchased with Special Education funds.

Failure to properly track Federal inventory may result in inadequate records being maintained of the District's Federal equipment.

The Board should incorporate their Federal Inventory requirements into the Board Policy and implement procedures to ensure that all equipment purchased with Federal funds are included on an inventory listing.

Official's Response: A database will be implemented to indicate equipment purchased by federal funds which includes the following: equipment description, date of purchase, cost of purchase and federal fund percentage of cost, federal fund source of property, inventory asset tag, location, condition of the property, disposal and disposal date. A physical inventory will occur every two years. The control system, maintenance procedures and procedures for disposing of federally-purchased property will be approved by the Board of Education.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS (Continued)

Excluded Parties List System – Procurement and Suspension and Debarment – Material Noncompliance and Material Weakness

Finding Number	2012-010
CFDA Title and Number	Adult Basic Literacy Education, CFDA #84.002 Race to the Top, CFDA #84.395 Special Education Cluster, CFDA #84.027, 84.173, 84.391 Title I Cluster, CFDA #84.010, 84.389
Federal Award Number / Year	2012
Federal Agency	United States Department of Education
Pass-Through Agency	Ohio Department of Education

2 CFR 180.300 states that Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transactions with that entity.

During a test of non-payroll expenditures for the Adult Basic Literacy Education (ABLE), Race to the Top (RttT), Special Education Cluster and Title I Cluster major Federal programs, we noted the following number of vendors that received \$25,000 or more from the federal programs and no evidence the District verified the vendors were not suspended or disbarred by checking the EPLS maintained by the General Services Administration (GSA), or signed certification from the entity was maintained, and the District did not add a clause or condition to the contract with the vendor:

<u>Major Federal Program</u>	<u>Number of Vendors</u>
Adult Basic Literacy Education	2
Race to the Top	9
Special Education Cluster	2
Title I Cluster	20
Total	<u><u>33</u></u>

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

(Continued)

FINDING NUMBER 2012-010

(Continued)

Excluded Parties List System – Procurement and Suspension and Debarment – Material Noncompliance and Material Weakness

We subsequently determined the vendors were not suspended or debarred and were eligible for federal funds. Failure to properly check the EPLS may result in the District conducting business with suspended or debarred vendors.

We recommend that prior to contracting with vendors that will be paid with federal funds the District should verify the vendor is not suspended or debarred by checking the EPLS maintained by the GSA, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

Official's Response: The District will maintain signed certifications by all vendors paid from federal funds receiving \$25,000 or more certifying that the vendor is not suspended or debarred. Copies of the certification will be kept on file with contracts in the Business Services department.

Schedule of Federal Awards Receipts and Expenditures – Material Noncompliance and Material Weakness

Finding Number	2012-011
CFDA Title and Number	N/A
Federal Award Number / Year	2012
Federal Agency	N/A
Pass-Through Agency	N/A

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, (the Circular), sets forth standards for the audit of non-Federal entities expending Federal awards. Section .300(a) of the Circular states the auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Section .310(b) states, in part, the auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. At a minimum, the schedule shall:

1. List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For Research and Development, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency.
2. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

(Continued)

**FINDING NUMBER 2012-011
(Continued)**

Schedule of Federal Awards Receipts and Expenditures – Material Noncompliance and Material Weakness (Continued)

3. Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
4. Include notes that describe the significant accounting policies used in preparing the schedule.
5. To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each federal program.
6. Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule.

The original Schedule of Federal Awards Receipts and Expenditures (the Schedule) prepared by the District for fiscal year 2012 required modifications to the following Major Federal Programs:

Major Federal Program	Expenditures Originally Reported	Adjustments	Expenditures After Adjustments
CFDA #84.027, 84.173, 84.391 - Special Education Cluster	\$2,257,470	(\$425,716)	\$1,831,754
CFDA #84.010, 84.389 - Title I Cluster	2,846,329	(56,420)	2,789,909
CFDA #84.388 - School Improvements Grant	654,756	(21,024)	633,732
CFDA #84.395 - Race to the Top	313,830	(494)	313,336
CFDA #84.002 - Adult Education	524,816	7,819	532,635

We also noted similar errors in several non-major programs. Failure to identify federal awards and accurately prepare the Schedule may result in noncompliance with the Circular and may compromise the District's ability to obtain federal awards in the future.

The District made these adjustments to the Schedule.

We recommend the District ensure adequate procedures are in place to track and readily identify the receipt and disbursement of all federal awards. This will ensure information is complete and accurate for preparation of the Schedule at fiscal year-end.

Official's Response: Federal programs will be reconciled to cash on a bi-monthly schedule and reported to the Treasurer. Federal receipts and expenditures will be posted prior to fiscal year-end by the federal funds manager so that the Federal Schedule agrees with the accounting system and financial records.

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

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2012**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2012-007	Accounts Payable staff will be trained in the process of refusing payment on purchase orders that lack the proper administrative approval. Those invoices lacking administrative approval will be returned to the proper administrative department for approval prior to payment.	Immediately	A. Scott Gainer, Treasurer
2012-008	All employees paid through federal funds will keep a time and effort log, use extra hourly assignment sheets with federal funds coordinators' signatures, and/or semi-annual certifications. Federal funds program coordinators will be responsible for ensuring every employee paid with federal funds is documented and approved by the appropriate administrator.	Immediately	A. Scott Gainer, Treasurer
2012-009	A database will be implemented to indicate equipment purchased by federal funds which includes the following: equipment description, date of purchase, cost of purchase and federal fund percentage of cost, federal fund source of property, inventory asset tag, location, condition of the property, disposal and disposal date. A physical inventory will occur every two years. The control system, maintenance procedures and procedures for disposing of federally-purchased property will be approved by the Board of Education.	Immediately	A. Scott Gainer, Treasurer
2012-010	The District will maintain signed certifications by all vendors paid from federal funds receiving \$25,000 or more certifying that the vendor is not suspended or debarred. Copies of the certification will be kept on file with contracts in the Business Services department.	Immediately	A. Scott Gainer, Treasurer
2012-011	Federal programs will be reconciled to cash on a bi-monthly schedule and reported to the Treasurer. Federal receipts and expenditures will be posted prior to fiscal year-end by the federal funds manager so that the Federal Schedule agrees with the accounting system and financial records.	Immediately	A. Scott Gainer, Treasurer

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-1	Financial Reporting	No	Re-Issued as Finding 2012-004
2011-2	Bank Reconciliations	No	Re-Issued as Finding 2012-005
2011-3	ARRA 1512 Reporting	Yes	Finding No Longer Valid

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Cleveland Heights-University Heights City School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. In the report dated December 23, 2011, we noted the Board adopted an anti-harassment policy. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. The Board amended the policy on January 3, 2012. We read the amended policy, noting it now includes all the requirements listed in Ohio Rev. Code 3313.666.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

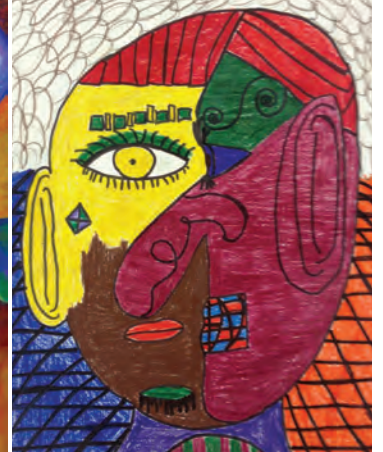
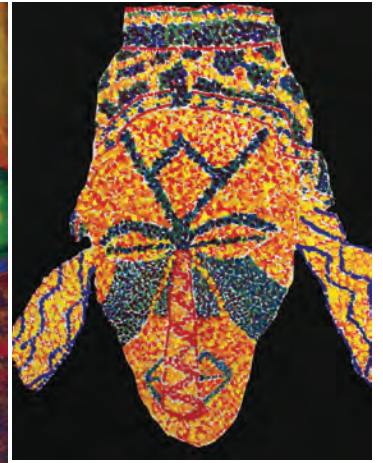
Dave Yost
Auditor of State

September 4, 2013

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Cleveland Heights - University Height City School District – University Heights, Ohio



TOP LEFT:

JADE WOODSON

Grade 12, Cleveland Heights High School

BOTTOM LEFT:

ANNA GASPARYAN

Grade 4, Noble Elementary School

CENTER:

LUKE BOYLE

Grade 12, Cleveland Heights High School

TOP RIGHT:

EMMA SCHUBERT

Grade 9, Cleveland Heights High School

BOTTOM RIGHT:

ELENA RINALDI

Grade 5, Boulevard Elementary School



INTRODUCTORY *Section*



CHLOE SUDDUTH

Grade 12, Cleveland Heights High School

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT

University Heights, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JULIANNA CLARK

Grade 10, Cleveland Heights High School

for the fiscal year
ended June 30, 2012

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



CARMINE GIANNATTASIO

Grade 3, Roxboro Elementary School



Mission Statement

We will prepare all students for college and life by providing a challenging curriculum (RIGOR) that connects students' lives and their future (RELEVANCE) in a safe, supportive, and nurturing environment (RELATIONSHIPS).

Cleveland **Heights**
University



City School District

www.chuh.org

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Table of Contents	Page
I. Introductory Section:	
Title Page	i
Table of Contents	iii
Letter of Transmittal	vii
GFOA Certificate of Achievement	xiii
ASBO Certificate	xiv
Principal Officials	xv
Organizational Chart	xvi
Maps of the District.....	xvii
II. Financial Section:	
Independent Accountants' Report.....	1
Management's Discussion & Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	23
Statement of Fund Net Assets – Proprietary Funds.....	25
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds.....	27
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	28
Notes to the Basic Financial Statements	29

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Table of Contents Page

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Governmental Funds – Fund Descriptions.....	62
Combining Balance Sheet – Nonmajor Governmental Funds.....	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	66
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	74

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

General Fund.....	80
Special Trust Fund.....	85
Public School Support Fund.....	86
Other Grants Fund.....	87
District Managed Activity Fund.....	89
Auxiliary Services Fund.....	90
Educational Management Information System Fund.....	91
Public School Preschool Grant Fund.....	92
Data Communication Fund.....	93
Stimulus – School Improvement Fund.....	94
Career Technical/Adult Education Fund.....	95
Education Jobs Fund.....	96
Alternative School Grant Fund.....	97
Miscellaneous State Grants Fund.....	98
Adult Basic Education Fund.....	99
IDEA (Flo-Thru) Fund.....	101
Vocational Education Fund.....	103
Race to the Top Fund.....	104
Title II-D Technology Fund.....	106
Title I Improvement Fund.....	107
Title III Fund.....	108
Title I Fund.....	109
Title V Innovative Program Fund.....	111
Drug Free Schools Fund.....	112
Preschool Disabilities Grant Fund.....	113
Title IIA – Improving Teacher Quality Fund.....	114
Miscellaneous Federal Grants Fund.....	115
Debt Service Fund.....	117
Permanent Improvement Fund.....	118

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

<u>Table of Contents</u>	<u>Page</u>
Combining Statements – Nonmajor Proprietary Funds – Fund Descriptions.....	119
Combining Statement of Fund Net Assets – Nonmajor Enterprise Funds	120
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds.....	121
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	122
Combining Statement of Fund Net Assets – Nonmajor Internal Service Funds	124
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Internal Service Funds.....	125
Combining Statement of Cash Flows – Nonmajor Internal Service Funds.....	126
Individual Fund Schedules of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual:	
Bellefaire General Rotary Fund	128
Food Services Fund	129
Uniform School Supplies Fund	130
Customer Services Fund	131
Community Services/Early Childhood Fund	132
Self-Insurance Fund.....	133
Workers' Compensation Fund	134
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	135
III. Statistical Section:	
Statistical Section.....	137
Net Assets by Component – Last Ten Fiscal Years	138
Changes in Net Assets – Last Ten Fiscal Years.....	139
Program Revenues by Function/Program – Last Ten Fiscal Years.....	143
Fund Balances, Governmental Funds – Last Ten Fiscal Years	144
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	145
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	147
Principal Taxpayers – Real Estate Tax – Fiscal Year 2012 and Fiscal Year 2003	148

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

<u>Table of Contents</u>	<u>Page</u>
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	149
Property Tax Levies and Collections – Real and Tangible Personal Property – Last Ten Years	150
Computation of Direct and Overlapping General Obligation Bonded Debt – As of December 31, 2011.....	151
Computation of Legal Debt Margin – Last Ten Fiscal Years	152
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita – Last Ten Fiscal Years	153
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Debt Per Capita – Last Ten Fiscal Years	154
Demographic and Economic Statistics – Last Ten Fiscal Years.....	155
Principal Employers – Fiscal Year 2006 and Fiscal Year 2012.....	156
Building Statistics by Function/Program – Current Fiscal Year	157
Per Pupil Cost – Last Ten Fiscal Years	158
Teacher Education and Experience – Last Ten Fiscal Years	159
Attendance and Graduation Rates – Last Ten Fiscal Years	160
Full-time School Employees by Function – Last Eight Fiscal Years	161



A. Scott Gainer
Chief Financial Officer

September 4, 2013

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 audited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within six months 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, 2012.

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

The Auditor of State of Ohio, Dave Yost, have issued an unqualified (“clean”) opinion on the Cleveland Heights-University Heights City School District’s financial statements for the year ended June 30, 2012. The Independent Accountant’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 Accountant’s Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement 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 610 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 5,763 students in grades kindergarten through twelve. Additionally, the District provides preschool, after school, and adult education services. The District covers approximately 9.6 square miles, serving the cities of Cleveland Heights, University Heights and a small portion of South Euclid, and is located approximately ten miles southeast of downtown Cleveland. Highlights of the history of the Cleveland Heights-University Heights City School District are as follows:

- 1901 East Cleveland Township School Board formed (included the hamlet of Cleveland Heights)
- 1902 Passed issue to build Lee Road School
- 1903 Cleveland Heights became a village
- 1904 District renamed Cleveland Heights School District
- 1905 Expansion of Lee Road School
- 1906 Roxboro Elementary School built
- 1907 First graduation at Heights High
- 1916 Fairfax Elementary School built
- 1916 New high school built on Lee Road site
- 1919 Coventry Elementary School built
- 1922 Noble Elementary School built
- 1923 Taylor Elementary School built
- 1924 Boulevard Elementary School built
- 1925 Oxford Elementary School built
- 1926 New high school at Cedar and Lee Roads built
- 1926 Roosevelt Junior High School built
- 1926 Roxboro Junior High School built
- 1927 Canterbury Elementary school built
- 1929 Superior Opportunity School built
- 1930 Monticello Junior High School built
- 1942 District became Cleveland Heights-University Heights City School District
- 1948 Northwood Elementary School built
- 1949 Belvoir Elementary School built
- 1953 Millikin Elementary School built
- 1954 Wiley Junior High School built
- 1964 Board Administration Building opened

- 1972 Bond issue to construct new Coventry, Boulevard, Fairfax, and Taylor school buildings
- 1987 Northwood Elementary School sold
- 1993 Belvoir School renamed Lauree P. Gearity Elementary School
- 2008 Coventry Elementary School closed

Local Economy

The District serves approximately 46,160 residents of the City of Cleveland Heights and approximately 13,500 residents of the City of University Heights, both inner-ring suburbs of the City of Cleveland. Both communities are primarily residential in nature, with a diverse base of residents. The proximity and easy access of the cities to major cultural, educational, and medical facilities in northeast Ohio typically contributes to climbing property values, a key indicator of a community's economic health and stability where the primary "industry" is housing, although both communities have experienced a significant number of home foreclosures and flat or decreasing property values consistent with the overall trend in Ohio and nationally.

State funding of schools continues to change with each biennial budget. In the short-term, the District received 1% less in state funding in 2009-2010 and 2% less in 2010-2011. In response to decreases in property tax revenue due to foreclosures and diminishing state funding, the District reduced the budget over \$3 million for the 2009-2010 school year, and anticipates ongoing reductions. The District successfully passed a 6.9 mill operating levy in November, 2011.

Economic Condition and Outlook

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

Student enrollment for the 2003 school year was 6,821. Enrollment for the 2012 school year was 5,763. Based upon enrollment projections by Dejong Healy, enrollment will continue to decline, bottoming out in 2015 at 5,514.

Long-Term Financial Planning

Financial Highlights - Internal Service Funds - The only internal service funds carried on the financial records of the District are related to self-insurance and the workers' compensation fund. These funds account for the revenues and expenses related to the provision of medical and workers' compensation program. The internal service funds had net assets of \$3,421,077 at June 30, 2012 compared with net assets of \$3,427,251 at June 30, 2011. The District is meeting its claim liability.

The most recent District five year forecast indicates a positive cash balance through 2014, with a \$7.6 million deficit beginning in 2015. To compensate for declining property tax revenue, reduced interest income, and reductions in state revenue as discussed above, the District reduced the 2009-2010 budget by over \$3 million. In addition, 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 is currently engaging the community in a district-wide facility evaluation which could result in a bond issue in November of 2012. As indicated previously, the District successfully passed a 6.9 mill operating levy in November, 2011.

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

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

The District has a comprehensive cash management program, which consists of expediting receipt of revenues and prudently depositing and investing available cash balances. The available cash of the District's individual funds is combined into a single cash pool and invested according to cash flow projections. The District invests in Certificates of Deposit, U.S. Treasury Notes, and STAR Ohio, an investment pool operated by the Treasurer of the State of Ohio. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2012, the District earned \$273,286 in investment income of which \$68,424 was credited to the General Fund.

The basis of accounting and the various funds and account groups utilized by the District are fully described in Note 2 to the financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

Major Initiatives

The District continues innovative programs such as the 1-1 technology initiative, where all students in the middle schools and the high school have an iPad or laptop to allow for 21st century learning and eliminate access barriers to technology for our students. Additionally, the high school "small schools" initiative continues to evolve, and now each learning community is based on one of three pathways: Discovery – learning from the perspective of people interacting with the physical world; Society – learning from the perspective of people interacting with others; and Creativity – learning from the perspective of expressing and celebrating the human spirit. As mentioned previously, the District is also developing a master facilities plan, which could result in a bond issue in 2013.

The Board and administration continue to be committed to ongoing fiscal responsibility and accountability. As indicated previously, the District reduced the 2009-2010 operating budget by over \$3 million and is reviewing various cost-savings initiatives.

Awards and Acknowledgements

Awards

The Government Finance Officers Association in the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the year ended June 30, 2011. This was the eleventh consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials International also awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the year ended June 30, 2011. The Association's Panel of Review judged that the District's report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. This certificate is awarded upon recommendation of the Association's Panel of Review and is valid for a period of one year only.

Acknowledgements

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

Respectfully submitted,



A. Scott Gainer
Chief Financial Officer



Nylajeau McDaniel
Superintendent

GFOA CERTIFICATE OF ACHIEVEMENT FOR 2011

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland Heights-University
Heights City School District

Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morice

President

Jeffrey R. Emer

Executive Director

Association of School Business Officials International



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

Cleveland Heights-University Heights City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

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



A handwritten signature in cursive script, reading 'Brian L. Mee', positioned above a horizontal line.

Brian L. Mee, SFO, RSBA
President

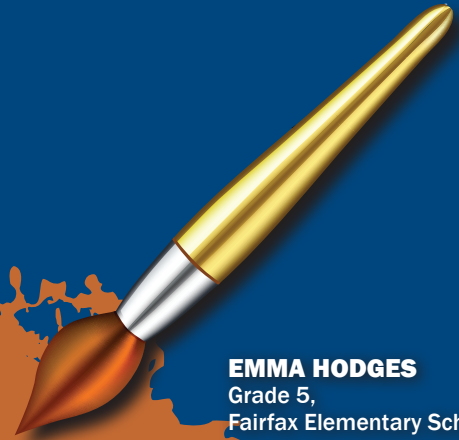
A handwritten signature in cursive script, reading 'John D. Musso', positioned above a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

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

University Heights, Ohio

PRINCIPAL OFFICIALS



EMMA HODGES
Grade 5,
Fairfax Elementary School

AS OF JUNE 30, 2012

BOARD OF EDUCATION

- Mr. Eric Coble, President
- Mr. Ron Register, Vice President
- Ms. Karen Jones, Board Member
- Ms. Nancy Pepler, President
- Mr. Kal Zucker, Board Member



CHIEF FINANCIAL OFFICER

Mr. A. Scott Gainer

SUPERINTENDENT

Mr. Douglas G. Heuer

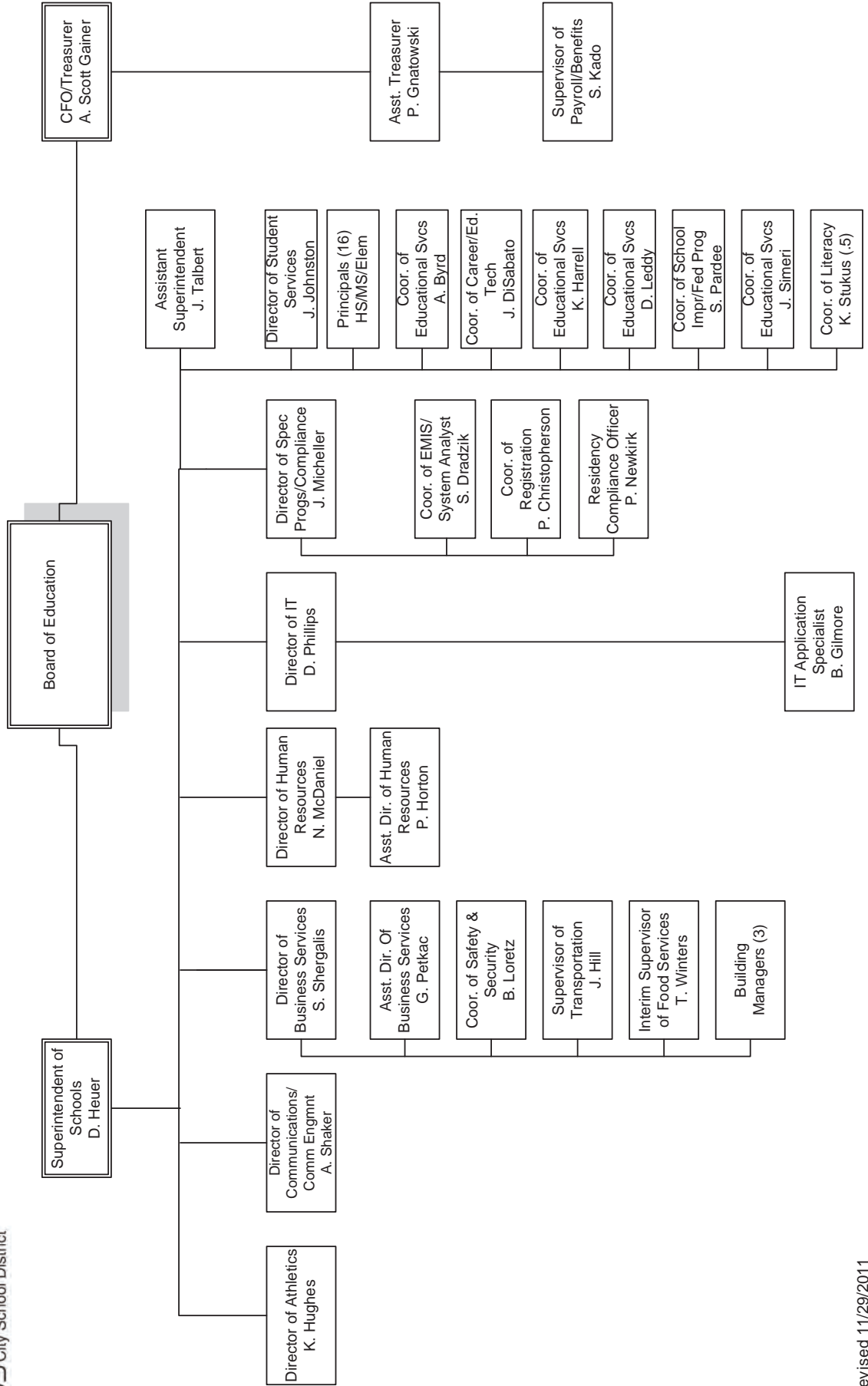


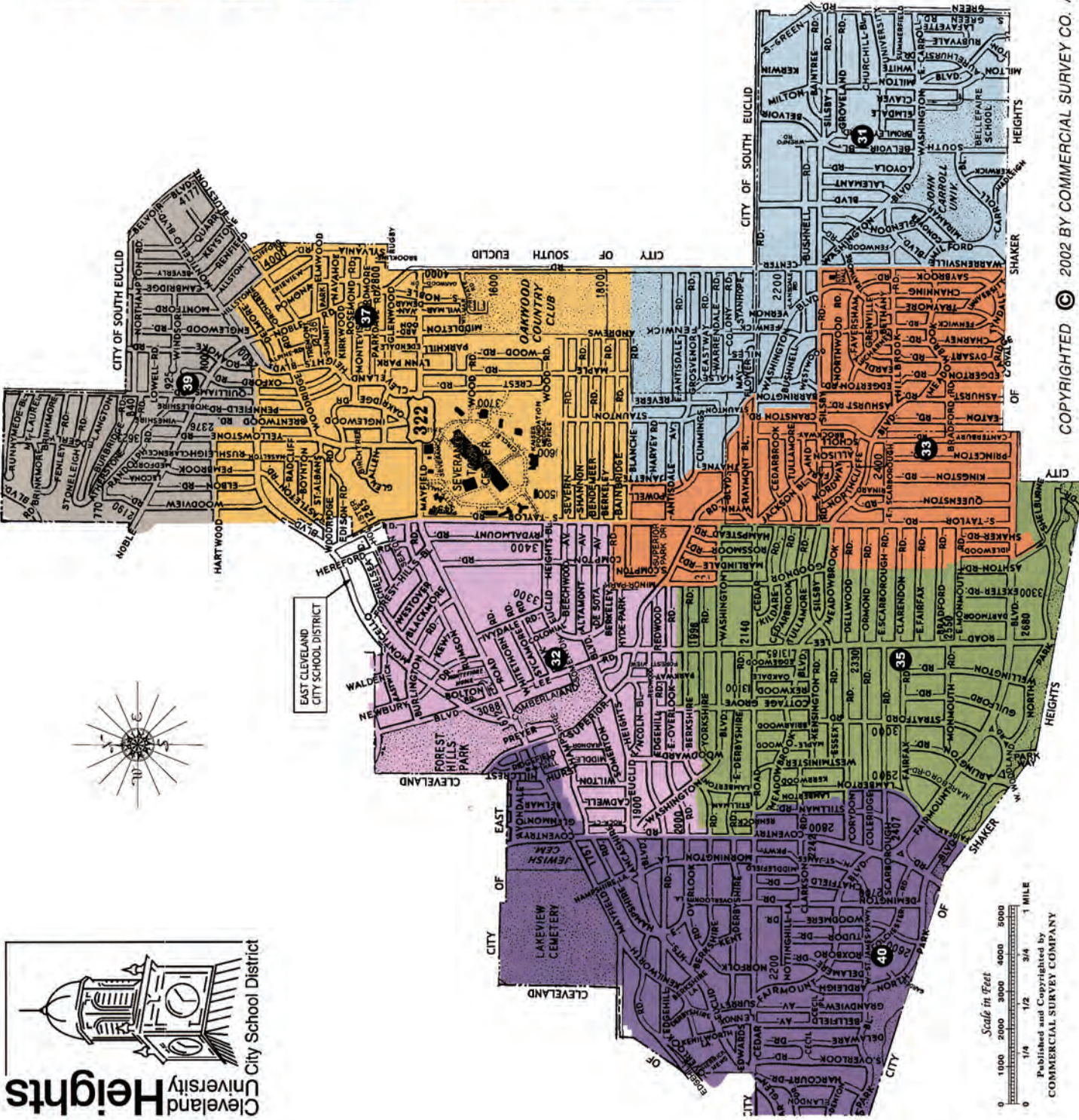
JORDAN EVANS
Grade 1,
Boulevard Elementary School





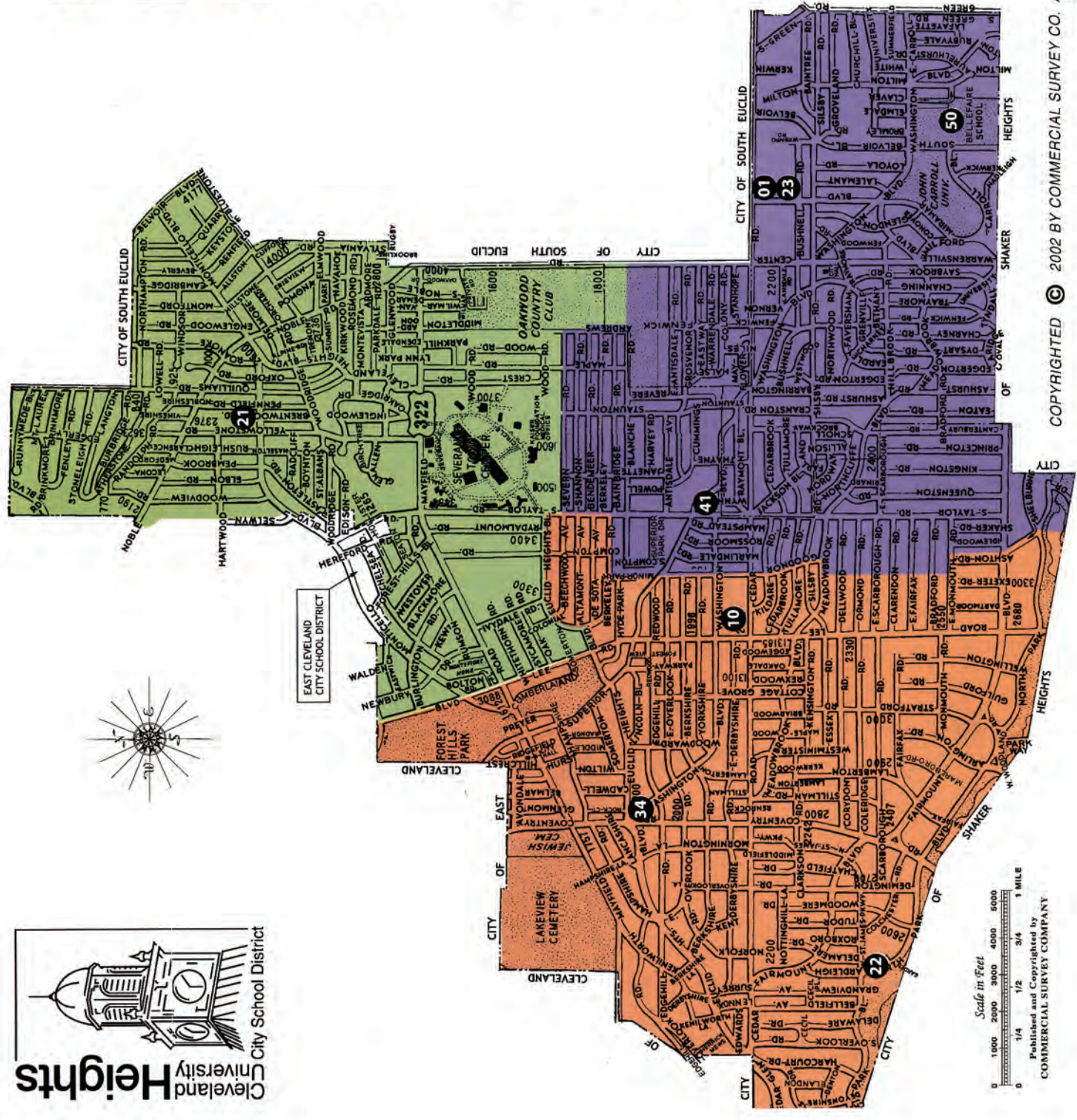
Cleveland Heights-University Heights
Board of Education
Organizational Chart for Administrators-Professional Staff Combined
2010-2011





- ELEMENTARY SCHOOLS**
- 32** Boulevard Elementary School
1749 Lee Road
Cleveland Hts., OH 44118-1700
216-371-7140
 - 33** Canterbury Elementary School
2530 Canterbury Road
Cleveland Hts., OH 44118-4398
216-371-7470
 - 35** Fairfax Elementary School
3150 Fairfax Road
Cleveland Hts., OH 44118-4097
216-371-7480
 - 31** Gearty Professional Development School
2323 Wrenford Road
University Hts., OH 44118-3998
216-371-6515
 - Early Childhood Center
216-371-7356
 - 37** Noble Elementary School
1293 Ardoon Street
Cleveland Hts., OH 44121-1600
216-371-6535
 - 39** Oxford Elementary School
939 Quilliams Road
Cleveland Hts., OH 44121-1900
216-371-6525
 - 40** Roxboro Elementary School
2405 Roxboro Road
Cleveland Hts., OH 44106-3699
216-371-7115

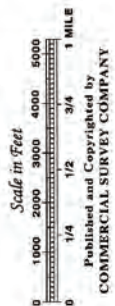
Scale in Feet
 0 1000 2000 3000 4000 5000
 0 1/4 1/2 3/4 1 MILE
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- MIDDLE SCHOOLS**
- 21** Monticello Middle School
3665 Monticello Boulevard
Cleveland Hts., OH 44121-1599
216-371-6520
 - 22** Roxboro Middle School
2400 Roxboro Road
Cleveland Hts., OH 44106-3698
216-371-7440
 - 23** Wiley Middle School
2181 Miramar Boulevard
University Hts., OH 44118-3394
216-371-7270

- HIGH SCHOOL**
- 10** Cleveland Heights High School
13263 Cedar Road
Cleveland Hts., OH 44118-2988
216-371-7101

- OTHER SITES**
- 01** Board of Education
2155 Miramar Boulevard
University Hts., OH 44118-3397
216-371-7171
 - 34** Coventry Building
2843 Washington Boulevard
Cleveland Hts., OH 44118-2012
 - 41** Taylor
14780 Superior Road
Cleveland Hts., OH 44118-2143
216-371-7171
 - 50** Bellefaire School
22001 Fairmount Boulevard
Cleveland Hts., OH 44118-4898
216-320-8700



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FINANCIAL

Section



LESLIE GUNDIC
Grade 4, Boulevard Elementary School



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District, Cuyahoga County, Ohio, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2013, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject 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.



Dave Yost
Auditor of State

September 4, 2013

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2012

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, 2012. 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 2012 are as follows:

In total, net assets decreased \$5,637,590 which represents 7% decrease from the prior year. Net assets of governmental activities decreased \$4,105,957 from 2011. Net assets of business-type activities decreased \$1,531,633, or 20%, from 2011.

For governmental activities, general revenues accounted for \$102,345,984 in revenue or 90% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$11,955,359 or 10% of total revenues of \$114,301,343.

The District had \$118,407,300 in expenses related to governmental activities; only \$11,955,359 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 \$102,345,984 were able to provide for these programs resulting in a decrease of net assets from \$84,572,376 to \$80,466,419.

Governmental activities expenses increased 4 percent from the prior year. Instructional expenses made up 57 percent of total governmental activities expenses while support services account for 39 percent. Other expenses rounded out the remaining 4 percent.

The District had \$6,399,589 in expenses related to business-type activities; a total of \$4,867,956 was offset by program specific charges for services and grants which were not adequate to provide for these programs by \$1,531,633 resulting in a decrease of net assets from \$(7,605,623) to \$(9,137,256).

The District's major governmental fund is the General Fund. The General Fund had \$99,003,727 in revenues and other financing sources and \$107,043,832 in expenditures and other financing uses. The General Fund balance decreased \$8,040,105, from \$53,610,841 to \$45,570,736.

Using this Comprehensive Annual Financial Report (CAFR)

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

The Statement of Net Assets 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 is by far the most significant fund and is reported as a major fund.

Reporting the School District as a Whole

The Statement of Net Assets 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 Assets 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 liabilities 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 assets and changes in them. This change in net assets 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 Assets 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 9 of the financial statements. The governmental fund financial statements begin on page 18 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 fund is the General Fund. The Bellefaire General Rotary Fund is the District's only major enterprise fund.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

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 Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

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

Fiduciary Funds

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in a separate statement on page 28. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2012 and 2011.

Net Assets

	Governmental Activities 2012	Business-Type Activities 2012	Governmental Activities 2011	Business-Type Activities 2011
Assets:				
Current and other assets	\$ 133,964,950	\$ (9,100,805)	\$ 131,425,696	\$ (7,566,816)
Capital assets	<u>34,896,058</u>	<u>505,491</u>	<u>35,223,460</u>	<u>533,397</u>
Total assets	<u>168,861,008</u>	<u>(8,595,314)</u>	<u>166,649,156</u>	<u>(7,033,419)</u>
Liabilities:				
Current and other liabilities	67,499,072	234,805	58,717,379	281,746
Long-term liabilities	<u>20,895,517</u>	<u>307,137</u>	<u>23,359,401</u>	<u>290,458</u>
Total liabilities	<u>88,394,589</u>	<u>541,942</u>	<u>82,076,780</u>	<u>572,204</u>
Net assets				
Invested in capital assets, net of debt	27,342,544	505,491	26,268,632	533,397
Restricted	6,496,780	-	6,400,193	-
Unrestricted (deficit)	<u>46,627,095</u>	<u>(9,642,747)</u>	<u>51,903,551</u>	<u>(8,139,020)</u>
Total net assets (deficit)	\$ <u>80,466,419</u>	\$ <u>(9,137,256)</u>	\$ <u>84,572,376</u>	\$ <u>(7,605,623)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2012, the District's assets exceeded liabilities by \$71,329,163.

Total assets increased by \$649,957 mainly due to an increase in taxes receivable offset by a decrease in cash.

Taxes receivable increased \$7,623,284. The increase is mainly due to the passage of a new operating levy. Cash decreased by \$6,771,614. Last year's cash balance of \$49,708,298 included restricted assets of \$6,322,852. This year's cash balance of \$42,936,684 includes restricted assets of \$4,057,651. Decrease in cash is mainly due to technology purchases for the 1-1 laptop initiative and an early retirement incentive paid to teaching staff in an effort to obtain long-term salary savings.

Capital assets, net of related debt reported on the government-wide statements represent 34 percent of total net assets for fiscal year 2012. 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 total net assets, \$6,496,780, or 8 percent, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$4,814,632 is restricted for debt service payments, including the Qualified Zone Academy Bonds, \$1,220,404 is restricted for capital projects, and \$461,744 is restricted for other purposes. The remaining balance of net assets \$36,984,348 is an unrestricted amount available to meet the government's ongoing obligations to students and staff.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

	Changes in Net Assets			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
Revenues:				
Program revenues:				
Charges for services	\$ 3,444,869	\$ 3,254,819	\$ 4,473,186	\$ 1,770,138
Operating grants	8,510,490	1,613,137	9,826,637	1,661,511
Capital grants	-	-	27,300	-
Total program revenues	<u>11,955,359</u>	<u>4,867,956</u>	<u>14,327,123</u>	<u>3,431,649</u>
General revenues:				
Property taxes	69,741,724	-	60,452,392	-
Grants and entitlements	31,837,748	-	31,992,845	-
Investment earnings	273,286	-	306,230	-
Miscellaneous	493,226	-	652,057	-
Total general revenues	<u>102,345,984</u>	<u>-</u>	<u>93,403,524</u>	<u>-</u>
Total revenues	<u>114,301,343</u>	<u>4,867,956</u>	<u>107,730,647</u>	<u>3,431,649</u>
Program expenses:				
Instruction:				
Regular	45,242,090	-	41,334,122	-
Special	12,947,396	-	13,830,108	-
Vocational	2,306,559	-	2,075,152	-
Adult/continuing	335,150	-	346,356	-
Other instruction	7,154,104	-	5,341,468	-
Support services:				
Pupil	9,891,614	-	8,922,133	-
Instructional staff	6,445,138	-	6,158,641	-
Board of education	586,707	-	590,673	-
Administration	1,819,530	-	5,963,161	-
Fiscal	2,573,478	-	2,441,386	-
Business	1,552,317	-	1,583,775	-
Operation and maintenance of plant	12,510,123	-	12,471,455	-
Pupil transportation	5,302,386	-	4,499,491	-
Central	5,429,997	-	3,766,198	-
Operations of non-instructional services	2,076,586	-	2,538,766	-
Food service operations	2,981	-	5,458	-
Extracurricular activities	1,769,909	-	1,618,758	-
Interest and fiscal charges	461,235	-	519,722	-
Food services	-	2,434,896	-	2,310,751
Uniform school supplies	-	31,824	-	31,350
Customer services	-	-	-	9,385
Community services/early childhood	-	743,185	-	746,880
Bellefaire General Rotary	-	3,189,684	-	3,459,420
Total program expenses	<u>118,407,300</u>	<u>6,399,589</u>	<u>114,006,850</u>	<u>6,557,786</u>
Change in net assets before transfers	(4,105,957)	(1,531,633)	(6,276,203)	(3,126,137)
Transfers	-	-	(169,318)	169,318
Change in net assets	(4,105,957)	(1,531,633)	(6,445,521)	(2,956,819)
Net assets (deficit) at beginning of year	84,572,376	(7,605,623)	91,017,897	(4,648,804)
Net assets (deficit) at end of year	<u>\$ 80,466,419</u>	<u>\$ (9,137,256)</u>	<u>\$ 84,572,376</u>	<u>\$ (7,605,623)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

Governmental Activities

The District passed an 8.5 mill levy in March 2004, a 7.2 mill levy in November 2007, and most recently, a 6.9 mill levy in November 2011. Additionally, the District cut \$6 million from the budget for the 2004-2005 fiscal year, \$1 million from the 2007-2008 fiscal year budget by closing an elementary school, and \$3 million from the 2009-2010 fiscal year budget. Among governmental funds, this had the most significant impact on net assets of governmental activities over the past several years.

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 .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 61 percent of total governmental activities revenues for the District in fiscal year 2012.

Instruction and support services comprise 57 percent and 39 percent of governmental program expenses, respectively. Interest expense was less than 1 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects. Overall, governmental program expenses increased approximately \$4.4 million, mainly due to an increase in regular and other instruction. Step-increases in employee wages and benefits and increases in professional service fees contributed significantly to the overall increases.

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 2012 and 2011. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>
Program expenses:				
Instruction	\$ 67,985,299	\$ 58,380,682	\$ 62,927,206	\$ 50,495,294
Pupil and instructional staff	16,336,752	16,224,495	15,080,774	14,987,315
Board of education, administration, fiscal and business	6,532,032	6,399,064	10,578,995	10,548,420
Operation and maintenance - plant	12,510,123	12,510,123	12,471,455	12,471,455
Pupil transportation	5,302,386	5,096,643	4,499,491	4,377,758
Central services	5,429,997	5,429,997	3,766,198	3,738,898
Operation of non-instructional services	2,076,586	291,987	2,538,766	976,389
Food service operations	2,981	2,981	5,485	5,485
Extracurricular activities	1,769,909	1,654,734	1,618,758	1,558,991
Interest and fiscal charges	461,235	461,235	519,722	519,722
Total program expenses	\$ <u>118,407,300</u>	\$ <u>106,451,941</u>	\$ <u>114,006,850</u>	\$ <u>99,679,727</u>

The dependence upon tax revenues during fiscal year 2012 for governmental activities is apparent.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

Business-Type Activities

Business-type activities include Bellefaire, food service operation, uniform school supplies, customer services and community services/early childhood. These programs had revenues of \$4,867,958 and expenses of \$6,399,589 for fiscal year 2012. The Bellefaire General Rotary Fund had expenses of \$3,189,684 and revenues of \$2,222,430. This resulted in a decrease of net assets for the fiscal year of \$967,254. The other enterprise funds had expenses of \$3,209,905 and revenues of \$2,645,526. This resulted in a decrease to net assets for the fiscal year of \$564,379. Management assesses the performance of each of these funds to ensure that they are run efficiently.

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 \$50,702,945, a decrease of \$7,791,650 in comparison with the prior year. Approximately 82 percent of this total amount, \$41,142,369 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, \$6,146,770; has already been committed or assigned, \$3,025,241; or is in a nonspendable form, \$388,565.

The General Fund is the chief operating fund of the District. The District's General Fund balance decreased by \$8,040,105, mainly due to increases in employee wages and benefits and increases in professional service fees. The table that follows assists in illustrating the revenues of the General Fund.

<u>Revenues</u>	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>Percentage Change</u>
Taxes	\$ 64,257,164	\$ 56,431,269	14%
Interest earnings	68,424	146,817	(53)%
Intergovernmental	31,945,895	31,848,689	0.3%
Other revenue	<u>2,732,244</u>	<u>1,908,518</u>	43%
Total	\$ <u>99,003,727</u>	\$ <u>90,335,293</u>	

The property tax revenue increased \$7,825,895. This increase is directly related to the County estimate of the amount of taxes available for advance and increased collections during the current year.

Interest earnings decreased \$78,393 which is directly related to lower interest rates due to the state of the economy.

Other revenue increased \$823,726. This increase is mainly due to an increase in tuition revenue.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

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

<u>Expenditures by Function</u>	2012 <u>Amount</u>	2011 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 61,060,922	\$ 56,532,405	8%
Support services	43,416,287	40,220,468	8%
Other non-instructional services	131,564	134,563	(2)%
Food service operations	2,981	5,446	(45)%
Extracurricular activities	1,353,629	1,251,992	8%
Debt service	<u>838,449</u>	<u>236,489</u>	255%
Total	\$ <u>106,803,832</u>	\$ <u>98,381,363</u>	

Overall, increase in instruction is due to a step-increase in employee wages. Debt service payments increased due to capital lease payments made from other funds in fiscal year 2011.

Proprietary Funds

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

General Fund Budget Information

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2012, 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 2012. During the course of fiscal year 2012, the total budget was changed multiple times. For the General Fund, final budgeted revenues and other financing sources were \$104,990,475, or \$9,204,836 higher than the original budget. The increase was due to an increase in budgeted intergovernmental revenues. Actual revenues and other financing sources for fiscal year 2012 were \$105,199,628. Actual differed slightly from the final budget mainly due to higher than anticipated collection of intergovernmental revenue. General Fund original appropriations and other financing uses of \$104,075,007 increased to \$116,805,721 in the final budget. The increase was due to higher budgeted costs across all functions. The actual expenditures and other financing uses for fiscal year 2012 totaled \$116,841,451, which was \$35,730 more than the final budget appropriations. Actual differed from final budget mainly due to higher than anticipated purchased services expenditures for other instruction.

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

Debt

At June 30, 2012, the District had \$13,955,000 in outstanding long-term bond debt and of this amount \$970,000 was due within one year. The District paid \$935,000 in principal on bonds outstanding. The District had capital leases of \$758,514 outstanding at June 30, 2012, with \$516,710 due within one year. The District paid \$786,314 on capital leases outstanding during the fiscal year ended June 30, 2012. 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 its revenues and expenditures in accordance with its financial forecast. The financial future of the District is not without its challenges. These challenges stem from issues that are local and at the State level. At the local level, the taxpayers must approve additional levies to pay for unfunded mandates as well as continue the programs they have come to expect as normal operations. The State and local economy is stressed after experiencing a recession. Recovery is anticipated to be slow and drawn out.

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

In response to decreases in property tax revenue due to foreclosures and diminishing State funding, the District reduced the budget over \$3 million for the 2009-2010 school year, passed the 6.9 mill November 2011 levy and is reviewing various cost-savings initiatives.

Contacting the School District's Financial Management

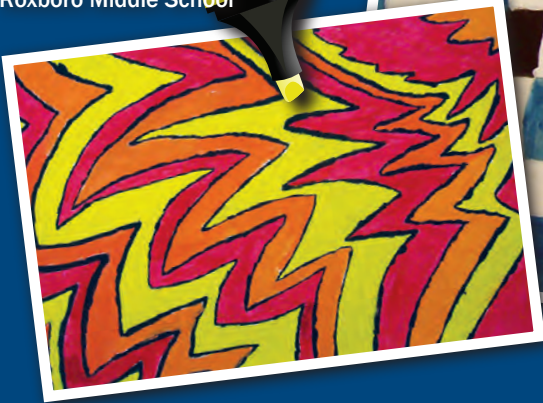
This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact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

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MATHILDE TOMTER
Grade 6, Roxboro Middle School



ETHAN ZOLDAK
Grade 6
Roxboro Middle School



EGYPT SA'AD
Grade 1,
Noble Elementary School



HARRISON HOLLAND
Grade 1, Roxboro Elementary School

AMIRA ABDUR-RAHIM
Grade 3, Roxboro Elementary School



BASIC FINANCIAL STATEMENTS



CHRISTIAN COKER

Grade 1,
Gearity Professional
Development School



KUDZAI BERE

Kindergarten,
Gearity Professional
Development School



MARCUS HOLLAND

Grade 1,
Fairfax Elementary School



Cleveland Heights-University Heights City School District

Statement of Net Assets

June 30, 2012

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 38,157,279	\$ 721,754	\$ 38,879,033
Accounts receivable	94,444	3,644	98,088
Prepaid items	133,454	-	133,454
Intergovernmental receivable	2,545,056	1,288,468	3,833,524
Internal balances	11,151,128	(11,151,128)	-
Materials and supplies inventory	388,565	10,713	399,278
Inventory held for resale	-	25,744	25,744
Taxes receivable	77,437,373	-	77,437,373
Restricted cash and investments	4,057,651	-	4,057,651
Nondepreciable capital assets	2,517,608	-	2,517,608
Depreciable capital assets, net	<u>32,378,450</u>	<u>505,491</u>	<u>32,883,941</u>
Total assets	<u>168,861,008</u>	<u>(8,595,314)</u>	<u>160,265,694</u>
Liabilities:			
Accounts payable	2,460,740	76,358	2,537,098
Accrued wages and benefits	1,892,288	7,920	1,900,208
Matured compensated absences	293,924	-	293,924
Intergovernmental payable	2,879,340	150,527	3,029,867
Unearned revenue	58,168,289	-	58,168,289
Claims payable	1,767,000	-	1,767,000
Accrued interest payable	37,491	-	37,491
Long-term liabilities:			
Due within one year	1,911,435	28,091	1,939,526
Due in more than one year	<u>18,984,082</u>	<u>279,046</u>	<u>19,263,128</u>
Total liabilities	<u>88,394,589</u>	<u>541,942</u>	<u>88,936,531</u>
Net assets:			
Invested in capital assets, net of related debt	27,342,544	505,491	27,848,035
Restricted for:			
Capital projects	1,220,404	-	1,220,404
Debt service	756,981	-	756,981
Federal programs	461,744	-	461,744
Qualified Zone Academy Bond retirement	4,057,651	-	4,057,651
Unrestricted (deficit)	<u>46,627,095</u>	<u>(9,642,747)</u>	<u>36,984,348</u>
Total net assets (deficit)	\$ <u>80,466,419</u>	\$ <u>(9,137,256)</u>	\$ <u>71,329,163</u>

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

Cleveland Heights-University Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2012

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Instruction:			
Regular	\$ 45,242,090	\$ 157,440	\$ 623,151
Special	12,947,396	2,833,543	5,259,112
Vocational	2,306,559	-	194,247
Adult/continuing	335,150	-	537,124
Other instruction	7,154,104	-	-
Support services:			
Pupil	9,891,614	-	112,257
Instructional staff	6,445,138	-	-
Board of education	586,707	-	-
Administration	1,819,530	132,968	-
Fiscal	2,573,478	-	-
Business	1,552,317	-	-
Operations and maintenance of plant	12,510,123	-	-
Pupil transportation	5,302,386	205,743	-
Central	5,429,997	-	-
Operation of non-instructional services:			
Community services	2,076,586	-	1,784,599
Food service operations	2,981	-	-
Extracurricular activities	1,769,909	115,175	-
Interest and fiscal charges	461,235	-	-
Total governmental activities	<u>118,407,300</u>	<u>3,444,869</u>	<u>8,510,490</u>
Business-type activities:			
Food services	2,434,896	384,300	1,613,137
Uniform school supplies	31,824	27,468	-
Customer services	-	-	-
Community services/early childhood	743,185	620,621	-
Bellefaire General Rotary	3,189,684	2,222,430	-
Total business-type activities	<u>6,399,589</u>	<u>3,254,819</u>	<u>1,613,137</u>
Totals	\$ <u>124,806,889</u>	\$ <u>6,699,688</u>	\$ <u>10,123,627</u>

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

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

<u>Primary Government</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business -</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (44,461,499)	\$ -	\$ (44,461,499)
(4,854,741)	-	(4,854,741)
(2,112,312)	-	(2,112,312)
201,974	-	201,974
(7,154,104)	-	(7,154,104)
(9,779,357)	-	(9,779,357)
(6,445,138)	-	(6,445,138)
(586,707)	-	(586,707)
(1,686,562)	-	(1,686,562)
(2,573,478)	-	(2,573,478)
(1,552,317)	-	(1,552,317)
(12,510,123)	-	(12,510,123)
(5,096,643)	-	(5,096,643)
(5,429,997)	-	(5,429,997)
(291,987)	-	(291,987)
(2,981)	-	(2,981)
(1,654,734)	-	(1,654,734)
<u>(461,235)</u>	<u>-</u>	<u>(461,235)</u>
<u>(106,451,941)</u>	<u>-</u>	<u>(106,451,941)</u>
-	(437,459)	(437,459)
-	(4,356)	(4,356)
-	-	-
-	(122,564)	(122,564)
-	<u>(967,254)</u>	<u>(967,254)</u>
-	<u>(1,531,633)</u>	<u>(1,531,633)</u>
<u>(106,451,941)</u>	<u>(1,531,633)</u>	<u>(107,983,574)</u>
65,982,589	-	65,982,589
671,452	-	671,452
3,087,683	-	3,087,683
31,837,748	-	31,837,748
273,286	-	273,286
<u>493,226</u>	<u>-</u>	<u>493,226</u>
<u>102,345,984</u>	<u>-</u>	<u>102,345,984</u>
(4,105,957)	(1,531,633)	(5,637,590)
<u>84,572,376</u>	<u>(7,605,623)</u>	<u>76,966,753</u>
<u>\$ 80,466,419</u>	<u>\$ (9,137,256)</u>	<u>\$ 71,329,163</u>

Cleveland Heights-University Heights City School District

Balance Sheet – Governmental Funds

June 30, 2012

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 29,470,827	\$ 2,911,138	\$ 32,381,965
Accounts receivable	94,444	-	94,444
Intergovernmental receivable	1,685,526	859,530	2,545,056
Interfund receivable	12,785,198	-	12,785,198
Materials and supplies inventory	388,565	-	388,565
Taxes receivable	73,294,968	4,142,405	77,437,373
Restricted cash and investments	-	<u>4,057,651</u>	<u>4,057,651</u>
Total assets	<u>\$ 117,719,528</u>	<u>\$ 11,970,724</u>	<u>\$ 129,690,252</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 1,865,952	\$ 594,788	\$ 2,460,740
Accrued wages and benefits	1,823,676	68,612	1,892,288
Interfund payable	-	1,634,070	1,634,070
Matured compensated absences	293,924	-	293,924
Intergovernmental payable	2,021,199	137,450	2,158,649
Deferred revenue	<u>66,144,041</u>	<u>4,403,595</u>	<u>70,547,636</u>
Total liabilities	<u>72,148,792</u>	<u>6,838,515</u>	<u>78,987,307</u>
Fund balances:			
Nonspendable	388,565	-	388,565
Restricted	-	6,146,770	6,146,770
Committed	16,583	-	16,583
Assigned	3,008,658	-	3,008,658
Unassigned	<u>42,156,930</u>	<u>(1,014,561)</u>	<u>41,142,369</u>
Total fund balances	<u>45,570,736</u>	<u>5,132,209</u>	<u>50,702,945</u>
Total liabilities and fund balances	<u>\$ 117,719,528</u>	<u>\$ 11,970,724</u>	<u>\$ 129,690,252</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 Assets of Governmental Activities

June 30, 2012

Total governmental funds balances \$ 50,702,945

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 34,896,058

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property and other taxes	\$ 9,881,301	
Investment earnings	43,500	
Tuition	1,631,428	
Grants	<u>823,118</u>	
Total		12,379,347

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 Assets. 3,421,077

Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.

Energy Conservation Bonds	(1,295,000)	
Library Improvement Bonds	(7,160,000)	
Qualified Zone Academy Bonds	(5,500,000)	
Capital leases	(758,514)	
Accrued interest payable	(37,491)	
Early retirement incentive	(114,500)	
Compensated absences	<u>(6,067,503)</u>	
Total		<u>(20,933,008)</u>

Net assets of governmental activities \$ 80,466,419

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, 2012

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 64,257,164	\$ 3,636,563	\$ 67,893,727
Intergovernmental	31,945,895	9,775,171	41,721,066
Tuition and fees	2,103,521	-	2,103,521
Earnings on investments	68,424	161,362	229,786
Extracurricular activities	83,288	130,909	214,197
Classroom materials and fees	6,628	-	6,628
Miscellaneous	<u>538,807</u>	<u>51,265</u>	<u>590,072</u>
Total revenues	<u>99,003,727</u>	<u>13,755,270</u>	<u>112,758,997</u>
Expenditures:			
Current:			
Instruction:			
Regular	41,233,099	478,547	41,711,646
Special	10,607,123	2,264,433	12,871,556
Vocational	2,093,319	159,882	2,253,201
Adult/continuing	8,029	351,830	359,859
Other instruction	7,119,352	-	7,119,352
Support services:			
Pupil	9,008,526	702,396	9,710,922
Instructional staff	3,682,729	2,061,491	5,744,220
Board of education	586,707	-	586,707
Administration	5,485,221	584,158	6,069,379
Fiscal	2,537,334	40,069	2,577,403
Business	1,412,338	6,300	1,418,638
Operations and maintenance of plant	10,596,245	3,142,003	13,738,248
Pupil transportation	4,806,073	150,525	4,956,598
Central	5,301,114	118,625	5,419,739
Operation of non-instructional services:			
Community services	14,552	1,950,775	1,965,327
Other non-instructional services	117,012	930	117,942
Food service operations	2,981	-	2,981
Extracurricular activities	1,353,629	377,712	1,731,341
Debt services:			
Principal	786,314	935,000	1,721,314
Interest and fiscal charges	<u>52,135</u>	<u>422,139</u>	<u>474,274</u>
Total expenditures	<u>106,803,832</u>	<u>13,746,815</u>	<u>120,550,647</u>
Excess of revenues over (under) expenditures	<u>(7,800,105)</u>	<u>8,455</u>	<u>(7,791,650)</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, 2012

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):			
Transfers - in	-	914,388	914,388
Transfers - out	<u>(240,000)</u>	<u>(674,388)</u>	<u>(914,388)</u>
Total other financing sources (uses)	<u>(240,000)</u>	<u>240,000</u>	<u>-</u>
Net change in fund balance	(8,040,105)	248,455	(7,791,650)
Fund balance at beginning of year	<u>53,610,841</u>	<u>4,883,754</u>	<u>58,494,595</u>
Fund balance at end of year	\$ <u>45,570,736</u>	\$ <u>5,132,209</u>	\$ <u>50,702,945</u>

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

Net change in fund balances - total governmental funds \$ (7,791,650)

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 depreciation exceeded capital outlays in the current period.

Capital outlay	\$ 2,299,220	
Depreciation	<u>(2,626,622)</u>	
Total		(327,402)

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	1,847,997	
Investment earnings	43,500	
Tuition	(7,880)	
Intergovernmental	<u>(341,271)</u>	
Total		1,542,346

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

(6,174)

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 Assets

1,721,314

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.

Early retirement incentive	1,201,500	
Compensated absences	(458,930)	
Accrued interest	<u>13,039</u>	
Total		<u>755,609</u>

Change in net assets of governmental activities \$ (4,105,957)

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 66,134,290	\$ 65,405,650	\$ 65,411,528	\$ 5,878
Intergovernmental	23,566,981	31,418,419	31,933,264	514,845
Tuition and fees	1,500,348	2,000,194	2,077,839	77,645
Earnings on investments	112,515	150,000	78,174	(71,826)
Miscellaneous	600,355	832,212	514,823	(317,389)
Total revenues	<u>91,914,489</u>	<u>99,806,475</u>	<u>100,015,628</u>	<u>209,153</u>
Expenditures:				
Current:				
Instruction:				
Regular	36,237,697	40,668,361	39,796,799	871,562
Special	9,586,922	10,759,080	10,641,891	117,189
Vocational	1,838,334	2,063,102	2,091,196	(28,094)
Adult/continuing	16,624	18,655	10,884	7,771
Other instruction	5,197,912	5,833,444	8,490,910	(2,657,466)
Support services:				
Pupil	7,752,168	8,700,001	9,036,739	(336,738)
Instructional staff	3,670,344	4,119,102	4,462,101	(342,999)
Board of education	618,395	694,003	640,250	53,753
Administration	5,488,570	6,159,637	5,645,990	513,647
Fiscal	2,430,155	2,727,282	2,594,574	132,708
Business	1,465,777	1,644,989	1,604,922	40,067
Operation and maintenance of plant	11,681,018	13,109,215	12,231,192	878,023
Pupil transportation	4,744,391	5,330,301	5,181,886	148,415
Central	5,662,414	6,354,737	5,623,887	730,850
Operation of non-instructional services:				
Community services	8,911	10,000	14,552	(4,552)
Other non-instructional services	118,619	133,122	122,035	11,087
Food service operations	2,349	2,636	2,812	(176)
Extracurricular activities:				
Academic and subject oriented	408,598	458,554	496,490	(37,936)
Sports oriented	671,182	753,244	881,938	(128,694)
Co-curricular activities	5,353	6,006	10,153	(4,147)
Total expenditures	<u>97,605,733</u>	<u>109,545,471</u>	<u>109,581,201</u>	<u>(35,730)</u>
Excess of revenues over (under) expenditures	<u>(5,691,244)</u>	<u>(9,738,996)</u>	<u>(9,565,573)</u>	<u>173,423</u>

Continued

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

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - out	(213,853)	(240,000)	(240,000)	-
Advances - in	3,871,150	5,184,000	5,184,000	-
Advances - out	<u>(6,255,421)</u>	<u>(7,020,250)</u>	<u>(7,020,250)</u>	-
Total other financing sources (uses)	<u>(2,598,124)</u>	<u>(2,076,250)</u>	<u>(2,076,250)</u>	-
Net change in fund balance	(8,289,368)	(11,815,246)	(11,641,823)	173,423
Fund balance beginning of year	33,987,861	33,987,861	33,987,861	-
Prior year encumbrances appropriated	<u>2,045,821</u>	<u>2,045,821</u>	<u>2,045,821</u>	-
Fund balance end of year	\$ <u>27,744,314</u>	\$ <u>24,218,436</u>	\$ <u>24,391,859</u>	\$ <u>173,423</u>

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

Cleveland Heights-University Heights City School District

Statement of Fund Net Assets – Proprietary Funds

June 30, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Internal
	General	Enterprise		Service
	Rotary			Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 569,146	\$ 152,608	\$ 721,754	\$ 5,775,314
Accounts receivable	-	3,644	3,644	-
Prepaid items	-	-	-	133,454
Intergovernmental receivable	1,288,468	-	1,288,468	-
Materials and supplies inventory	-	10,713	10,713	-
Inventory held for resale	-	25,744	25,744	-
Total current assets	<u>1,857,614</u>	<u>192,709</u>	<u>2,050,323</u>	<u>5,908,768</u>
Non-current assets:				
Capital assets, net of depreciation	-	505,491	505,491	-
Total assets	<u>1,857,614</u>	<u>698,200</u>	<u>2,555,814</u>	<u>5,908,768</u>
Liabilities:				
Current liabilities:				
Accounts payable	-	76,358	76,358	-
Accrued wages and benefits	-	7,920	7,920	-
Interfund payable	9,377,960	1,773,168	11,151,128	-
Intergovernmental payable	70,608	79,919	150,527	720,691
Claims payable	-	-	-	1,767,000
Current portion of accrued compensated absences	15,966	12,125	28,091	-
Total current liabilities	<u>9,464,534</u>	<u>1,949,490</u>	<u>11,414,024</u>	<u>2,487,691</u>
Non-current liabilities:				
Accrued compensated absences	212,122	66,924	279,046	-
Total liabilities	<u>9,676,656</u>	<u>2,016,414</u>	<u>11,693,070</u>	<u>2,487,691</u>
Net assets:				
Invested in capital assets	-	505,491	505,491	-
Unrestricted (deficit)	(7,819,042)	(1,823,705)	(9,642,747)	3,421,077
Total net assets (deficit)	<u>\$ (7,819,042)</u>	<u>\$ (1,318,214)</u>	<u>\$ (9,137,256)</u>	<u>\$ 3,421,077</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 Assets – Proprietary Funds

For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire General Rotary	Nonmajor Enterprise	Total	Internal Service Funds
Operating revenues:				
Tuition and fees	\$ 2,222,430	\$ 620,621	\$ 2,843,051	\$ -
Charges for services	-	-	-	-
Classroom materials and fees	-	11,247	11,247	-
Food services	-	384,300	384,300	-
Claims	-	-	-	14,788,259
Miscellaneous	-	16,221	16,221	-
Total operating revenues	<u>2,222,430</u>	<u>1,032,389</u>	<u>3,254,819</u>	<u>14,788,259</u>
Operating expenses:				
Salaries and wages	2,118,403	1,139,148	3,257,551	-
Fringe benefits	824,462	521,896	1,346,358	14,719,408
Purchased services	223,718	1,355,402	1,579,120	75,025
Supplies and materials	23,101	160,175	183,276	-
Depreciation	-	33,261	33,261	-
Other	-	23	23	-
Total operating expenses	<u>3,189,684</u>	<u>3,209,905</u>	<u>6,399,589</u>	<u>14,794,433</u>
Operating loss	<u>(967,254)</u>	<u>(2,177,516)</u>	<u>(3,144,770)</u>	<u>(6,174)</u>
Non-operating revenues:				
Federal donated commodities	-	113,420	113,420	-
Intergovernmental grants	-	1,499,717	1,499,717	-
Total non-operating revenues	<u>-</u>	<u>1,613,137</u>	<u>1,613,137</u>	<u>-</u>
Net loss	(967,254)	(564,379)	(1,531,633)	(6,174)
Total net assets (deficit) at beginning of year	<u>(6,851,788)</u>	<u>(753,835)</u>	<u>(7,605,623)</u>	<u>3,427,251</u>
Total net assets (deficit) at end of year	\$ <u><u>(7,819,042)</u></u>	\$ <u><u>(1,318,214)</u></u>	\$ <u><u>(9,137,256)</u></u>	\$ <u><u>3,421,077</u></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, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Internal
	General Rotary	Enterprise		Service Funds
Increase in cash and cash equivalents:				
Cash flows from operating activities:				
Cash received from customers	\$ 1,724,636	\$ 1,039,930	\$ 2,764,566	\$ 14,788,259
Cash received from other operating sources	-	16,221	16,221	-
Cash payments for materials and supplies	(23,101)	(56,722)	(79,823)	-
Cash payments for goods and services	(223,718)	(1,330,254)	(1,553,972)	(1,961,745)
Cash payments to employees for services	(2,110,035)	(1,181,758)	(3,291,793)	-
Cash payments for employee benefits	(833,311)	(533,515)	(1,366,826)	-
Cash payments for claims	-	-	-	(12,902,625)
Cash payments for other	-	(23)	(23)	-
Net cash used for operating activities	<u>(1,465,529)</u>	<u>(2,046,121)</u>	<u>(3,511,650)</u>	<u>(76,111)</u>
Cash flows from non-capital financing activities:				
Intergovernmental grants received	-	1,499,717	1,499,717	-
Capital acquisitions	-	(5,355)	(5,355)	-
Advances - in	4,750,000	690,000	5,440,000	-
Advances - out	<u>(3,050,000)</u>	<u>(400,000)</u>	<u>(3,450,000)</u>	-
Net cash provided by non-capital financing activities	<u>1,700,000</u>	<u>1,784,362</u>	<u>3,484,362</u>	-
Net increase (decrease) in cash and cash equivalents	234,471	(261,759)	(27,288)	(76,111)
Cash and cash equivalents at beginning of year	<u>334,675</u>	<u>414,367</u>	<u>749,042</u>	<u>5,851,425</u>
Cash and cash equivalents at end of year	\$ <u><u>569,146</u></u>	\$ <u><u>152,608</u></u>	\$ <u><u>721,754</u></u>	\$ <u><u>5,775,314</u></u>
Non-cash capital and non-capital financing activities:				
Federal donated commodities	\$ -	\$ 113,420	\$ 113,420	\$ -
Reconciliation of operating loss to net cash used for operating activities:				
Operating loss	\$ (967,254)	\$ (2,177,516)	\$ (3,144,770)	\$ (6,174)
Adjustments:				
Depreciation	-	33,261	33,261	-
Federal donated commodities	-	113,420	113,420	-
Changes in assets/liabilities:				
Decrease in accounts receivable	-	23,762	23,762	-
Decrease in prepaid items	-	-	-	4,958
Increase in intergovernmental receivable	(497,794)	-	(497,794)	-
Increase in materials and supplies inventories	-	(3,717)	(3,717)	-
Increase in inventory held for resale	-	(5,550)	(5,550)	-
Increase in accounts payable	-	24,448	24,448	-
Decrease in accrued wages and benefits	(11,264)	(39,657)	(50,921)	-
Increase (decrease) in intergovernmental payable	(8,849)	(11,619)	(20,468)	44,705
Increase (decrease) in accrued compensated absences	19,632	(2,953)	16,679	-
Decrease in claims payable	-	-	-	(119,600)
Total adjustments	<u>(498,275)</u>	<u>131,395</u>	<u>(366,880)</u>	<u>(69,937)</u>
Net cash used for operating activities	\$ <u><u>(1,465,529)</u></u>	\$ <u><u>(2,046,121)</u></u>	\$ <u><u>(3,511,650)</u></u>	\$ <u><u>(76,111)</u></u>

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

Cleveland Heights-University Heights City School District

Statement of Fiduciary Assets and Liabilities – Fiduciary Funds

June 30, 2012

	Student Managed Activity Agency Fund
Assets:	
Equity in pooled cash and investments	\$ <u>93,792</u>
Liabilities:	
Accounts payable	\$ 19,533
Due to students	<u>74,259</u>
Total liabilities	\$ <u>93,792</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, 2012

Note 1: Summary of Significant Accounting Policies

A. Description of the School District and Reporting Entity

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education (the “Board”) controls the District’s twelve instructional/support facilities staffed by 383 classified employees, 496 certificated full-time teaching personnel and approximately 47 administrators who provide services to 5,763 students and other community members.

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

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

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

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The District has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. 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 and liabilities is reported as fund balance. The following is the District's major governmental fund:

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.

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 assets, 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's major enterprise fund is:

Bellefaire General Rotary Fund - This fund accounts for the activity for the Bellefaire School.

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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

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

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only agency fund accounts for resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

C. Basis of Presentation

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

C. Basis of Presentation (continued)

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, 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 all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

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, interest, tuition, grants, student fees and rentals.

Deferred Revenue Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

E. Budgets (continued)

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 2012, investments were limited to United States government securities and State Treasury Asset Reserve of Ohio (STAR Ohio).

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

The District has invested funds in STAR Ohio during fiscal year 2012. 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on June 30, 2012.

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 2012 amounted to \$68,424. The amount allocated from the other funds during fiscal year 2012 amounted to \$19,427.

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

G. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets include the amount for the future repayment of the Qualified Zone Academy Bond (“QZAB”) held with a fiscal agent until the debt becomes due. See Note 15 for additional information regarding the QZAB.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

I. Inventory

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

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets 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 Assets and in the respective funds.

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

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

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

K. Interfund Transactions

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

L. Compensated Absences

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

M. Accrued Liabilities and Long-term Obligations

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

N. Fund Balance

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

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

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 or enabling legislation (Board of Education's Resolutions).

Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

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 School District Board of Education (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.

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 1: Summary of Significant Accounting Policies (continued)

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2012, the District did not have net assets restricted by enabling legislation.

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 tuition for adult and special education classes, sales for food service and uniform school supplies, collection of classroom fees and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

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. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. During fiscal year 2012, the District had neither extraordinary items nor special items.

S. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 2: Accountability

The following funds had deficit fund balances/net assets at June 30, 2012:

Special Revenue Funds:

Educational Management Information System	\$ 342,904
Public School Preschool Grant	11,583
Stimulus - School Improvement	66,839
Ohio Reads	12,158
Summer School Subsidy	19,312
Education Jobs	953
Alternative School Grant	3,931
Adult Basic Education	35,237
Idea (Flo-Thru)	67,919
Vocational Education	93,129
Race to the Top	60,617
Title II-D Technology Grant	17,840
Title I Improvement	18,575
Title III	1,575
Title I	102,737
Title V Innovation	2,698
Drug Free Schools	25,629
Title II-A Improving Teacher Quality	37,272
Miscellaneous Federal Grants	93,653

Enterprise Funds:

Bellefaire General Rotary	7,819,042
Food Services	1,713,796

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

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 generally accepted accounting principles (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. Encumbrances are treated as expenditures (budget) rather than as a reservation 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, 2012

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	\$ (8,040,105)
Revenue Accruals	1,162,956
Advances - in	5,184,000
Expenditure Accruals	2,108,394
Advances - out	(7,020,250)
Encumbrances	(4,548,178)
To reclassify the net change in fund balance for funds combined with the General Fund	<u>(23,578)</u>
Budget Basis	\$ <u><u>(11,641,823)</u></u>

Note 4: Fund Balances

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

<u>Fund</u>	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Inventory	\$ <u>388,565</u>	\$ <u>-</u>	\$ <u>388,565</u>
Restricted for:			
Community activities	-	268,079	268,079
Athletics	-	86,647	86,647
Auxiliary services	-	199,355	199,355
Technology improvements	-	10,800	10,800
Adult education	-	1,771	1,771
Special education	-	2,275	2,275
Miscellaneous State and federal grants	-	100,582	100,582
Debt service payments	-	683,128	683,128
Capital improvements	<u>-</u>	<u>4,794,133</u>	<u>4,794,133</u>
Total restricted	<u>-</u>	<u>6,146,770</u>	<u>6,146,770</u>
Committed to:			
Other purposes	<u>16,583</u>	<u>-</u>	<u>16,583</u>
Assigned to:			
Other purposes	<u>3,008,658</u>	<u>-</u>	<u>3,008,658</u>
Unassigned (deficit)	<u>42,156,930</u>	<u>(1,014,561)</u>	<u>41,142,369</u>
Total	\$ <u><u>45,570,736</u></u>	\$ <u><u>5,132,209</u></u>	\$ <u><u>50,702,945</u></u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

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

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as a security for repayment, by surety company bonds deposited with the Treasurer of the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 5: Deposits and Investments (continued)

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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. Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of District funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the District's deposits was \$36,413,570 and the bank balance was \$37,831,660. Of the bank balance, \$5,699,505 was covered by Federal depository insurance and \$32,132,155 was uninsured and was collateralized with securities held by the pledging institution's trust department, not in the District's name. At fiscal year-end, the District had \$4,804 undeposited cash on hand, which is included on the balance sheet of the District as part of "equity in pooled cash and investments".

Investments

Investments are reported as fair value. As of June 30, 2012, the District had the following investments:

	<u>Fair Value</u>	<u>Less Than 6 Months</u>
STAR Ohio	\$ 2,557,440	\$ 2,557,440
U.S. Treasury Bill	<u>4,054,662</u>	<u>4,054,662</u>
Total portfolio	<u>\$ 6,612,102</u>	<u>\$ 6,612,102</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 5: Deposits and Investments (continued)

Investments (continued)

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The District investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a maturity greater than one year.

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

Credit Risk is addressed by the District's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the District are registered and carry a rating of AAAM by Standard & Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires that no more than twenty-five percent of the District's interim monies shall be invested in either commercial paper notes or bankers' acceptances. The following is the District's allocation as of June 30, 2012:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Home Loan Mortgage Corporation	61.3%
STAR Ohio	38.7%

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 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 6: Property Taxes (continued)

Public utility property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected in 2011 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.

Tangible personal property tax revenue received during calendar 2012 (other than public utility property) represents the collection of 2011 taxes levied against local and inter-exchange telephone companies. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable include the late settlement of personal property, real property and public utility property which are measurable as of June 30, 2012, and for which there is an enforceable legal claim.

Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30th was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue. The amount available as an advance at June 30, 2012, was \$8,825,855 in the General Fund, \$102,175 in the Debt Service Fund, and \$459,753 was available to the Permanent Improvement Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred. The assessed values upon which the fiscal year 2012 taxes were collected are:

	2011		2012	
	<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	\$ 1,133,384,720	98.84%	\$ 1,120,618,240	98.79%
Public utility	<u>13,289,430</u>	<u>1.16%</u>	<u>13,770,650</u>	<u>1.21%</u>
	<u>\$ 1,146,674,150</u>	<u>100.00%</u>	<u>\$ 1,134,388,890</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 136.80		\$ 136.80

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 7: Interfund Transactions

Interfund transactions for the year ended June 30, 2012 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,634,070
General Fund	Bellefaire General Rotary Fund	9,377,960
General Fund	Nonmajor Enterprise Funds	<u>1,773,168</u>
		\$ <u>12,785,198</u>

All balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2012, all interfund loans outstanding are anticipated to be repaid in the fiscal year 2012. Interfund balances of \$11,151,128 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$1,634,070 being eliminated.

Interfund transfers for the year ended June 30, 2012, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ 240,000
Transfer from Permanent Improvement Fund to:	
Debt Service Fund	<u>674,388</u>
	\$ <u>914,388</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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 8: Receivables

Receivables at June 30, 2012, consisted of taxes, accounts (rent and student fees), tuition and intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Tuition - special education	\$ 1,631,428
Fuel reimbursements	24,124
School Improvement Grant Competitive	71,846
Race to the Top grant	228,234
Adult Basic-Education grant	87,593
Idea (flo thru) grant	94,785
Carl D. Perkins grant	83,211
Safe and Drug Free Schools grant	25,000
Title I grants	141,657
Title II-A grant	45,884
Miscellaneous federal grants	81,320
Miscellaneous reimbursements	<u>29,974</u>
Total governmental activities	2,545,056
Business-type activities:	
Bellefaire tuition	<u>1,288,468</u>
Total intergovernmental receivable	\$ <u><u>3,833,524</u></u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance at 6/30/11	Additions	Disposals	Balance at 6/30/12
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>752,990</u>	<u>1,724,498</u>	<u>(1,941,503)</u>	<u>535,985</u>
Total capital assets, not being depreciated	<u>2,734,613</u>	<u>1,724,498</u>	<u>(1,941,503)</u>	<u>2,517,608</u>
Capital assets, being depreciated:				
Land improvements	4,741,998	313,981	-	5,055,979
Buildings and improvements	46,880,106	1,756,629	-	48,636,735
Vehicles	3,756,560	347,119	(263,272)	3,840,407
Furniture and equipment	<u>6,471,583</u>	<u>98,496</u>	<u>-</u>	<u>6,570,079</u>
Total capital assets, being depreciated	<u>61,850,247</u>	<u>2,516,225</u>	<u>(263,272)</u>	<u>64,103,200</u>
Less accumulated depreciation:				
Land improvements	(2,064,392)	(190,303)	-	(2,254,695)
Buildings and improvements	(21,422,423)	(1,184,360)	-	(22,606,783)
Vehicles	(2,088,983)	(348,167)	263,272	(2,173,878)
Furniture and equipment	<u>(3,785,602)</u>	<u>(903,792)</u>	<u>-</u>	<u>(4,689,394)</u>
Total accumulated depreciation	<u>(29,361,400)</u>	<u>(2,626,622)</u>	<u>263,272</u>	<u>(31,724,750)</u>
Total capital assets being depreciated, net	<u>32,488,847</u>	<u>(110,397)</u>	<u>-</u>	<u>32,378,450</u>
Governmental activities capital assets, net	\$ <u>35,223,460</u>	\$ <u>1,614,101</u>	\$ <u>(1,941,503)</u>	\$ <u>34,896,058</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 9: Capital Assets (continued)

	<u>Balance</u> <u>at 6/30/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>at 6/30/12</u>
Business-type activities:				
Capital assets, being depreciated:				
Land improvements	\$ 6,274	\$ -	\$ -	\$ 6,274
Buildings and improvements	1,250,810	-	-	1,250,810
Furniture and equipment	<u>573,856</u>	<u>5,355</u>	<u>-</u>	<u>579,211</u>
Total capital assets, being depreciated	<u>1,830,940</u>	<u>5,355</u>	<u>-</u>	<u>1,836,295</u>
Less accumulated depreciation:				
Land improvements	(6,274)	-	-	(6,274)
Buildings and improvements	(895,928)	(12,143)	-	(908,071)
Furniture and equipment	<u>(395,341)</u>	<u>(21,118)</u>	<u>-</u>	<u>(416,459)</u>
Total accumulated depreciation	<u>(1,297,543)</u>	<u>(33,261)</u>	<u>-</u>	<u>(1,330,804)</u>
Business-type activities capital assets, net	\$ <u>533,397</u>	\$ <u>(27,906)</u>	\$ <u>-</u>	\$ <u>505,491</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 353,317
Vocational	5,954
Support services:	
Instructional staff	658,396
Administration	12,026
Business	136,314
Operations and maintenance of plant	1,061,695
Pupil transportation	334,017
Central	37,995
Community services	10,093
Extracurricular activities	<u>16,815</u>
	\$ <u>2,626,622</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

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 2012, 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	\$10,000 deductible \$214,598,957 limit
Inland Marine	\$250 deductible \$12,774,131 limit
Flood and Earthquake Limit	\$50,000 deductible (and 5%) \$1,000,000 limit (each)
Crime	\$150,000 limit
General Liability/Employer's Liability	\$1,000,000 limit \$2,000,000 aggregate
Employee Benefits Liability	\$1,000 deductible \$1,000,000 limit \$3,000,000 aggregate
School Leaders Professional Liability	\$10,000 deductible \$1,000,000 limit/aggregate
Fleet	\$250 comprehensive \$500 collision \$1,000,000 limit
Umbrella	\$6,000,000 limit
Property and Inland Marine	\$1,000 deductible-boilers
Boiler and Machinery	\$1,000 deductible \$50,000,000 limit
Public Official Bonds	\$20,000-\$100,000 limit

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no change from prior year's coverage.

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 10: Risk Management (continued)

C. Employee Medical Benefits

The District is self-insured for medical, dental, vision and prescription of District employees and their covered dependents. Under the program, the District is obligated for claim payments. Incurred but not reported claims of \$1,767,000 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2012, based on an estimate from a third-party administrator. Individual funds are charged for medical expenses based on an estimate of total cost for the District as prepared by the plan administrator, and are recorded as revenues of the Self-Insurance Internal Service Fund.

The claims liability of \$1,767,000 reported in the Self-Insurance Internal Service Fund at June 30, 2012, is based on an estimate provided by the third-party administrator and the requirements of Governmental Accounting Standards Board Statement 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 2010, 2011, and 2012 are as follows:

	Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2010	\$ 1,868,400	\$ 10,762,789	\$ 10,795,489	\$ 1,835,700
June 30, 2011	1,835,700	11,143,415	11,092,515	1,886,600
June 30, 2012	1,886,600	12,325,104	12,444,704	1,767,000

Note 11: Defined Benefit Pension Plans

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ended June 30 2012, the allocation to pension and death benefits was 12.70 percent. The remaining 1.30 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 11: Defined Benefit Pension Plans (continued)

A. School Employees Retirement System (continued)

The District's required contributions for pension obligations to SERS for the years ended June 30, 2012, 2011 and 2010 were \$2,173,028, \$2,035,702, and \$2,027,138, respectively; 88.90 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. The unpaid balance is reported as an intergovernmental payable.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

The DB Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5 percent. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years until 100 percent of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5 percent instead of 2.2 percent. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

The DC Plan benefits are established under Sections 3307.80 and 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5 percent are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 11: Defined Benefit Pension Plans (continued)

B. State Teachers Retirement System (continued)

withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

In the Combined plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1 percent of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3 percent of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2012, 2011, and 2010, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010, were \$7,003,377, \$7,311,793, and \$6,724,117 respectively; 95.26 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. The unpaid balance is reported as an intergovernmental payable. Contributions to the DC and Combined Plans for fiscal year 2012 were \$292,200 made by the District and \$208,714 made by the plan members.

STRS Ohio issues a stand-alone financial report. Copies of the report can be requested by visiting the STRS Ohio website at www.strsoh.org or by calling toll-free 1-888-227-7877.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 12: Post-Employment Benefits

A. School Employees Retirement System

The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by SERS for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$116,412, \$110,510, and \$110,045, respectively; 88.90 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Health Care Plan is funded through employer contributions as set forth in ORC 3309.375 and 3309.69 to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription plans, respectively. The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the fiscal year ended June 30, 2011, the health care allocation was .55 percent. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. State law provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. For the fiscal years ended June 30, 2012, 2011 and 2010 the School District's contributions assigned to health care were \$326,508, \$438,353, and \$292,008, respectively; 88.90 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. The unpaid balance is reported as an intergovernmental payable.

The SERS Retirement Board establishes 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. The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 12: Post-Employment Benefits (continued)

B. State Teachers Retirement System

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Copies of the report can be requested by visiting the STRS Ohio website at www.strsoh.org or by calling toll-free 1-888-227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. For the fiscal year ended June 30, 2012, 2011, and 2010 the District's contributions for health care were \$500,241, \$522,271, and \$480,294, respectively; 95.26 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. The unpaid balance is reported as an intergovernmental payable.

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.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 13: Employee Benefits (continued)

B. Early Retirement Incentive

The District offers employees participation in a Retirement Incentive program beginning after the 2000-2001 school year. 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, one on or before July 1 of the calendar year of retirement and the second on the following July 1 or before. Certain classified employees are also eligible to receive a retirement incentive. Effective for fiscal year 2011 retirements only, employees meeting the requirements above will receive two equal lump sums of \$28,000, one on or before July 1 of the calendar year of retirement and the second on, or prior to, the following July 1.

The last installment of the 2010-2011 Retirement Incentive program was paid prior to June 30, 2012. These payments of \$236,000 were made from the General Fund.

The last installment of the 2011-2012 and the first installment of the 2012-2013 Retirement Incentive Programs will be paid starting, July 1, 2012. The payments of \$1,644,000 will be made from the General Fund and are reported in this same fund on the fund financial statements.

The last installment of the 2012-2013 Retirement Incentive Programs will be completed by July 1, 2013. The payments of \$114,500 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 2012 were as follows:

	Principal Outstanding 6/30/11	Additions	Deletions	Principal Outstanding at 6/30/12	Amounts Due in One Year
Governmental activities:					
2003 \$5,800,000 Energy Conservation Bonds - variable	\$ 1,910,000	\$ -	\$ 615,000	\$ 1,295,000	\$ 635,000
2002 \$9,499,990 Library Improvement Bonds - variable interest rate	7,480,000	-	320,000	7,160,000	335,000
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital lease obligations	1,544,828	-	786,314	758,514	516,710
Early retirement incentive	1,316,000	114,500	1,316,000	114,500	-
Compensated absences	<u>5,608,573</u>	<u>1,672,431</u>	<u>1,213,501</u>	<u>6,067,503</u>	<u>424,725</u>
Total governmental long-term liabilities	\$ <u>23,359,401</u>	\$ <u>1,786,931</u>	\$ <u>4,250,815</u>	\$ <u>20,895,517</u>	\$ <u>1,911,435</u>
Business-type activities:					
Compensated absences	\$ <u>290,458</u>	\$ <u>37,010</u>	\$ <u>20,332</u>	\$ <u>307,137</u>	\$ <u>28,091</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 14: Long - Term Liabilities (continued)

Energy conservation bonds will be paid from property taxes. The 2003 bonds mature in 2014. Compensated absences will be paid from the General Fund, various other governmental and enterprise funds as they are paid.

The District, acting as the taxing authority for the Cleveland Heights-University Heights Public Library, issued tax-related debt in the form of a voted general obligation bond issue for renovating, remodeling, furnishing, and otherwise improving Library facilities and their sites in the amount of \$9,499,990. The bonds were issued for a 25-year period with final maturity in 2027.

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

The legal debt margin of the District as of June 30, 2012, was \$94,323,128 with an unvoted debt margin of \$1,134,389.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2012, are as follows:

	Energy Conservation Bonds			Library Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2013	\$ 635,000	\$ 37,513	\$ 672,513	\$ 335,000	\$ 348,174	\$ 683,174	\$ 1,355,687
2014	660,000	13,200	673,200	350,000	332,586	682,586	1,355,786
2015	-	-	-	365,000	315,959	680,959	680,959
2016	-	-	-	385,000	298,141	683,141	683,141
2017	-	-	-	405,000	278,979	683,979	683,979
2018-2022	-	-	-	2,335,000	1,065,155	3,400,155	3,400,155
2023-2027	-	-	-	<u>2,985,000</u>	<u>397,491</u>	<u>3,382,491</u>	<u>3,382,491</u>
Total	\$ <u>1,295,000</u>	\$ <u>50,713</u>	\$ <u>1,345,713</u>	\$ <u>7,160,000</u>	\$ <u>3,036,485</u>	\$ <u>10,196,485</u>	\$ <u>11,542,198</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 15: Lease Obligations

The District has entered into capital leases for copier equipment and computers. These leases meet the criteria of a capital lease. Governmental activities capital assets consisting of copier equipment and computers have capital lease balances at June 30, 2012 in the amounts of \$311,913 and \$446,601, respectively. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$397,346 less accumulated depreciation, \$86,086. The present value of the future minimum lease payments at the time of acquisition for the computer equipment was \$2,600,966 less accumulated depreciation of \$1,585,975. Principal payments for all of capital leases in the 2012 fiscal year totaled \$786,314. These amounts are reported as program/function expenditures of the General Fund.

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, 2012:

	Capital Leases
2013	\$ 543,755
2014	88,210
2015	88,209
2016	<u>80,862</u>
Total minimum lease payments	801,036
Less: amounts representing interest	<u>(42,522)</u>
Present value minimum capital lease payments	\$ <u>758,514</u>

Note 16: Jointly Governed Organization

The Ohio Schools' Council Association (the "Council") is a jointly governed organization among 161 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the "Council Board"). The Council Board is the policy making authority of the Council. The Council Board meets monthly September to June. The Council Board appoints the Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Council Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2012, the District paid \$611,913 to the Council. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 16: Jointly Governed Organization (continued)

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy is the supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 146 participants in the Program. The participants make monthly payments based on estimated usage. Each August, 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 August until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the August monthly estimated billing.

Note 17: Set-Aside Requirements

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

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

	Capital Improvements
Set-aside reserve balance as of June 30, 2011	\$ -
Current year set-aside requirements	1,005,362
Qualifying disbursements	<u>(2,261,927)</u>
Total	\$ <u><u>(1,256,565)</u></u>
Set-aside reserve balance as of June 30, 2012	\$ <u><u>-</u></u>

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

Note 18: Contractual Commitments and Other Significant Commitments

At June 30, 2012, the District's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Delisle Center Roof Replacement	\$ 462,702	\$ 8,142	\$ 454,560
Heights High new technology	1,003,529	98,720	904,809
Heights High studio	149,138	87,463	61,675
Oxford Elementary School pilot	368,144	98,993	269,151
Roxboro Middle School pilot	467,570	144,749	322,821
Total	\$ 2,451,083	\$ 438,067	\$ 2,013,016

Other significant commitments include the encumbrances outstanding for the general fund, capital improvement fund and nonmajor funds other than capital projects were as follows:

	<u>Encumbrances</u>
General fund	\$ 2,849,248
Bellefaire general rotary	21,947
Nonmajor funds	<u>1,671,974</u>
Total other significant commitments	<u>\$ 4,543,169</u>

Note 19: Contingencies

A. Grants

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

B. Litigation

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

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2012

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: Subsequent Events

On August 22, 2012, the District signed a lease agreement with De Lage Landen Public Finance LLC in the amount of \$87,077 with an interest rate of 4.69%. The lease expires on August 22, 2017 and was for office equipment.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

ANAYA MCMICHAEL
Grade 3,
Canterbury Elementary School



JACK FINK
Grade 1,
Canterbury Elementary School



Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds

Fund Descriptions

June 30, 2012

Nonmajor Special Revenue Funds

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

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

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

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

Educational Management Information System This fund is used to account for funds provided by the State of Ohio to be used solely for costs associated with the requirements of the education management information system required by Senate Bill 140.

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.

Stimulus - School Improvement This fund is provided to account for restricted Federal grant monies from the American Recovery and Reinvestment Act to assist the District in implementing a school improvement plan.

Ohio Reads This fund accounts for funds to be utilized to improve reading skills for students in grades K-3.

Summer School Subsidy This fund accounts for summer intervention services satisfying criteria defined in Division (E) of Section 2318.608 of the Ohio Revised Code.

Career Technical/Adult Education This fund is used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes and 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2012

Nonmajor Special Revenue Funds (continued)

Education Jobs Fund This fund accounts for a Federal program established by the U.S. Department of Education designed to pass-through states to local entities to save or create education jobs.

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

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

Adult Basic Education This fund accounts for federal monies used to provide computer equipment, library resource materials, salaries, and room rental for adult education classes.

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

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

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

Title II-D Technology Grants The purpose of this fund accounts for federal monies received and expended to improve student academic achievement through the use of technology in schools and to encourage the effective integration of technology with teacher training and curriculum development.

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

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

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2012

Nonmajor Special Revenue Funds (continued)

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.

Title V Innovative Program The purpose of this federal program is to consolidate various programs into a single authorization of grants to states for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

Drug Free Schools This fund accounts for federal revenues to implement programs to educate and encourage students to live lives free of drug dependency.

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 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.

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

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Fund

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

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2012

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 1,602,050	\$ 580,953	\$ 728,135	\$ 2,911,138
Intergovernmental receivable	859,530	-	-	859,530
Taxes receivable	-	772,708	3,369,697	4,142,405
Restricted cash	-	-	<u>4,057,651</u>	<u>4,057,651</u>
Total assets	<u>\$ 2,461,580</u>	<u>\$ 1,353,661</u>	<u>\$ 8,155,483</u>	<u>\$ 11,970,724</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 143,382	\$ -	\$ 451,406	\$ 594,788
Accrued wages and benefits	68,612	-	-	68,612
Interfund payable	1,634,070	-	-	1,634,070
Intergovernmental payable	137,450	-	-	137,450
Deferred revenue	<u>823,118</u>	<u>670,533</u>	<u>2,909,944</u>	<u>4,403,595</u>
Total liabilities	<u>2,806,632</u>	<u>670,533</u>	<u>3,361,350</u>	<u>6,838,515</u>
Fund balances:				
Restricted	669,509	683,128	4,794,133	6,146,770
Unassigned	<u>(1,014,561)</u>	<u>-</u>	<u>-</u>	<u>(1,014,561)</u>
Total fund balances (deficit)	<u>(345,052)</u>	<u>683,128</u>	<u>4,794,133</u>	<u>5,132,209</u>
Total liabilities and fund balances	<u>\$ 2,461,580</u>	<u>\$ 1,353,661</u>	<u>\$ 8,155,483</u>	<u>\$ 11,970,724</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

	Nonmajor Special <u>Revenue</u>	Nonmajor Debt <u>Service</u>	Nonmajor Capital <u>Projects</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:				
Taxes	\$ -	\$ 651,454	\$ 2,985,109	\$ 3,636,563
Intergovernmental	9,206,837	94,722	473,612	9,775,171
Earnings on investments	888	-	160,474	161,362
Extracurricular activities	130,909	-	-	130,909
Miscellaneous	<u>51,265</u>	<u>-</u>	<u>-</u>	<u>51,265</u>
Total revenues	<u>9,389,899</u>	<u>746,176</u>	<u>3,619,195</u>	<u>13,755,270</u>
Expenditures:				
Current:				
Instruction:				
Regular	478,547	-	-	478,547
Special	2,264,433	-	-	2,264,433
Vocational	159,882	-	-	159,882
Adult/continuing	351,830	-	-	351,830
Support services:				
Pupil	702,396	-	-	702,396
Instructional staff	2,061,491	-	-	2,061,491
Administration	584,158	-	-	584,158
Fiscal	40,069	-	-	40,069
Business	-	-	6,300	6,300
Operations and maintenance of plant	-	-	3,142,003	3,142,003
Pupil transportation	150,525	-	-	150,525
Central	118,625	-	-	118,625
Operation of non-instructional services:				
Community services	1,950,775	-	-	1,950,775
Other non-instructional services	930	-	-	930
Extracurricular activities	377,712	-	-	377,712
Debt services:				
Principal	-	935,000	-	935,000
Interest and fiscal charges	<u>-</u>	<u>422,139</u>	<u>-</u>	<u>422,139</u>
Total expenditures	<u>9,241,373</u>	<u>1,357,139</u>	<u>3,148,303</u>	<u>13,746,815</u>
Excess of revenues over (under) expenditures	<u>148,526</u>	<u>(610,963)</u>	<u>470,892</u>	<u>8,455</u>

Continued

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Other financing sources (uses):				
Transfers - in	240,000	674,388	-	914,388
Transfers - out	-	-	(674,388)	(674,388)
Total other financing sources (uses)	<u>240,000</u>	<u>674,388</u>	<u>(674,388)</u>	<u>240,000</u>
Net change in fund balance	388,526	63,425	(203,496)	248,455
Fund balance (deficit) at beginning of year	<u>(733,578)</u>	<u>619,703</u>	<u>4,997,629</u>	<u>4,883,754</u>
Fund balance (deficit) at end of year	\$ <u>(345,052)</u>	\$ <u>683,128</u>	\$ <u>4,794,133</u>	\$ <u>5,132,209</u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2012

	<u>Other Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>
Assets:					
Equity in pooled cash and investments	\$ 268,364	\$ 88,579	\$ 263,524	\$ 2,344	\$ 5,254
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 268,364</u>	<u>\$ 88,579</u>	<u>\$ 263,524</u>	<u>\$ 2,344</u>	<u>\$ 5,254</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ 1,388	\$ 59,927	\$ -	\$ -
Accrued wages and benefits	-	-	-	248	395
Interfund payable	-	-	-	345,000	12,000
Intergovernmental payable	285	544	4,242	-	4,442
Deferred revenue	-	-	-	-	-
Total liabilities	<u>285</u>	<u>1,932</u>	<u>64,169</u>	<u>345,248</u>	<u>16,837</u>
Fund balances:					
Restricted	268,079	86,647	199,355	-	-
Unassigned	-	-	-	(342,904)	(11,583)
Total fund balances (deficit)	<u>268,079</u>	<u>86,647</u>	<u>199,355</u>	<u>(342,904)</u>	<u>(11,583)</u>
Total liabilities and fund balances	<u>\$ 268,364</u>	<u>\$ 88,579</u>	<u>\$ 263,524</u>	<u>\$ 2,344</u>	<u>\$ 5,254</u>

<u>Data Communication</u>	<u>Stimulus - School Improvement</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Education Jobs</u>	<u>Alternative School Grant</u>
\$ 10,800	\$ 197,628	\$ -	\$ -	\$ 1,771	\$ -	\$ 12,772
-	50,051	-	-	-	-	-
<u>\$ 10,800</u>	<u>\$ 247,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 12,772</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	10,902	-	-	-	-	-
-	240,000	12,158	19,312	-	-	15,000
-	13,565	-	-	-	953	1,703
-	50,051	-	-	-	-	-
<u>-</u>	<u>314,518</u>	<u>12,158</u>	<u>19,312</u>	<u>-</u>	<u>953</u>	<u>16,703</u>
10,800	-	-	-	1,771	-	-
-	(66,839)	(12,158)	(19,312)	-	(953)	(3,931)
<u>10,800</u>	<u>(66,839)</u>	<u>(12,158)</u>	<u>(19,312)</u>	<u>1,771</u>	<u>(953)</u>	<u>(3,931)</u>
<u>\$ 10,800</u>	<u>\$ 247,679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 12,772</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2012

	Miscellaneous State <u>Grants</u>	Adult Basic <u>Education</u>	IDEA <u>(Flo-Thru)</u>	Vocational <u>Education</u>
Assets:				
Equity in pooled cash and investments	\$ 100,582	\$ 45,206	\$ 29,014	\$ 37,367
Intergovernmental receivable	<u>-</u>	<u>87,593</u>	<u>94,785</u>	<u>83,211</u>
Total assets	<u>\$ 100,582</u>	<u>\$ 132,799</u>	<u>\$ 123,799</u>	<u>\$ 120,578</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 10,240	\$ 22,250
Accrued wages and benefits	-	16,338	225	-
Interfund payable	-	90,000	35,000	105,000
Intergovernmental payable	-	10,517	51,468	3,246
Deferred revenue	<u>-</u>	<u>51,181</u>	<u>94,785</u>	<u>83,211</u>
Total liabilities	<u>-</u>	<u>168,036</u>	<u>191,718</u>	<u>213,707</u>
Fund balances:				
Restricted	100,582	-	-	-
Unassigned	<u>-</u>	<u>(35,237)</u>	<u>(67,919)</u>	<u>(93,129)</u>
Total fund balances (deficit)	<u>100,582</u>	<u>(35,237)</u>	<u>(67,919)</u>	<u>(93,129)</u>
Total liabilities and fund balances	<u>\$ 100,582</u>	<u>\$ 132,799</u>	<u>\$ 123,799</u>	<u>\$ 120,578</u>

<u>Race to the Top</u>	<u>Title II-D Technology Grants</u>	<u>Title 1 Improvement</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
\$ 211,987	\$ 8,792	\$ -	\$ 3,895	\$ 234,167	\$ 611
<u>228,234</u>	<u>-</u>	<u>21,795</u>	<u>-</u>	<u>141,657</u>	<u>-</u>
\$ <u>440,221</u>	\$ <u>8,792</u>	\$ <u>21,795</u>	\$ <u>3,895</u>	\$ <u>375,824</u>	\$ <u>611</u>
\$ 12,927	\$ 4,632	\$ -	\$ -	\$ 12,704	\$ -
33,966	-	622	1,143	3,216	-
225,000	22,000	15,531	4,314	285,000	3,309
711	-	2,422	13	35,984	-
<u>228,234</u>	<u>-</u>	<u>21,795</u>	<u>-</u>	<u>141,657</u>	<u>-</u>
<u>500,838</u>	<u>26,632</u>	<u>40,370</u>	<u>5,470</u>	<u>478,561</u>	<u>3,309</u>
-	-	-	-	-	-
<u>(60,617)</u>	<u>(17,840)</u>	<u>(18,575)</u>	<u>(1,575)</u>	<u>(102,737)</u>	<u>(2,698)</u>
<u>(60,617)</u>	<u>(17,840)</u>	<u>(18,575)</u>	<u>(1,575)</u>	<u>(102,737)</u>	<u>(2,698)</u>
\$ <u>440,221</u>	\$ <u>8,792</u>	\$ <u>21,795</u>	\$ <u>3,895</u>	\$ <u>375,824</u>	\$ <u>611</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2012

	<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
Assets:					
Equity in pooled cash and investments	\$ 2,500	\$ 8,045	\$ 2,685	\$ 66,163	\$ 1,602,050
Intergovernmental receivable	<u>25,000</u>	<u>-</u>	<u>45,884</u>	<u>81,320</u>	<u>859,530</u>
Total assets	<u>\$ 27,500</u>	<u>\$ 8,045</u>	<u>\$ 48,569</u>	<u>\$ 147,483</u>	<u>\$ 2,461,580</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 9,656	\$ 9,658	\$ 143,382
Accrued wages and benefits	-	-	1,417	140	68,612
Interfund payable	28,129	4,500	25,932	146,885	1,634,070
Intergovernmental payable	-	1,270	2,952	3,133	137,450
Deferred revenue	<u>25,000</u>	<u>-</u>	<u>45,884</u>	<u>81,320</u>	<u>823,118</u>
Total liabilities	<u>53,129</u>	<u>5,770</u>	<u>85,841</u>	<u>241,136</u>	<u>2,806,632</u>
Fund balances:					
Restricted	-	2,275	-	-	669,509
Unassigned	<u>(25,629)</u>	<u>-</u>	<u>(37,272)</u>	<u>(93,653)</u>	<u>(1,014,561)</u>
Total fund balances (deficit)	<u>(25,629)</u>	<u>2,275</u>	<u>(37,272)</u>	<u>(93,653)</u>	<u>(345,052)</u>
 Total liabilities and fund balances	 <u>\$ 27,500</u>	 <u>\$ 8,045</u>	 <u>\$ 48,569</u>	 <u>\$ 147,483</u>	 <u>\$ 2,461,580</u>

Cleveland **Heights**
University
City School District



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, 2012

	Other Grants	District Managed Activity	Auxiliary Services	Educational Management Information System	Public School Preschool Grant
Revenues:					
Intergovernmental	\$ 3,839	\$ -	\$ 1,784,599	\$ -	\$ 88,214
Earnings on investments	-	-	888	-	-
Extracurricular activities	-	130,909	-	-	-
Miscellaneous	<u>25,380</u>	<u>20,121</u>	<u>-</u>	<u>5,764</u>	<u>-</u>
Total revenues	<u>29,219</u>	<u>151,030</u>	<u>1,785,487</u>	<u>5,764</u>	<u>88,214</u>
Expenditures:					
Current:					
Instruction:					
Regular	11,989	260	-	-	66,082
Special	-	-	-	-	-
Vocational	1,592	-	-	-	-
Adult/continuing	558	-	-	-	-
Support services:					
Pupil	2,359	-	-	-	-
Instructional staff	65,252	-	-	-	-
Administration	2,500	-	-	-	13,380
Fiscal	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	109	-
Operation of non-instructional services					
Community services	564	622	1,686,942	-	-
Other non-instructional services	430	-	-	-	-
Extracurricular activities	<u>3,130</u>	<u>374,582</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>88,374</u>	<u>375,464</u>	<u>1,686,942</u>	<u>109</u>	<u>79,462</u>
Excess of revenues over (under) expenditures	(59,155)	(224,434)	98,545	5,655	8,752
Other financing sources (uses):					
Transfers - in	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(59,155)	15,566	98,545	5,655	8,752
Fund balance (deficit) at beginning of year	<u>327,234</u>	<u>71,081</u>	<u>100,810</u>	<u>(348,559)</u>	<u>(20,335)</u>
Fund balance (deficit) at end of year	\$ <u>268,079</u>	\$ <u>86,647</u>	\$ <u>199,355</u>	\$ <u>(342,904)</u>	\$ <u>(11,583)</u>

<u>Data Communication</u>	<u>Stimulus - School Improvement</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Education Jobs</u>	<u>Alternative School Grant</u>
\$ 21,600	\$ 706,853	\$ -	\$ -	\$ -	\$ 25,627	\$ 90,657
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>21,600</u>	<u>706,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,627</u>	<u>90,657</u>
-	-	-	-	-	-	-
-	237,794	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,100	195,819	-	-	-	10,632	88,719
-	205,082	-	-	-	-	-
-	-	-	-	-	-	-
-	9,682	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>18,100</u>	<u>648,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,632</u>	<u>88,719</u>
3,500	58,476	-	-	-	14,995	1,938
-	-	-	-	-	-	-
3,500	58,476	-	-	-	14,995	1,938
<u>7,300</u>	<u>(125,315)</u>	<u>(12,158)</u>	<u>(19,312)</u>	<u>1,771</u>	<u>(15,948)</u>	<u>(5,869)</u>
\$ <u>10,800</u>	\$ <u>(66,839)</u>	\$ <u>(12,158)</u>	\$ <u>(19,312)</u>	\$ <u>1,771</u>	\$ <u>(953)</u>	\$ <u>(3,931)</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, 2012

	Miscellaneous State Grants	Adult Basic Education	IDEA (Flo-Thru)	Vocational Education
Revenues:				
Intergovernmental	\$ 500	\$ 555,376	\$ 2,164,173	\$ 194,247
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>500</u>	<u>555,376</u>	<u>2,164,173</u>	<u>194,247</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	6,421	-
Special	-	-	135,790	-
Vocational	-	-	-	158,290
Adult/continuing	-	351,272	-	-
Support services:				
Pupil	1,733	25,981	289,521	-
Instructional staff	3,353	142,703	773,359	86,829
Administration	-	18,228	475,443	-
Fiscal	-	8,717	1,665	-
Pupil transportation	-	-	11,461	-
Central	-	-	-	-
Operation of non-instructional services				
Community services	-	-	53,416	-
Other non-instructional services	500	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>5,586</u>	<u>546,901</u>	<u>1,747,076</u>	<u>245,119</u>
Excess of revenues over (under) expenditures	(5,086)	8,475	417,097	(50,872)
Other financing sources (uses):				
Transfers - in	-	-	-	-
Net change in fund balance	(5,086)	8,475	417,097	(50,872)
Fund balance (deficit) at beginning of year	<u>105,668</u>	<u>(43,712)</u>	<u>(485,016)</u>	<u>(42,257)</u>
Fund balance (deficit) at end of year	\$ <u>100,582</u>	\$ <u>(35,237)</u>	\$ <u>(67,919)</u>	\$ <u>(93,129)</u>

<u>Race to the Top</u>	<u>Title II-D Technology Grants</u>	<u>Title 1 Improvement</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
\$ 305,705	\$ -	\$ 178,970	\$ 21,202	\$ 2,651,055	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>305,705</u>	<u>-</u>	<u>178,970</u>	<u>21,202</u>	<u>2,651,055</u>	<u>-</u>
79,636	1,121	134,719	-	2,722	-
-	-	3,482	1,378	1,885,989	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	13,827	18,417	-
160,717	18,934	50,295	-	256,972	-
-	-	145	-	73,325	-
1,467	-	2,195	317	12,634	-
-	-	-	-	114,334	-
118,066	-	-	-	450	-
-	2,928	-	-	191,093	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>359,886</u>	<u>22,983</u>	<u>190,836</u>	<u>15,522</u>	<u>2,555,936</u>	<u>-</u>
(54,181)	(22,983)	(11,866)	5,680	95,119	-
-	-	-	-	-	-
(54,181)	(22,983)	(11,866)	5,680	95,119	-
<u>(6,436)</u>	<u>5,143</u>	<u>(6,709)</u>	<u>(7,255)</u>	<u>(197,856)</u>	<u>(2,698)</u>
\$ <u>(60,617)</u>	\$ <u>(17,840)</u>	\$ <u>(18,575)</u>	\$ <u>(1,575)</u>	\$ <u>(102,737)</u>	\$ <u>(2,698)</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, 2012

	Drug Free Schools	Preschool Disabilities Grant	Title IIA- Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue
Revenues:					
Intergovernmental	\$ 5,451	\$ 38,348	\$ 208,524	\$ 161,897	\$ 9,206,837
Earnings on investments	-	-	-	-	888
Extracurricular activities	-	-	-	-	130,909
Miscellaneous	-	-	-	-	51,265
Total revenues	<u>5,451</u>	<u>38,348</u>	<u>208,524</u>	<u>161,897</u>	<u>9,389,899</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	175,597	478,547
Special	-	-	-	-	2,264,433
Vocational	-	-	-	-	159,882
Adult/continuing	-	-	-	-	351,830
Support services:					
Pupil	-	34,162	-	3,126	702,396
Instructional staff	27,301	-	217,111	53,583	2,061,491
Administration	-	-	-	1,137	584,158
Fiscal	-	80	261	3,051	40,069
Pupil transportation	-	-	-	24,730	150,525
Central	-	-	-	-	118,625
Operation of non-instructional services:					
Community services	-	-	15,210	-	1,950,775
Other non-instructional services	-	-	-	-	930
Extracurricular activities	-	-	-	-	377,712
Total expenditures	<u>27,301</u>	<u>34,242</u>	<u>232,582</u>	<u>261,224</u>	<u>9,241,373</u>
Excess of revenues over (under) expenditures	(21,850)	4,106	(24,058)	(99,327)	148,526
Other financing sources (uses):					
Transfers - in	-	-	-	-	240,000
Net change in fund balance	(21,850)	4,106	(24,058)	(99,327)	388,526
Fund balance (deficit) at beginning of year	<u>(3,779)</u>	<u>(1,831)</u>	<u>(13,214)</u>	<u>5,674</u>	<u>(733,578)</u>
Fund balance (deficit) at end of year	<u>\$ (25,629)</u>	<u>\$ 2,275</u>	<u>\$ (37,272)</u>	<u>\$ (93,653)</u>	<u>\$ (345,052)</u>

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



CAROLYN MEYER
Grade 3
Fairfax Elementary School

JELANI CARR
Kindergarten, Noble Elementary School



BEN RAVAS
Grade 3, Gearity Professional Development School



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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 66,134,290	\$ 65,405,650	\$ 65,411,528	\$ 5,878
Intergovernmental	23,566,981	31,418,419	31,933,264	514,845
Tuition and fees	1,500,348	2,000,194	2,077,839	77,645
Earnings on investments	112,515	150,000	78,174	(71,826)
Miscellaneous	<u>600,355</u>	<u>832,212</u>	<u>514,823</u>	<u>(317,389)</u>
Total revenues	<u>91,914,489</u>	<u>99,806,475</u>	<u>100,015,628</u>	<u>209,153</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	26,553,727	29,800,360	28,664,745	1,135,615
Employee benefits	8,183,062	9,183,581	9,836,009	(652,428)
Purchased services	584,791	656,292	522,649	133,643
Supplies and materials	829,050	930,416	697,198	233,218
Capital outlay	35,244	39,553	29,620	9,933
Other	<u>51,823</u>	<u>58,159</u>	<u>46,578</u>	<u>11,581</u>
Total regular	<u>36,237,697</u>	<u>40,668,361</u>	<u>39,796,799</u>	<u>871,562</u>
Special:				
Salaries and wages	6,896,104	7,739,266	7,542,884	196,382
Employee benefits	2,440,777	2,739,201	2,926,363	(187,162)
Purchased services	151,389	169,898	113,562	56,336
Supplies and materials	70,674	79,315	41,436	37,879
Capital outlay	10,425	11,700	1,694	10,006
Other	<u>17,553</u>	<u>19,700</u>	<u>15,952</u>	<u>3,748</u>
Total special	<u>9,586,922</u>	<u>10,759,080</u>	<u>10,641,891</u>	<u>117,189</u>
Vocational:				
Salaries and wages	1,239,451	1,390,994	1,420,276	(29,282)
Employee benefits	399,817	448,703	509,107	(60,404)
Purchased services	7,757	8,705	6,014	2,691
Supplies and materials	80,061	89,850	89,984	(134)
Capital outlay	110,847	124,400	65,515	58,885
Other	<u>401</u>	<u>450</u>	<u>300</u>	<u>150</u>
Total vocational	<u>1,838,334</u>	<u>2,063,102</u>	<u>2,091,196</u>	<u>(28,094)</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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult/continuing:				
Salaries and wages	14,363	16,119	9,404	6,715
Employee benefits	2,261	2,536	1,480	1,056
Total adult/continuing	16,624	18,655	10,884	7,771
Other instruction:				
Salaries and wages	288,090	323,314	351,631	(28,317)
Employee benefits	150,394	168,783	195,534	(26,751)
Purchased services	4,749,716	5,330,447	7,889,320	(2,558,873)
Supplies and materials	9,712	10,900	4,010	6,890
Other	-	-	50,415	(50,415)
Total other instruction	5,197,912	5,833,444	8,490,910	(2,657,466)
Total instruction	52,877,489	59,342,642	61,031,680	(1,689,038)
Support services:				
Pupil:				
Salaries and wages	5,553,217	6,232,189	6,377,109	(144,920)
Employee benefits	1,880,486	2,110,408	2,357,661	(247,253)
Purchased services	254,766	285,918	251,604	34,314
Supplies and materials	53,498	60,038	47,657	12,381
Capital outlay	4,455	5,000	-	5,000
Other	5,746	6,448	2,708	3,740
Total pupil	7,752,168	8,700,001	9,036,739	(336,738)
Instructional staff:				
Salaries and wages	2,089,754	2,345,261	2,221,971	123,290
Employee benefits	752,412	844,406	884,942	(40,536)
Purchased services	267,030	299,678	278,556	21,122
Supplies and materials	535,104	600,529	280,158	320,371
Capital outlay	15,139	16,990	767,608	(750,618)
Other	10,905	12,238	28,866	(16,628)
Total instructional staff	3,670,344	4,119,102	4,462,101	(342,999)
Board of education:				
Salaries and wages	13,936	15,640	15,750	(110)
Employee benefits	46,881	52,613	20,813	31,800
Purchased services	540,870	607,000	587,282	19,718
Supplies and materials	1,471	1,650	457	1,193
Other	15,237	17,100	15,948	1,152
Total board of education	618,395	694,003	640,250	53,753

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and wages	3,511,518	3,940,858	3,563,794	377,064
Employee benefits	1,485,685	1,667,335	1,678,000	(10,665)
Purchased services	223,027	250,296	181,394	68,902
Supplies and materials	180,492	202,560	157,000	45,560
Capital outlay	23,870	26,788	10,393	16,395
Other	63,978	71,800	55,409	16,391
Total administration	<u>5,488,570</u>	<u>6,159,637</u>	<u>5,645,990</u>	<u>513,647</u>
Fiscal:				
Salaries and wages	689,176	773,439	677,983	95,456
Employee benefits	278,158	312,167	306,013	6,154
Purchased services	160,914	180,589	168,613	11,976
Supplies and materials	16,629	18,662	20,150	(1,488)
Capital outlay	891	1,000	3,242	(2,242)
Other	1,284,387	1,441,425	1,418,573	22,852
Total fiscal	<u>2,430,155</u>	<u>2,727,282</u>	<u>2,594,574</u>	<u>132,708</u>
Business:				
Salaries and wages	204,918	229,973	220,516	9,457
Employee benefits	92,856	104,208	104,581	(373)
Purchased services	720,656	808,767	789,058	19,709
Supplies and materials	161,871	181,661	174,931	6,730
Other	285,476	320,380	315,836	4,544
Total business	<u>1,465,777</u>	<u>1,644,989</u>	<u>1,604,922</u>	<u>40,067</u>
Operations and maintenance of plant:				
Salaries and wages	4,223,733	4,740,155	4,300,332	439,823
Employee benefits	2,071,523	2,324,801	2,314,013	10,788
Purchased services	3,815,901	4,282,457	4,088,857	193,600
Supplies and materials	1,000,687	1,123,037	1,052,214	70,823
Capital outlay	521,365	585,110	425,746	159,364
Other	47,809	53,655	50,030	3,625
Total operations and maintenance of plant	<u>11,681,018</u>	<u>13,109,215</u>	<u>12,231,192</u>	<u>878,023</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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Salaries and wages	1,839,972	2,064,939	1,955,736	109,203
Employee benefits	729,274	818,439	856,177	(37,738)
Purchased services	1,574,067	1,766,524	1,734,882	31,642
Supplies and materials	521,177	584,899	539,847	45,052
Capital outlay	3,564	4,000	3,599	401
Other	76,337	91,500	91,645	(145)
Total pupil transportation	<u>4,744,391</u>	<u>5,330,301</u>	<u>5,181,886</u>	<u>148,415</u>
Central:				
Salaries and wages	1,189,589	1,335,037	1,318,831	16,206
Employee benefits	493,976	554,372	581,309	(26,937)
Purchased services	2,115,341	2,373,976	1,741,401	632,575
Supplies and materials	437,798	491,325	495,625	(4,300)
Capital outlay	1,410,092	1,582,499	1,471,381	111,118
Other	15,618	17,528	15,340	2,188
Total central	<u>5,662,414</u>	<u>6,354,737</u>	<u>5,623,887</u>	<u>730,850</u>
Total support services	<u>43,513,232</u>	<u>48,839,267</u>	<u>47,021,541</u>	<u>1,817,726</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>8,911</u>	<u>10,000</u>	<u>14,552</u>	<u>(4,552)</u>
Other non-instructional services:				
Salaries and wages	77,375	86,835	77,482	9,353
Employee benefits	36,584	41,057	40,057	1,000
Purchased services	3,337	3,745	2,688	1,057
Supplies and materials	1,154	1,295	263	1,032
Other	169	190	1,545	(1,355)
Total other non-instructional services	<u>118,619</u>	<u>133,122</u>	<u>122,035</u>	<u>11,087</u>
Total operation of non-instructional services	<u>127,530</u>	<u>143,122</u>	<u>136,587</u>	<u>6,535</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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Food service operations:				
Salaries and wages	2,062	2,314	2,430	(116)
Employee benefits	287	322	382	(60)
Total food service operations	<u>2,349</u>	<u>2,636</u>	<u>2,812</u>	<u>(176)</u>
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	314,439	352,884	370,509	(17,625)
Employee benefits	94,159	105,670	125,981	(20,311)
Total academic and subject oriented	<u>408,598</u>	<u>458,554</u>	<u>496,490</u>	<u>(37,936)</u>
Sports oriented:				
Salaries and wages	528,533	593,155	698,521	(105,366)
Employee benefits	142,649	160,089	183,417	(23,328)
Total sports oriented	<u>671,182</u>	<u>753,244</u>	<u>881,938</u>	<u>(128,694)</u>
Co-curricular activities:				
Salaries and wages	4,561	5,119	8,424	(3,305)
Employee benefits	792	887	1,729	(842)
Total co-curricular activities	<u>5,353</u>	<u>6,006</u>	<u>10,153</u>	<u>(4,147)</u>
Total extracurricular activities	<u>1,085,133</u>	<u>1,217,804</u>	<u>1,388,581</u>	<u>(170,777)</u>
Total expenditures	<u>97,605,733</u>	<u>109,545,471</u>	<u>109,581,201</u>	<u>(35,730)</u>
Excess of revenues over (under) expenditures	<u>(5,691,244)</u>	<u>(9,738,996)</u>	<u>(9,565,573)</u>	<u>173,423</u>
Other financing sources (uses):				
Transfers - out	(213,853)	(240,000)	(240,000)	-
Advances - in	3,871,150	5,184,000	5,184,000	-
Advances - out	<u>(6,255,421)</u>	<u>(7,020,250)</u>	<u>(7,020,250)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,598,124)</u>	<u>(2,076,250)</u>	<u>(2,076,250)</u>	<u>-</u>
Net change in fund balance	(8,289,368)	(11,815,246)	(11,641,823)	173,423
Fund balance at beginning of year	33,987,861	33,987,861	33,987,861	-
Prior year encumbrances appropriated	<u>2,045,821</u>	<u>2,045,821</u>	<u>2,045,821</u>	<u>-</u>
Fund balance at end of year	\$ <u>27,744,314</u>	\$ <u>24,218,436</u>	\$ <u>24,391,859</u>	\$ <u>173,423</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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 19,358	\$ 19,358
Total revenues	<u>-</u>	<u>-</u>	<u>19,358</u>	<u>19,358</u>
Expenditures:				
Current:				
Central:				
Purchased services	<u>95,000</u>	<u>95,000</u>	<u>3,480</u>	<u>91,520</u>
Extracurricular activities:				
Co-curricular activities:				
Purchased services	-	-	4,000	(4,000)
Supplies and materials	-	-	3,500	(3,500)
Other	-	-	3,300	(3,300)
Total extracurricular activities	<u>-</u>	<u>-</u>	<u>10,800</u>	<u>(10,800)</u>
Total expenditures	<u>95,000</u>	<u>95,000</u>	<u>14,280</u>	<u>80,720</u>
Net change in fund balance	(95,000)	(95,000)	5,078	100,078
Fund balance at beginning of year	<u>378,950</u>	<u>378,950</u>	<u>378,950</u>	<u>-</u>
Fund balance at end of year	\$ <u>283,950</u>	\$ <u>283,950</u>	\$ <u>384,028</u>	\$ <u>100,078</u>

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

Cleveland Heights-University Heights City School District

Public School Support Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 165,951	\$ 130,580	\$ 83,288	\$ (47,292)
Classroom materials and fees	8,896	7,000	6,628	(372)
Miscellaneous	14,513	11,420	41,781	30,361
Total revenues	<u>189,360</u>	<u>149,000</u>	<u>131,697</u>	<u>(17,303)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	59,007	123,857	42,307	81,550
Supplies and materials	75,175	157,796	54,528	103,268
Capital outlay	1,547	3,248	798	2,450
Other	13,272	27,856	25,417	2,439
Total instruction	<u>149,001</u>	<u>312,757</u>	<u>123,050</u>	<u>189,707</u>
Extracurricular activities:				
Academic and subject oriented:				
Supplies and materials	-	-	1,575	(1,575)
Total expenditures	<u>149,001</u>	<u>312,757</u>	<u>124,625</u>	<u>188,132</u>
Net change in fund balance	40,359	(163,757)	7,072	170,829
Fund balance at beginning of year	169,340	169,340	169,340	-
Prior year encumbrances appropriated	<u>4,452</u>	<u>4,452</u>	<u>4,452</u>	<u>-</u>
Fund balance at end of year	\$ <u>214,151</u>	\$ <u>10,035</u>	\$ <u>180,864</u>	\$ <u>170,829</u>

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

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 3,839	\$ 3,839
Miscellaneous	945,633	339,720	25,380	(314,340)
Total revenues	945,633	339,720	29,219	(310,501)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	42,577	47,500	-	47,500
Employee benefits	13,781	15,375	5,565	9,810
Purchased services	3,944	4,400	2,019	2,381
Supplies and materials	25,770	28,750	5,470	23,280
Capital outlay	24,838	27,710	-	27,710
Other	1,613	1,800	-	1,800
Total regular	112,523	125,535	13,054	112,481
Vocational:				
Supplies and materials	-	-	1,625	(1,625)
Adult/continuing:				
Supplies and materials	-	-	558	(558)
Total instruction	112,523	125,535	15,237	110,298
Support services:				
Pupil:				
Purchased services	717	800	-	800
Supplies and materials	314	350	2,359	(2,009)
Total pupil	1,031	1,150	2,359	(1,209)
Instructional staff:				
Salaries and wages	10,846	12,100	1,382	10,718
Employee benefits	2,241	2,500	2,953	(453)
Purchased services	166,679	185,952	47,854	138,098
Supplies and materials	5,826	6,500	16,936	(10,436)
Total instructional staff	185,592	207,052	69,125	137,927
Administration:				
Purchased services	3,070	3,425	2,402	1,023
Supplies and materials	2,788	3,110	839	2,271
Total administration	5,858	6,535	3,241	3,294

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Purchased services	4,482	5,000	-	5,000
Total support services	196,963	219,737	74,725	145,012
Operation of non-instructional services:				
Community services:				
Other	-	-	564	(564)
Other non-instructional services:				
Purchased services	-	-	3,655	(3,655)
Total operation of non-instruction services	-	-	4,219	(4,219)
Extracurricular activities:				
Supplies and materials	1,004	1,120	2,542	(1,422)
Other	4,034	4,500	1,500	3,000
Total extracurricular activities	5,038	5,620	4,042	1,578
Total expenditures	314,524	350,892	98,223	252,669
Excess of revenues over (under) expenditures	631,109	(11,172)	(69,004)	(57,832)
Other financing sources (uses):				
Transfers - out	(50,196)	(56,000)	-	56,000
Advances - in	69,589	25,000	-	(25,000)
Total other financing sources (uses)	19,393	(31,000)	-	31,000
Net change in fund balance	650,502	(42,172)	(69,004)	(26,832)
Fund balance at beginning of year	291,435	291,435	291,435	-
Prior year encumbrances appropriated	41,051	41,051	41,051	-
Fund balance at end of year	\$ 982,988	\$ 290,314	\$ 263,482	\$ (26,832)

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 79,647	\$ 115,000	\$ 130,909	\$ 15,909
Miscellaneous	37,400	54,000	20,121	(33,879)
Total revenues	<u>117,047</u>	<u>169,000</u>	<u>151,030</u>	<u>(17,970)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	-	-	644	(644)
Operation of non-instructional services:				
Community services:				
Other	-	-	1,222	(1,222)
Extracurricular activities:				
Salaries and wages	-	-	9,607	(9,607)
Fringe benefits	-	-	4,040	(4,040)
Purchased services	137,910	263,790	227,579	36,211
Supplies and materials	68,481	130,987	139,632	(8,645)
Capital outlay	-	-	4,099	(4,099)
Other	3,138	6,000	5,462	538
Total extracurricular activities	<u>209,529</u>	<u>400,777</u>	<u>390,419</u>	<u>10,358</u>
Total expenditures	<u>209,529</u>	<u>400,777</u>	<u>392,285</u>	<u>8,492</u>
Excess of revenues over (under) expenditures	<u>(92,482)</u>	<u>(231,777)</u>	<u>(241,255)</u>	<u>(9,478)</u>
Other financing sources (uses):				
Transfers - in	166,221	240,000	240,000	-
Transfers - out	(125,473)	(240,000)	-	240,000
Advances - in	114,277	165,000	-	(165,000)
Total other financing sources (uses)	<u>155,025</u>	<u>165,000</u>	<u>240,000</u>	<u>75,000</u>
Net change in fund balance	62,543	(66,777)	(1,255)	65,522
Fund balance at beginning of year	72,633	72,633	72,633	-
Prior year encumbrances appropriated	<u>777</u>	<u>777</u>	<u>777</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>135,953</u></u>	\$ <u><u>6,633</u></u>	\$ <u><u>72,155</u></u>	\$ <u><u>65,522</u></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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,747,550	\$ 1,784,599	\$ 1,784,599	\$ -
Earnings on investments	870	888	888	-
Total revenues	<u>1,748,420</u>	<u>1,785,487</u>	<u>1,785,487</u>	<u>-</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	147,418	161,553	165,858	(4,305)
Employee benefits	51,721	56,681	57,237	(556)
Purchased services	918,783	1,006,875	994,068	12,807
Supplies and materials	562,474	616,406	507,863	108,543
Capital outlay	<u>63,324</u>	<u>69,396</u>	<u>77,789</u>	<u>(8,393)</u>
Total expenditures	<u>1,743,720</u>	<u>1,910,911</u>	<u>1,802,815</u>	<u>108,096</u>
Net change in fund balance	4,700	(125,424)	(17,328)	108,096
Fund balance at beginning of year	4,588	4,588	4,588	-
Prior year encumbrances appropriated	<u>125,424</u>	<u>125,424</u>	<u>125,424</u>	<u>-</u>
Fund balance at end of year	\$ <u>134,712</u>	\$ <u>4,588</u>	\$ <u>112,684</u>	\$ <u>108,096</u>

Cleveland Heights-University Heights City School District

Educational Management Information System Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 246	\$ 10,000	\$ -	\$ (10,000)
Expenditures:				
Current:				
Support services:				
Central:				
Salaries and wages	116	5,200	-	5,200
Employee benefits	63	2,800	551	2,249
Other	3	147	-	147
Total expenditures	182	8,147	551	7,596
Excess of revenues over (under) expenditures	64	1,853	(551)	(2,404)
Other financing sources (uses):				
Advances - in	8,504	345,000	345,000	-
Advances - out	(7,818)	(350,000)	(350,000)	-
Total other financing sources (uses)	686	(5,000)	(5,000)	-
Net change in fund balance	750	(3,147)	(5,551)	(2,404)
Fund balance at beginning of year	7,748	7,748	7,748	-
Prior year encumbrances appropriated	147	147	147	-
Fund balance at end of year	\$ 8,645	\$ 4,748	\$ 2,344	\$ (2,404)

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 85,522	\$ 91,000	\$ 88,214	\$ (2,786)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	48,870	57,200	58,840	(1,640)
Employee benefits	26,315	30,800	11,983	18,817
Supplies and materials	-	-	111	(111)
Total instruction	<u>75,185</u>	<u>88,000</u>	<u>70,934</u>	<u>17,066</u>
Administration:				
Salaries and wages	-	-	9,757	(9,757)
Employee benefits	-	-	3,605	(3,605)
Total support services	-	-	13,362	(13,362)
Total expenditures	<u>75,185</u>	<u>88,000</u>	<u>84,296</u>	<u>3,704</u>
Excess of revenues over (under) expenditures	<u>10,337</u>	<u>3,000</u>	<u>3,918</u>	<u>918</u>
Other financing sources (uses):				
Advances - in	11,278	12,000	12,000	-
Advances - out	<u>(12,816)</u>	<u>(15,000)</u>	<u>(15,000)</u>	-
Total other financing sources (uses)	<u>(1,538)</u>	<u>(3,000)</u>	<u>(3,000)</u>	-
Net change in fund balance	8,799	-	918	918
Fund balance at beginning of year	<u>2,736</u>	<u>2,736</u>	<u>2,736</u>	-
Fund balance at end of year	\$ <u>11,535</u>	\$ <u>2,736</u>	\$ <u>3,654</u>	\$ <u>918</u>

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 24,000	\$ 21,600	\$ 21,600	\$ -
Expenditures:				
Pupil:				
Purchased services	<u>21,600</u>	<u>21,600</u>	<u>18,100</u>	<u>3,500</u>
Net change in fund balance	2,400	-	3,500	3,500
Fund balance at beginning of year	<u>7,300</u>	<u>7,300</u>	<u>7,300</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>9,700</u></u>	\$ <u><u>7,300</u></u>	\$ <u><u>10,800</u></u>	\$ <u><u>3,500</u></u>

Cleveland Heights-University Heights City School District

Stimulus - School 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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 516,225	\$ 632,525	\$ 706,853	\$ 74,328
Expenditures:				
Current:				
Instruction:				
Special Education:				
Salaries and wages	53,730	64,774	173,000	(108,226)
Employee benefits	19,082	23,005	52,383	(29,378)
Purchased services	17	20	500	(480)
Supplies and materials	3,691	4,450	2,000	2,450
Total instruction	76,520	92,249	227,883	(135,634)
Support services:				
Pupil:				
Salaries and wages	119,157	143,650	152,074	(8,424)
Employee benefits	34,337	41,395	42,985	(1,590)
Total pupil	153,494	185,045	195,059	(10,014)
Instructional staff:				
Salaries and wages	184,443	222,356	140,240	82,116
Employee benefits	52,171	62,895	59,263	3,632
Other	53,513	64,512	4,029	60,483
Total instructional staff	290,127	349,763	203,532	146,231
Fiscal:				
Other	12,847	15,488	9,682	5,806
Pupil Transportation:				
Contractual services	-	-	3,200	(3,200)
Total support services	456,468	550,296	411,473	138,823
Total expenditures	532,988	642,545	639,356	3,189
Excess of revenues over (under) expenditures	(16,763)	(10,020)	67,497	77,517
Other financing sources (uses):				
Advances - in	195,872	240,000	240,000	-
Advances - out	(99,539)	(120,000)	(120,000)	-
Total other financing sources (uses)	96,333	120,000	120,000	-
Net change in fund balance	79,570	109,980	187,497	77,517
Fund balance at beginning of year	4,487	4,487	4,487	-
Prior year encumbrances appropriated	20	20	20	-
Fund balance at end of year	\$ 84,077	\$ 114,487	\$ 192,004	\$ 77,517

Cleveland Heights-University Heights City School District

Career Technical/Adult 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, 2012

	<u>Budget</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Fund balance at beginning of year	\$ <u>1,771</u>	\$ <u>1,771</u>	\$ <u>1,771</u>	\$ <u>-</u>
Fund balance at end of year	\$ <u>1,771</u>	\$ <u>1,771</u>	\$ <u>1,771</u>	\$ <u>-</u>

Cleveland Heights-University Heights City School District

Education Jobs Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 25,627	\$ 25,627	\$ -
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	-	20,214	20,214	-
Employee benefits	-	5,413	5,413	-
Total expenditures	-	25,627	25,627	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

Alternative School Grant Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 112,855	\$ 90,657	\$ 90,657	\$ -
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	48,712	57,520	69,104	(11,584)
Employee benefits	35,546	41,972	19,388	22,584
Total expenditures	84,258	99,492	88,492	11,000
Excess of revenues over (under) expenditures	28,597	(8,835)	2,165	11,000
Other financing sources (uses):				
Advances - in	18,673	15,000	15,000	-
Advances - out	(4,234)	(5,000)	(5,000)	-
Total other financing sources (uses)	14,439	10,000	10,000	-
Net change in fund balance	43,036	1,165	12,165	11,000
Fund balance at beginning of year	607	607	607	-
Fund balance at end of year	\$ 43,643	\$ 1,772	\$ 12,772	\$ 11,000

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 54,103	\$ -	\$ 500	\$ 500
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	10,000	10,000	-	10,000
Special:				
Purchased services	25,000	25,000	-	25,000
Supplies and materials	13,500	13,500	-	13,500
Total special	38,500	38,500	-	38,500
Total instruction	48,500	48,500	-	48,500
Support services:				
Pupil:				
Purchased services	-	-	1,733	(1,733)
Supplies and materials	10,156	10,156	-	10,156
Total pupil	10,156	10,156	1,733	8,423
Instructional staff:				
Purchased services	-	-	3,353	(3,353)
Total support services	10,156	10,156	5,086	5,070
Operation of non-instructional services:				
Other non-instructional services:				
Purchased services	-	-	500	(500)
Total expenditures	58,656	58,656	5,586	53,070
Net change in fund balance	(4,553)	(58,656)	(5,086)	53,570
Fund balance at beginning of year	105,664	105,664	105,664	-
Fund balance at end of year	\$ 101,111	\$ 47,008	\$ 100,578	\$ 53,570

Cleveland Heights-University Heights City School District

Adult Basic 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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 474,484	\$ 544,984	\$ 536,624	\$ (8,360)
Expenditures:				
Current:				
Instruction:				
Adult/continuing:				
Salaries and wages	190,712	256,510	243,562	12,948
Employee benefits	32,745	44,042	33,026	11,016
Purchased services	10,793	14,518	14,846	(328)
Supplies and materials	10,915	14,680	28,931	(14,251)
Capital outlay	29,501	39,679	24,361	15,318
Total instruction	274,666	369,429	344,726	24,703
Support services:				
Pupil:				
Salaries and wages	42,126	56,660	16,620	40,040
Employee benefits	11,212	15,080	5,606	9,474
Purchased services	1,115	1,500	1,574	(74)
Supplies and materials	2,379	3,200	1,221	1,979
Other	-	-	400	(400)
Total pupil	56,832	76,440	25,421	51,019
Instructional staff:				
Salaries and wages	44,943	60,448	99,237	(38,789)
Employee benefits	8,439	11,350	33,338	(21,988)
Purchased services	4,952	6,659	4,136	2,523
Supplies and materials	2,923	3,932	2,439	1,493
Other	-	-	200	(200)
Total instructional staff	61,257	82,389	139,350	(56,961)
Administration:				
Salaries and wages	9,972	13,412	10,729	2,683
Employee benefits	3,891	5,233	5,551	(318)
Total administration	13,863	18,645	16,280	2,365
Fiscal:				
Other	7,291	9,806	8,717	1,089
Operations and maintenance of plant:				
Purchased services	1,859	2,500	-	2,500
Total support services	141,102	189,780	189,768	12
Total expenditures	415,768	559,209	534,494	24,715
Excess of revenues over (under) expenditures	58,716	(14,225)	2,130	16,355

Continued

Cleveland Heights-University Heights City School District

Adult Basic Education 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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Advances - in	78,357	90,000	90,000	-
Advances - out	(89,219)	(120,000)	(120,000)	-
Total other financing sources (uses)	(10,862)	(30,000)	(30,000)	-
Net change in fund balance	47,854	(44,225)	(27,870)	16,355
Fund balance at beginning of year	14,962	14,962	14,962	-
Prior year encumbrances appropriated	54,368	54,368	54,368	-
Fund balance at end of year	\$ <u>117,184</u>	\$ <u>25,105</u>	\$ <u>41,460</u>	\$ <u>16,355</u>

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,616,609	\$ 2,167,440	\$ 2,164,173	\$ (3,267)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	3,194	4,691	15,382	(10,691)
Employee benefits	-	-	2,363	(2,363)
Purchased services	20,748	30,472	79,749	(49,277)
Supplies and materials	5,684	8,348	46,665	(38,317)
Capital outlay	-	-	3,984	(3,984)
Total instruction	<u>29,626</u>	<u>43,511</u>	<u>148,143</u>	<u>(104,632)</u>
Support services:				
Pupil:				
Salaries and wages	189,008	277,599	213,444	64,155
Employee benefits	35,334	51,896	57,307	(5,411)
Purchased services	27,593	40,526	22,319	18,207
Supplies and materials	162	238	1,774	(1,536)
Capital outlay	274	402	-	402
Total pupil	<u>252,371</u>	<u>370,661</u>	<u>294,844</u>	<u>75,817</u>
Instructional staff:				
Salaries and wages	327,516	481,028	518,661	(37,633)
Employee benefits	260,054	381,945	277,277	104,668
Purchased services	487	715	5,714	(4,999)
Total instructional staff	<u>588,057</u>	<u>863,688</u>	<u>801,652</u>	<u>62,036</u>
Administration:				
Salaries and wages	171,245	251,510	311,083	(59,573)
Employee benefits	84,897	124,689	153,533	(28,844)
Purchased services	4,745	6,969	11,078	(4,109)
Supplies and materials	706	1,038	1,869	(831)
Total administration	<u>261,593</u>	<u>384,206</u>	<u>477,563</u>	<u>(93,357)</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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Other	<u>26,049</u>	<u>38,259</u>	<u>1,665</u>	<u>36,594</u>
Pupil transportation:				
Purchased services	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>(15,000)</u>
Total support services	<u>1,128,070</u>	<u>1,656,814</u>	<u>1,590,724</u>	<u>66,090</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	8,200	12,044	12,043	1
Employee benefits	6,372	9,359	6,093	3,266
Purchased services	<u>49,840</u>	<u>73,201</u>	<u>70,710</u>	<u>2,491</u>
Total operation of non-instructional services	<u>64,412</u>	<u>94,604</u>	<u>88,846</u>	<u>5,758</u>
Total expenditures	<u>1,222,108</u>	<u>1,794,929</u>	<u>1,827,713</u>	<u>(32,784)</u>
Excess of revenues over (under) expenditures	<u>4,394,501</u>	<u>372,511</u>	<u>336,460</u>	<u>(36,051)</u>
Other financing sources (uses):				
Advances - in	90,697	35,000	35,000	-
Advances - out	<u>(340,433)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(249,736)</u>	<u>(465,000)</u>	<u>(465,000)</u>	<u>-</u>
Net change in fund balance	4,144,765	(92,489)	(128,540)	(36,051)
Fund balance at beginning of year	39,497	39,497	39,497	-
Prior year encumbrances appropriated	<u>87,389</u>	<u>87,389</u>	<u>87,389</u>	<u>-</u>
Fund balance at end of year	\$ <u>4,271,651</u>	\$ <u>34,397</u>	\$ <u>(1,654)</u>	\$ <u>(36,051)</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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 264,771	\$ 246,947	\$ 194,247	\$ (52,700)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	98,471	121,128	102,283	18,845
Employee benefits	42,966	52,852	40,622	12,230
Purchased services	7	8	-	8
Supplies and materials	2,704	3,326	-	3,326
Capital outlay	2,032	2,500	17,931	(15,431)
Total instruction	146,180	179,814	160,836	18,978
Support services:				
Pupil transportation:				
Salaries and wages	47,265	58,140	60,600	(2,460)
Employee benefits	20,985	25,814	28,486	(2,672)
Total support services	68,250	83,954	89,086	(5,132)
Total expenditures	214,430	263,768	249,922	13,846
Excess of revenues over (under) expenditures	50,341	(16,821)	(55,675)	(38,854)
Other financing sources (uses):				
Advances - in	112,578	105,000	105,000	-
Advances - out	(32,518)	(40,000)	(40,000)	-
Total other financing sources (uses)	80,060	65,000	65,000	-
Net change in fund balance	130,401	48,179	9,325	(38,854)
Fund balance at beginning of year	5,085	5,085	5,085	-
Prior year encumbrances appropriated	3,821	3,821	3,821	-
Fund balance at end of year	\$ 139,307	\$ 57,085	\$ 18,231	\$ (38,854)

Cleveland Heights-University Heights City School District

Race to the Top Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 672,354	\$ 305,705	\$ (366,649)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	19,321	20,000	-	20,000
Employee benefits	3,231	3,345	-	3,345
Purchased services	207,696	215,000	198,519	16,481
Supplies and materials	6,645	6,879	1,683	5,196
Total instruction	236,893	245,224	200,202	45,022
Support services:				
Instructional staff:				
Salaries and wages	89,474	92,620	28,865	63,755
Employee benefits	18,681	19,338	6,000	13,338
Purchased services	133,531	138,227	135,517	2,710
Supplies and materials	7,556	7,822	2,632	5,190
Capital outlay	19,321	20,000	19,950	50
Total instruction staff	268,563	278,007	192,964	85,043
Fiscal:				
Other	13,892	14,381	1,467	12,914
Central:				
Salaries and wages	51,773	53,599	53,599	-
Employee benefits	32,168	33,294	15,049	18,245
Purchased services	47,813	49,494	50,957	(1,463)
Supplies and materials	1,932	2,000	-	2,000
Capital outlay	4,830	5,000	-	5,000
Total central	138,516	143,387	119,605	23,782
Total support services	420,971	435,775	314,036	121,739
Total expenditures	657,864	680,999	514,238	166,761
Excess of revenues over (under) expenditures	(657,864)	(8,645)	(208,533)	(199,888)

Continued

Cleveland Heights-University Heights City School District

Race to the Top 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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Advances - in	-	225,000	225,000	-
Advances - out	(14,490)	(15,000)	(15,000)	-
Total other financing sources (uses)	(14,490)	210,000	210,000	-
Net change in fund balance	(672,354)	201,355	1,467	(199,888)
Fund balance at beginning of year	1,527	1,527	1,527	-
Prior year encumbrances appropriated	8,644	8,644	8,644	-
Fund balance at end of year	\$ (662,183)	\$ 211,526	\$ 11,638	\$ (199,888)

Cleveland Heights-University Heights City School District

Title II-D Technology 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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 94,583	\$ 27,924	\$ -	\$ (27,924)
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	-	3,120	-	3,120
Supplies and materials	-	-	1,994	(1,994)
Total instruction	-	3,120	1,994	1,126
Support services:				
Instructional staff:				
Supplies and materials	-	15,000	14,413	587
Capital outlay	-	4,000	4,632	(632)
Total instructional staff	-	19,000	19,045	(45)
Fiscal:				
Other	-	257	2,931	(2,674)
Total support services	-	19,257	21,976	(2,719)
Total expenditures	-	22,377	23,970	(1,593)
Excess of revenues over (under) expenditures	94,583	5,547	(23,970)	(29,517)
Other financing sources (uses):				
Advances - in	74,518	22,000	22,000	-
Advances - out	-	(5,000)	(5,000)	-
Total other financing sources (uses)	74,518	17,000	17,000	-
Net change in fund balance	169,101	22,547	(6,970)	(29,517)
Fund balance at beginning of year	7,750	7,750	7,750	-
Prior year encumbrances appropriated	3,377	3,377	3,377	-
Fund balance at end of year	\$ 180,228	\$ 33,674	\$ 4,157	\$ (29,517)

Cleveland Heights-University Heights City School District

Title I Improvement Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 114,901	\$ 366,564	\$ 178,970	\$ (187,594)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	22,490	100,046	87,126	12,920
Employee benefits	2,814	12,519	11,939	580
Purchased services	1,189	5,290	3,701	1,589
Supplies and materials	5,662	25,186	29,665	(4,479)
Total regular	32,155	143,041	132,431	10,610
Special:				
Employee benefits	562	2,500	3,035	(535)
Total instruction	32,717	145,541	135,466	10,075
Support services:				
Instructional staff:				
Salaries and wages	1,124	5,000	6,655	(1,655)
Employee benefits	-	-	1,157	(1,157)
Purchased services	9,617	42,780	35,517	7,263
Supplies and materials	-	-	7,065	(7,065)
Total instructional staff	10,741	47,780	50,394	(2,614)
Fiscal:				
Other	303	1,346	2,195	(849)
Total support services	11,044	49,126	52,589	(3,463)
Total expenditures	43,761	194,667	188,055	6,612
Excess of revenues over (under) expenditures	71,140	171,897	(9,085)	(180,982)
Other financing sources (uses):				
Advances - out	(11,240)	(50,000)	(50,000)	-
Net change in fund balance	59,900	121,897	(59,085)	(180,982)
Fund balance at beginning of year	6,147	6,147	6,147	-
Prior year encumbrances appropriated	37,167	37,167	37,167	-
Fund balance at end of year	\$ 103,214	\$ 165,211	\$ (15,771)	\$ (180,982)

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 63,252	\$ 21,215	\$ 21,202	\$ (13)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	-	-	195	(195)
Employee benefits	-	-	40	(40)
Total instruction	-	-	235	(235)
Support services:				
Pupil:				
Salaries and wages	7,369	9,112	9,885	(773)
Employee benefits	3,019	3,734	4,375	(641)
Purchased services	2,880	3,562	1,000	2,562
Supplies and materials	404	500	218	282
Total pupil	13,672	16,908	15,478	1,430
Fiscal:				
Other:	341	422	317	105
Total support services	14,013	17,330	15,795	1,535
Total expenditures	14,013	17,330	16,030	1,300
Excess of revenues over (under) expenditures	49,239	3,885	5,172	1,287
Other financing sources (uses):				
Advances - out	(3,235)	(4,000)	(4,000)	-
Net change in fund balance	46,004	(115)	1,172	1,287
Fund balance at beginning of year	2,641	2,641	2,641	-
Prior year encumbrances appropriated	82	82	82	-
Fund balance at end of year	\$ 48,727	\$ 2,608	\$ 3,895	\$ 1,287

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ <u>6,545,393</u>	\$ <u>2,657,005</u>	\$ <u>2,651,055</u>	\$ <u>(5,950)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	-	2,207	(2,207)
Employee benefits	-	-	361	(361)
Total regular	-	-	2,568	(2,568)
Special:				
Salaries and wages	749,965	1,085,341	1,175,289	(89,948)
Employee benefits	308,673	446,709	430,858	15,851
Purchased services	261,822	378,906	209,260	169,646
Supplies and materials	35,900	51,954	194,182	(142,228)
Capital outlay	4,337	6,276	18,869	(12,593)
Total special	1,360,697	1,969,186	2,028,458	(59,272)
Total instruction	1,360,697	1,969,186	2,031,026	(61,840)
Support services:				
Pupil:				
Purchased services	15,104	21,859	21,973	(114)
Supplies and materials	-	-	768	(768)
Total pupil	15,104	21,859	22,741	(882)
Instructional staff:				
Salaries and wages	75,846	109,763	166,372	(56,609)
Employee benefits	27,132	39,265	38,378	887
Purchased services	99,045	143,336	53,670	89,666
Supplies and materials	10,826	15,667	20,917	(5,250)
Total instructional staff	212,849	308,031	279,337	28,694
Administration:				
Salaries and wages	47,570	68,843	60,064	8,779
Employee benefits	17,317	25,061	16,172	8,889
Supplies and materials	-	-	476	(476)
Other	-	-	60	(60)
Total administration	64,887	93,904	76,772	17,132
Fiscal:				
Other	34,225	49,530	12,634	36,896
Pupil transportation:				
Contractual services	75,224	108,863	114,334	(5,471)

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Contractual services	-	-	450	(450)
Total support services	402,289	582,187	506,268	75,919
Operation of non-instructional services:				
Community services:				
Purchased services	199,343	288,487	263,526	24,961
Supplies and materials	13,008	18,825	1,324	17,501
Total operation of non-instructional services	212,351	307,312	264,850	42,462
Total expenditures	1,975,337	2,858,685	2,802,144	56,541
Excess of revenues over (under) expenditures	4,570,056	(201,680)	(151,089)	50,591
Other financing sources (uses):				
Advances - in	702,083	285,000	285,000	-
Advances - out	(255,668)	(370,000)	(370,000)	-
Total other financing sources (uses)	446,415	(85,000)	(85,000)	-
Net change in fund balance	5,016,471	(286,680)	(236,089)	50,591
Fund balance at beginning of year	23,332	23,332	23,332	-
Prior year encumbrances appropriated	277,680	277,680	277,680	-
Fund balance at end of year	\$ 5,317,483	\$ 14,332	\$ 64,923	\$ 50,591

Cleveland Heights-University Heights City School District

Title V Innovative Program Fund

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

For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ <u>611</u>	\$ <u>611</u>	\$ <u>611</u>	\$ <u>-</u>
Fund balance at end of year	\$ <u>611</u>	\$ <u>611</u>	\$ <u>611</u>	\$ <u>-</u>

Cleveland Heights-University Heights City School District

Drug Free Schools Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,460	\$ 6,000	\$ 5,451	\$ (549)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Purchased services	-	-	25,000	(25,000)
Supplies and materials	-	5,532	5,370	162
Total expenditures	-	5,532	30,370	(24,838)
Excess of revenues over (under) expenditures	30,460	468	(24,919)	(25,387)
Other financing sources (uses):				
Advances - in	3,807	750	750	-
Advances - out	-	(7,000)	(7,000)	-
Total other financing sources (uses)	3,807	(6,250)	(6,250)	-
Net change in fund balance	34,267	(5,782)	(31,169)	(25,387)
Fund balance at beginning of year	759	759	759	-
Prior year encumbrances appropriated	5,532	5,532	5,532	-
Fund balance at end of year	\$ 40,558	\$ 509	\$ (24,878)	\$ (25,387)

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 125,954	\$ 40,866	\$ 38,348	\$ (2,518)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	19,607	27,363	27,901	(538)
Employee benefits	11,109	15,503	5,896	9,607
Total pupil	30,716	42,866	33,797	9,069
Fiscal:				
Other	-	-	80	(80)
Total expenditures	30,716	42,866	33,877	8,989
Excess of revenues over (under) expenditures	95,238	(2,000)	4,471	6,471
Other financing sources (uses):				
Advances - in	13,869	4,500	4,500	-
Advances - out	(2,150)	(3,000)	(3,000)	-
Total other financing sources (uses)	11,719	1,500	1,500	-
Net change in fund balance	106,957	(500)	5,971	6,471
Fund balance at beginning of year	2,074	2,074	2,074	-
Fund balance at end of year	\$ 109,031	\$ 1,574	\$ 8,045	\$ 6,471

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 780,300	\$ 259,029	\$ 208,524	\$ (50,505)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	112,541	115,140	118,715	(3,575)
Employee benefits	35,613	36,435	39,466	(3,031)
Purchased services	55,218	56,494	44,191	12,303
Supplies and materials	-	-	7,095	(7,095)
Total instructional staff	<u>203,372</u>	<u>208,069</u>	<u>209,467</u>	<u>(1,398)</u>
Fiscal:				
Other	<u>6,199</u>	<u>6,342</u>	<u>261</u>	<u>6,081</u>
Total support services	<u>209,571</u>	<u>214,411</u>	<u>209,728</u>	<u>4,683</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>49,459</u>	<u>50,601</u>	<u>17,415</u>	<u>33,186</u>
Total expenditures	<u>259,030</u>	<u>265,012</u>	<u>227,143</u>	<u>37,869</u>
Excess of revenues over (under) expenditures	521,270	(5,983)	(18,619)	(12,636)
Other financing sources (uses):				
Advances - in	<u>27,112</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Net change in fund balance	548,382	3,017	(9,619)	(12,636)
Fund balance at beginning of year	3,652	3,652	3,652	-
Prior year encumbrances appropriated	<u>5,982</u>	<u>5,982</u>	<u>5,982</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>558,016</u></u>	\$ <u><u>12,651</u></u>	\$ <u><u>15</u></u>	\$ <u><u>(12,636)</u></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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 459,021	\$ 423,654	\$ 216,943	\$ (206,711)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	45,082	44,609	67,690	(23,081)
Employee benefits	13,705	13,561	12,665	896
Purchased services	38,667	38,262	21,057	17,205
Supplies and materials	69,201	68,476	68,947	(471)
Capital outlay	19,891	19,682	26,461	(6,779)
Total instruction	186,546	184,590	196,820	(12,230)
Support services:				
Pupil:				
Employee benefits	-	-	1,717	(1,717)
Purchased services	-	-	1,050	(1,050)
Total pupil	-	-	2,767	(2,767)
Instructional staff:				
Salaries and wages	50,428	49,899	19,131	30,768
Fringe benefits	21,548	21,322	6,139	15,183
Purchased services	109,155	108,009	57,074	50,935
Supplies and materials	1,011	1,000	998	2
Total instructional staff	182,142	180,230	83,342	96,888
Administration:				
Salaries and wages	10,106	10,000	-	10,000
Employee benefits	1,691	1,673	-	1,673
Total administration	11,797	11,673	-	11,673
Fiscal:				
Other	9,916	9,812	3,051	6,761
Pupil transportation:				
Purchased services	48,617	48,107	25,854	22,253
Total support services	252,472	249,822	115,014	134,808
Total expenditures	439,018	434,412	311,834	122,578

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, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	20,003	(10,758)	(94,891)	(84,133)
Other financing sources (uses):				
Advances - in	164,689	152,000	152,000	-
Advances - out	(90,954)	(90,000)	(90,000)	-
Total other financing sources (uses)	73,735	62,000	62,000	-
Net change in fund balance	93,738	51,242	(32,891)	(84,133)
Fund balance at beginning of year	22,051	22,051	22,051	-
Prior year encumbrances appropriated	23,596	23,596	23,596	-
Fund balance at end of year	\$ 139,385	\$ 96,889	\$ 12,756	\$ (84,133)

Cleveland Heights-University Heights City School District

Debt Service Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 767,442	\$ 751,500	\$ 664,971	\$ (86,529)
Intergovernmental	126,962	95,000	94,722	(278)
Total revenues	<u>894,404</u>	<u>846,500</u>	<u>759,693</u>	<u>(86,807)</u>
Expenditures:				
Debt services:				
Principal	935,000	935,000	935,000	-
Interest and fiscal charges	<u>422,140</u>	<u>422,140</u>	<u>422,139</u>	<u>1</u>
Total expenditures	<u>1,357,140</u>	<u>1,357,140</u>	<u>1,357,139</u>	<u>1</u>
Excess of revenues over (under) expenditures	(462,736)	(510,640)	(597,446)	(86,806)
Other financing sources (uses):				
Transfers - in	<u>902,097</u>	<u>675,000</u>	<u>674,388</u>	<u>(612)</u>
Net change in fund balance	439,361	164,360	76,942	(87,418)
Fund balance at beginning of year	<u>504,011</u>	<u>504,011</u>	<u>504,011</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>943,372</u></u>	\$ <u><u>668,371</u></u>	\$ <u><u>580,953</u></u>	\$ <u><u>(87,418)</u></u>

Cleveland Heights-University Heights City School District

Permanent Improvement Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,334,842	\$ 3,201,000	\$ 3,044,700	\$ (156,300)
Intergovernmental	352,563	450,000	473,612	23,612
Total revenues	<u>3,687,405</u>	<u>3,651,000</u>	<u>3,518,312</u>	<u>(132,688)</u>
Expenditures:				
Current:				
Support services:				
Operations and maintenance of plant:				
Purchased services	2,860,554	3,506,543	3,292,924	213,619
Supplies and materials	-	35,958	35,124	834
Total support services	<u>2,860,554</u>	<u>3,542,501</u>	<u>3,328,048</u>	<u>214,453</u>
Capital outlay:				
Site acquisition	<u>94,882</u>	<u>117,502</u>	<u>115,013</u>	<u>2,489</u>
Total expenditures	<u>2,955,436</u>	<u>3,660,003</u>	<u>3,443,061</u>	<u>216,942</u>
Excess of revenues over (under) expenditures	<u>731,969</u>	<u>(9,003)</u>	<u>75,251</u>	<u>84,254</u>
Other financing sources (uses):				
Transfers - in	144,159	184,000	-	(184,000)
Transfers - out	<u>(544,565)</u>	<u>(674,388)</u>	<u>(674,388)</u>	<u>-</u>
Total other financing sources (uses)	<u>(400,406)</u>	<u>(490,388)</u>	<u>(674,388)</u>	<u>(184,000)</u>
Net change in fund balance	331,563	(499,391)	(599,137)	(99,746)
Fund balance at beginning of year	89,245	89,245	89,245	-
Prior year encumbrances appropriated	<u>726,830</u>	<u>726,830</u>	<u>726,830</u>	<u>-</u>
Fund balance at end of year	\$ <u>1,147,638</u>	\$ <u>316,684</u>	\$ <u>216,938</u>	\$ <u>(99,746)</u>

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2012

Nonmajor Enterprise Funds

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

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

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

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

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

Nonmajor Internal Service Funds

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

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

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

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets

Nonmajor Enterprise Funds

June 30, 2012

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 107,780	\$ 26,458	\$ 2,727	\$ 15,643	\$ 152,608
Accounts receivable	3,644	-	-	-	3,644
Materials and supplies inventories	10,713	-	-	-	10,713
Inventory held for resale	<u>25,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,744</u>
Total current assets	147,881	26,458	2,727	15,643	192,709
Non-current assets:					
Capital assets, net of depreciation	<u>157,665</u>	<u>-</u>	<u>-</u>	<u>347,826</u>	<u>505,491</u>
Total assets	<u>305,546</u>	<u>26,458</u>	<u>2,727</u>	<u>363,469</u>	<u>698,200</u>
Liabilities:					
Current liabilities:					
Accounts payable	76,358	-	-	-	76,358
Accrued wages and benefits	5,940	-	-	1,980	7,920
Interfund payable	1,683,168	-	-	90,000	1,773,168
Intergovernmental payable	46,887	-	-	33,032	79,919
Current portion of accrued compensated absences	<u>10,044</u>	<u>-</u>	<u>-</u>	<u>2,081</u>	<u>12,125</u>
Total current liabilities	1,822,397	-	-	127,093	1,949,490
Non-current liabilities:					
Accrued compensated absences	<u>39,280</u>	<u>-</u>	<u>-</u>	<u>27,644</u>	<u>66,924</u>
Total liabilities	<u>1,861,677</u>	<u>-</u>	<u>-</u>	<u>154,737</u>	<u>2,016,414</u>
Net assets:					
Invested in capital assets	157,665	-	-	347,826	505,491
Unrestricted (deficit)	<u>(1,713,796)</u>	<u>26,458</u>	<u>2,727</u>	<u>(139,094)</u>	<u>(1,823,705)</u>
Total net assets (deficit)	<u>\$(1,556,131)</u>	<u>\$ 26,458</u>	<u>\$ 2,727</u>	<u>\$ 208,732</u>	<u>\$ (1,318,214)</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ -	\$ 620,621	\$ 620,621
Classroom materials and fees	-	11,247	-	-	11,247
Food services	384,300	-	-	-	384,300
Miscellaneous	-	16,221	-	-	16,221
Total operating revenues	<u>384,300</u>	<u>27,468</u>	<u>-</u>	<u>620,621</u>	<u>1,032,389</u>
Operating expenses:					
Salaries and wages	662,123	-	-	477,025	1,139,148
Fringe benefits	311,995	-	-	209,901	521,896
Purchased services	1,336,475	1,060	-	17,867	1,355,402
Supplies and materials	103,453	30,764	-	25,958	160,175
Depreciation	20,850	-	-	12,411	33,261
Other	-	-	-	23	23
Total operating expenses	<u>2,434,896</u>	<u>31,824</u>	<u>-</u>	<u>743,185</u>	<u>3,209,905</u>
Operating loss	<u>(2,050,596)</u>	<u>(4,356)</u>	<u>-</u>	<u>(122,564)</u>	<u>(2,177,516)</u>
Non-operating revenues:					
Federal donated commodities	113,420	-	-	-	113,420
Intergovernmental grants	<u>1,499,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,499,717</u>
Total non-operating revenues	<u>1,613,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,613,137</u>
Net loss	(437,459)	(4,356)	-	(122,564)	(564,379)
Net assets (deficit) at beginning of year					
	<u>(1,118,672)</u>	<u>30,814</u>	<u>2,727</u>	<u>331,296</u>	<u>(753,835)</u>
Net assets (deficit) at end of year	\$ <u>(1,556,131)</u>	\$ <u>26,458</u>	\$ <u>2,727</u>	\$ <u>208,732</u>	\$ <u>(1,318,214)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2012

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Decrease in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 380,656	\$ 11,247	\$ -	\$ 648,027	\$ 1,039,930
Cash received from other operating sources	-	16,221	-	-	16,221
Cash payments for materials and supplies	-	(30,764)	-	(25,958)	(56,722)
Cash payments for goods and services	(1,311,327)	(1,060)	-	(17,867)	(1,330,254)
Cash payments to employees for services	(673,771)	-	-	(507,987)	(1,181,758)
Cash payments for employee benefits	(320,042)	-	-	(213,473)	(533,515)
Cash payments for other	-	-	-	(23)	(23)
Net cash used for operating activities	<u>(1,924,484)</u>	<u>(4,356)</u>	<u>-</u>	<u>(117,281)</u>	<u>(2,046,121)</u>
Cash flows from noncapital financing activities:					
Intergovernmental grants received	1,499,717	-	-	-	1,499,717
Capital acquisitions	-	-	-	(5,355)	(5,355)
Advances - in	600,000	-	-	90,000	690,000
Advances - out	(400,000)	-	-	-	(400,000)
Net cash provided by noncapital financing	<u>1,699,717</u>	<u>-</u>	<u>-</u>	<u>84,645</u>	<u>1,784,362</u>
Net decrease in cash and cash equivalents	(224,767)	(4,356)	-	(32,636)	(261,759)
Cash and cash equivalents at beginning of year	<u>332,547</u>	<u>30,814</u>	<u>2,727</u>	<u>48,279</u>	<u>414,367</u>
Cash and cash equivalents at end of year	<u>\$ 107,780</u>	<u>\$ 26,458</u>	<u>\$ 2,727</u>	<u>\$ 15,643</u>	<u>\$ 152,608</u>
Non-cash capital and noncapital financing activities:					
Federal donated commodities	\$ 113,420	\$ -	\$ -	\$ -	\$ 113,420

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended June 30, 2012

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating loss to net cash used for operating activities:					
Operating loss	\$ (2,050,596)	\$ (4,356)	\$ -	\$ (122,564)	\$ (2,177,516)
Adjustments:					
Depreciation	20,850	-	-	12,411	33,261
Federal donated commodities	113,420	-	-	-	113,420
Changes in assets/liabilities:					
(Increase) decrease in accounts receivable	(3,644)	-	-	27,406	23,762
Increase in materials and supplies inventories	(3,717)	-	-	-	(3,717)
Increase in inventory held for resale	(5,550)	-	-	-	(5,550)
Increase in accounts payable	24,448	-	-	-	24,448
Decrease in accrued wages and benefits	(20,014)	-	-	(19,643)	(39,657)
Decrease in intergovernmental payable	(8,047)	-	-	(3,572)	(11,619)
Increase (decrease) in accrued compensated absences	8,366	-	-	(11,319)	(2,953)
Total adjustments	<u>126,112</u>	<u>-</u>	<u>-</u>	<u>5,283</u>	<u>131,395</u>
Net cash used for operating activities	\$ <u>(1,924,484)</u>	\$ <u>(4,356)</u>	\$ <u>-</u>	\$ <u>(117,281)</u>	\$ <u>(2,046,121)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Assets Nonmajor Internal Service Funds

June 30, 2012

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 4,589,733	\$ 1,185,581	\$ 5,775,314
Prepaid items	<u>133,454</u>	<u>-</u>	<u>133,454</u>
Total assets	<u>4,723,187</u>	<u>1,185,581</u>	<u>5,908,768</u>
Liabilities:			
Current liabilities:			
Intergovernmental payable	-	720,691	720,691
Claims payable	<u>1,767,000</u>	<u>-</u>	<u>1,767,000</u>
Total liabilities	<u>1,767,000</u>	<u>720,691</u>	<u>2,487,691</u>
Net assets:			
Unrestricted	\$ <u>2,956,187</u>	\$ <u>464,890</u>	\$ <u>3,421,077</u>

Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2012

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Claims	\$ <u>14,788,259</u>	\$ <u>-</u>	\$ <u>14,788,259</u>
Operating expenses:			
Fringe benefits	14,216,782	502,626	14,719,408
Purchased services	<u>51,175</u>	<u>23,850</u>	<u>75,025</u>
Total operating expenses	<u>14,267,957</u>	<u>526,476</u>	<u>14,794,433</u>
Operating income	520,302	(526,476)	(6,174)
Net assets at beginning of year	<u>2,435,885</u>	<u>991,366</u>	<u>3,427,251</u>
Net assets at end of year	\$ <u><u>2,956,187</u></u>	\$ <u><u>464,890</u></u>	\$ <u><u>3,421,077</u></u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Internal Service Funds

For the Fiscal Year Ended June 30, 2012

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Increase in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers	\$ 14,788,259	\$ -	\$ 14,788,259
Cash payments for goods and services	(1,937,895)	(23,850)	(1,961,745)
Cash payments for claims	<u>(12,444,704)</u>	<u>(457,921)</u>	<u>(12,902,625)</u>
Net cash provided by operating activities	<u>405,660</u>	<u>(481,771)</u>	<u>(76,111)</u>
Net increase in cash and cash equivalents	405,660	(481,771)	(76,111)
Cash and cash equivalents at beginning of year	<u>4,184,073</u>	<u>1,667,352</u>	<u>5,851,425</u>
Cash and cash equivalents at end of year	\$ <u>4,589,733</u>	\$ <u>1,185,581</u>	\$ <u>5,775,314</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 520,302	\$ (526,476)	\$ (6,174)
Adjustments:			
Changes in assets/liabilities:			
Decrease in prepaid items	4,958	-	4,958
Increase in intergovernmental payable	-	44,705	44,705
Decrease in claims payable	<u>(119,600)</u>	<u>-</u>	<u>(119,600)</u>
Total adjustments	<u>(114,642)</u>	<u>44,705</u>	<u>(69,937)</u>
Net cash provided by operating activities	\$ <u>405,660</u>	\$ <u>(481,771)</u>	\$ <u>(76,111)</u>

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



VIVIENNE BROWN
Grade 2,
Noble Elementary School



RAYJA JACKSON
Grade 3,
Fairfax Elementary School



Cleveland Heights-University Heights City School District

Bellefaire General Rotary Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 1,270,807	\$ 3,300,000	\$ 1,724,636	\$ (1,575,364)
Expenses:				
Salaries and wages:				
Regular instruction	379,641	600,000	297,772	302,228
Special instruction	601,098	950,000	1,274,958	(324,958)
Support services - pupil	187,922	297,000	299,644	(2,644)
Support services - instructional staff	-	-	1,500	(1,500)
Support services - administration	170,838	270,000	236,161	33,839
Total salaries and wages	<u>1,339,499</u>	<u>2,117,000</u>	<u>2,110,035</u>	<u>6,965</u>
Fringe benefits:				
Regular instruction	117,055	185,000	70,588	114,412
Special instruction	316,367	500,000	544,966	(44,966)
Support services - pupil	121,548	192,100	103,516	88,584
Support services - instructional staff	-	-	262	(262)
Support services - administration	66,437	105,000	113,979	(8,979)
Total fringe benefits	<u>621,407</u>	<u>982,100</u>	<u>833,311</u>	<u>148,789</u>
Purchased services:				
Special instruction	390,867	617,741	232,904	384,837
Support services - operations and maintenance of plant	-	-	10,064	(10,064)
Total purchased services	<u>390,867</u>	<u>617,741</u>	<u>242,968</u>	<u>374,773</u>
Supplies and materials:				
Special instruction	18,383	29,053	25,299	3,754
Support services - instructional staff	-	-	500	(500)
Total supplies and materials	<u>18,383</u>	<u>29,053</u>	<u>25,799</u>	<u>3,254</u>
Total expenses	<u>2,370,156</u>	<u>3,745,894</u>	<u>3,212,113</u>	<u>533,781</u>
Excess of revenues over (under) expenditures	(1,099,349)	(445,894)	(1,487,477)	(1,041,583)
Other financing sources (uses):				
Advances - in	1,829,193	4,750,000	4,750,000	-
Advances - out	(1,929,842)	(3,050,000)	(3,050,000)	-
Total other financing sources (uses)	<u>(100,649)</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>
Net change in fund equity	(1,199,998)	1,254,106	212,523	(1,041,583)
Fund equity at beginning of year	333,780	333,780	333,780	-
Prior year encumbrances appropriated	894	894	894	-
Fund equity at end of year	\$ <u>(865,324)</u>	\$ <u>1,588,780</u>	\$ <u>547,197</u>	\$ <u>(1,041,583)</u>

Cleveland Heights-University Heights City School District

Food Services Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 531,265	\$ 600,500	\$ 380,656	\$ (219,844)
Intergovernmental	1,393,411	1,575,000	1,499,717	(75,283)
Total revenues	<u>1,924,676</u>	<u>2,175,500</u>	<u>1,880,373</u>	<u>(295,127)</u>
Expenses:				
Food service operations:				
Salaries and wages	495,964	585,000	673,771	(88,771)
Fringe benefits	254,340	300,000	320,042	(20,042)
Purchased services	<u>1,310,576</u>	<u>1,545,853</u>	<u>1,421,414</u>	<u>124,439</u>
Total expenses	<u>2,060,880</u>	<u>2,430,853</u>	<u>2,415,227</u>	<u>15,626</u>
Excess of revenues over (under) expenses	<u>(136,204)</u>	<u>(255,353)</u>	<u>(534,854)</u>	<u>(279,501)</u>
Other financing sources (uses):				
Advances - in	530,823	600,000	600,000	-
Advances - out	<u>(339,120)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>191,703</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund equity	55,499	(55,353)	(334,854)	(279,501)
Fund equity at beginning of year	286,694	286,694	286,694	-
Prior year encumbrances appropriated	<u>45,853</u>	<u>45,853</u>	<u>45,853</u>	<u>-</u>
Fund equity at end of year	\$ <u>388,049</u>	\$ <u>277,194</u>	\$ <u>(2,307)</u>	\$ <u>(279,501)</u>

Cleveland Heights-University Heights City School District

Uniform School Supplies Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 143,878	\$ 50,000	\$ 11,247	\$ (38,753)
Miscellaneous	-	-	16,221	16,221
Total revenues	<u>143,878</u>	<u>50,000</u>	<u>27,468</u>	<u>(22,532)</u>
Expenses:				
Supplies and materials:				
Regular instruction	35,000	35,000	17,888	17,112
Other non-instructional services	<u>2,500</u>	<u>2,500</u>	<u>16,425</u>	<u>(13,925)</u>
Total supplies and materials	37,500	37,500	34,313	3,187
Purchased services:				
Other non-instructional services	-	-	1,060	(1,060)
Total expenses	<u>37,500</u>	<u>37,500</u>	<u>35,373</u>	<u>2,127</u>
Excess of revenues over (under) expenses	106,378	12,500	(7,905)	(20,405)
Other financing sources (uses):				
Advances - out	<u>(25,500)</u>	<u>(25,500)</u>	-	25,500
Net change in fund equity	80,878	(13,000)	(7,905)	5,095
Fund equity at beginning of year	<u>30,814</u>	<u>30,814</u>	<u>30,814</u>	-
Fund equity at end of year	\$ <u>111,692</u>	\$ <u>17,814</u>	\$ <u>22,909</u>	\$ <u>5,095</u>

Cleveland Heights-University Heights City School District

Customer Services Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 50,000	\$ -	\$ (50,000)
Expenses:				
Purchased services:				
Support services - administration	11,000	11,000	-	11,000
Supplies and materials:				
Special instruction	-	5,200	-	-
Total expenses	11,000	11,000	-	11,000
Excess of revenues over (under) expenses	(11,000)	39,000	-	(27,912)
Other financing sources (uses):				
Transfers - out	(38,000)	(38,000)	-	38,000
Net change in fund equity	(49,000)	1,000	-	(1,000)
Fund equity at beginning of year	2,727	2,727	2,727	-
Fund equity at end of year	\$ (41,728)	\$ 3,727	\$ 2,727	\$ (1,000)

Cleveland Heights-University Heights City School District

Community Services/Early Childhood Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 800,634	\$ 660,000	\$ 648,027	\$ (11,973)
Expenses:				
Community services:				
Salaries and wages	519,771	538,000	507,987	30,013
Fringe benefits	178,731	185,000	213,473	(28,473)
Purchased services	9,419	9,750	23,367	(13,617)
Supplies and materials	21,577	22,333	26,172	(3,839)
Other	-	-	23	(23)
Total expenses	<u>729,498</u>	<u>755,083</u>	<u>771,022</u>	<u>(15,939)</u>
Excess of revenues over (under) expenses	<u>71,136</u>	<u>(95,083)</u>	<u>(122,995)</u>	<u>(27,912)</u>
Other financing sources (uses):				
Transfers - in	30,327	25,000	-	(25,000)
Transfers - out	(19,322)	(20,000)	-	20,000
Advances - in	<u>109,177</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Total other financing sources (uses)	<u>120,182</u>	<u>95,000</u>	<u>90,000</u>	<u>(5,000)</u>
Net change in fund equity	191,318	(83)	(32,995)	(32,912)
Fund equity at beginning of year	47,016	47,016	47,016	-
Prior year encumbrances appropriated	<u>1,263</u>	<u>1,263</u>	<u>1,263</u>	<u>-</u>
Fund equity at end of year	\$ <u>239,597</u>	\$ <u>48,196</u>	\$ <u>15,284</u>	\$ <u>(32,912)</u>

Cleveland Heights-University Heights City School District

Self-Insurance Fund

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

For the Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 22,320,000	\$ 22,320,000	\$ 14,788,259	\$ (7,531,741)
Expenses:				
Salaries and wages:				
Support services - central	43,515	25,000	-	25,000
Fringe benefits:				
Support services - central	23,455,920	13,475,879	14,333,322	(857,443)
Purchases services:				
Support services - central	566	325	81,081	(80,756)
Total expenses	<u>23,500,001</u>	<u>13,501,204</u>	<u>14,414,403</u>	<u>(913,199)</u>
Net change in fund equity	(1,180,001)	8,818,796	373,856	(8,444,940)
Fund equity at beginning of year	4,182,868	4,182,868	4,182,868	-
Prior year encumbrances appropriated	<u>1,204</u>	<u>1,204</u>	<u>1,204</u>	-
Fund equity at end of year	\$ <u>3,004,071</u>	\$ <u>13,002,868</u>	\$ <u>4,557,928</u>	\$ <u>(8,444,940)</u>

Cleveland Heights-University Heights City School District

Workers' Compensation Fund

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

For the Fiscal Year Ended June 30, 2012

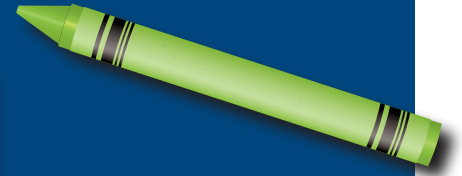
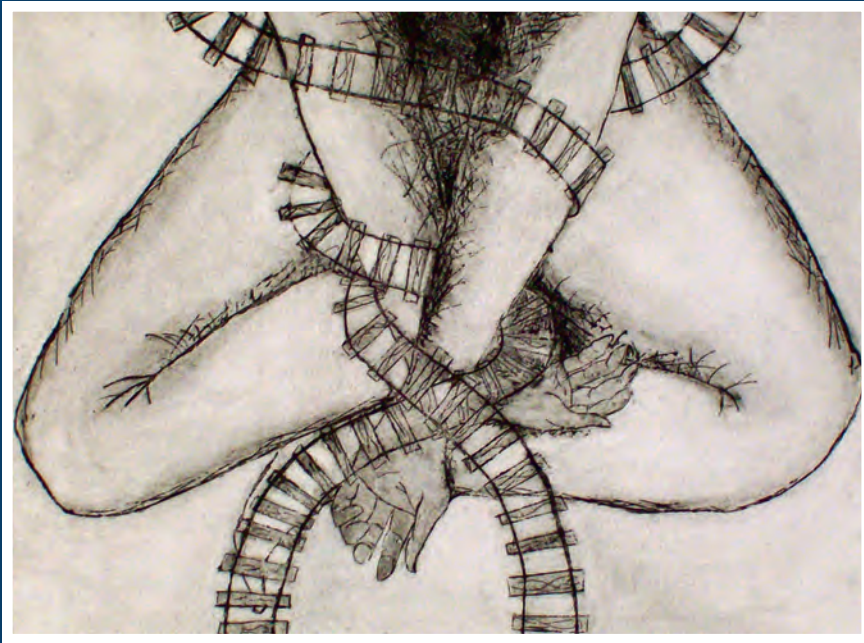
	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 750,000	\$ 750,000	\$ -	\$ (750,000)
Expenses:				
Fringe benefits:				
Support services - central	729,209	1,099,558	1,093,239	6,319
Purchased services:				
Support services - central	20,791	31,350	23,850	7,500
Total expenses	750,000	1,130,908	1,117,089	13,819
Net change in fund equity	-	(380,908)	(1,117,089)	(736,181)
Fund equity at beginning of year	1,516,444	1,516,444	1,516,444	-
Prior year encumbrances appropriated	150,908	150,908	150,908	-
Fund equity at end of year	\$ 1,667,352	\$ 1,286,444	\$ 550,263	\$ (736,181)

Cleveland Heights-University Heights City School District

Combining Statement of Changes in Assets and Liabilities – Agency Funds

For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>06/30/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/12</u>
Student activities:				
Assets:				
Equity in pooled cash and investments	\$ <u>58,861</u>	\$ <u>108,763</u>	\$ <u>73,832</u>	\$ <u>93,792</u>
Liabilities:				
Accounts payable	\$ 2,310	\$ 19,533	\$ 2,310	\$ 19,533
Due to students	<u>56,551</u>	<u>89,230</u>	<u>71,522</u>	<u>74,259</u>
Total liabilities	\$ <u>58,861</u>	\$ <u>108,763</u>	\$ <u>73,832</u>	\$ <u>93,792</u>



KATY COLLYER
Grade 12,
Cleveland Heights High School



LISA WARE
Grade 5,
Canterbury Elementary School



STATISTICAL *Section*



CHARLOTTE PISZEL
Grade 5, Roxboro Elementary School

Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2012

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

Contents	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	138-146
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	147-150
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	151-154
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.	155
Operating Information These schedules contain service data to help the reader understand how the Information in the District's financial report relates to the services the District provides and the activities it performs.	156-161

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Cleveland Heights-University Heights City School District

Net Assets by Component

Last Ten Fiscal Years

Table 1

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ 12,716,152	\$ 20,600,881	\$ 23,498,247	\$ 22,141,251	\$ 26,323,176	\$ 27,570,443	\$ 30,310,942	\$ 24,153,304	\$ 26,268,632	\$ 27,342,544
Restricted for:										
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036	1,927,491	2,467,742	2,568,283	1,481,800	1,220,404
Debt service	-	-	-	574,741	581,198	617,346	657,395	304,922	656,723	756,981
Other purposes	760,578	1,782,304	867,606	285,016	4,423	54,665	1,159,654	1,725,730	364,493	461,744
Qualified Zone Academy Bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269	3,424,494	3,592,508	3,741,214	3,897,177	4,057,651
Unrestricted	<u>13,017,617</u>	<u>11,739,480</u>	<u>22,834,399</u>	<u>50,813,197</u>	<u>50,779,010</u>	<u>58,669,637</u>	<u>61,051,577</u>	<u>58,524,444</u>	<u>51,903,551</u>	<u>46,627,095</u>
Total net assets - governmental activities	<u>32,610,915</u>	<u>38,667,255</u>	<u>54,086,934</u>	<u>79,802,183</u>	<u>82,362,112</u>	<u>92,264,076</u>	<u>99,239,818</u>	<u>91,017,897</u>	<u>84,572,376</u>	<u>80,466,419</u>
Business-type activities:										
Invested in capital assets, net of related debt	661,924	821,275	787,690	754,143	721,008	687,993	655,529	572,056	533,397	505,491
Unrestricted (deficit)	<u>(869,152)</u>	<u>(832,913)</u>	<u>(969,636)</u>	<u>(1,194,310)</u>	<u>(2,320,676)</u>	<u>(4,039,596)</u>	<u>(4,205,298)</u>	<u>(5,220,860)</u>	<u>(8,139,020)</u>	<u>(9,642,747)</u>
Total net assets - business-type activities	<u>(207,228)</u>	<u>(11,638)</u>	<u>(181,946)</u>	<u>(440,167)</u>	<u>(1,599,668)</u>	<u>(3,351,603)</u>	<u>(3,549,769)</u>	<u>(4,648,804)</u>	<u>(7,605,623)</u>	<u>(9,137,256)</u>
Primary government:										
Invested in capital assets, net of related debt	13,378,076	21,422,156	24,285,937	22,895,394	27,044,184	28,258,436	30,966,471	24,725,360	26,802,029	27,848,035
Restricted for:										
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036	1,927,491	2,467,742	2,568,283	1,481,800	1,220,404
Debt service	-	-	-	574,741	581,198	617,346	657,395	304,922	656,723	756,981
Other purposes	760,578	1,782,304	867,606	285,016	4,423	54,665	1,159,654	1,725,730	364,493	461,744
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269	3,424,494	3,592,508	3,741,214	3,897,177	4,057,651
Unrestricted	<u>12,148,465</u>	<u>10,906,567</u>	<u>21,864,763</u>	<u>49,618,887</u>	<u>48,458,334</u>	<u>54,630,041</u>	<u>56,846,279</u>	<u>53,303,584</u>	<u>43,764,531</u>	<u>36,984,348</u>
Total net assets - primary government	<u>\$ 32,403,687</u>	<u>\$ 38,655,617</u>	<u>\$ 53,904,988</u>	<u>\$ 79,362,016</u>	<u>\$ 80,762,444</u>	<u>\$ 88,912,473</u>	<u>\$ 95,690,049</u>	<u>\$ 86,369,093</u>	<u>\$ 76,966,753</u>	<u>\$ 71,329,163</u>

Source: School District financial records. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

The fiscal year 2010 information has been restated.

Cleveland Heights-University Heights City School District

Changes in Net Assets

Last Ten Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
Regular instruction	\$ 34,958,355	\$ 36,417,770	\$ 37,821,356	\$ 35,341,336	\$ 35,895,404	\$ 36,794,327	\$ 35,816,557	\$ 37,442,211	\$ 41,334,122	\$ 45,242,090
Special instruction	7,570,304	7,890,280	8,555,472	8,573,448	9,844,902	9,531,722	10,463,382	12,357,959	13,830,108	12,947,396
Vocational instruction	1,839,843	1,774,417	1,761,548	1,662,594	1,701,696	1,738,386	2,033,266	1,917,084	2,075,152	2,306,559
Adult/continuing instruction	249,789	238,686	257,212	145,191	270,336	981,637	620,287	233,715	346,356	335,150
Other instruction	2,454,574	2,664,644	2,053,694	3,405,263	2,728,650	3,152,431	4,018,831	4,424,806	5,341,468	7,154,104
Pupil	7,951,089	9,177,483	9,482,769	9,436,509	9,342,399	8,713,755	8,651,483	9,001,406	8,922,133	9,891,614
Instructional staff	5,056,893	5,524,342	4,955,130	4,469,078	5,271,776	6,024,296	6,464,766	5,149,498	6,158,641	6,445,138
Board of education	491,748	579,903	620,020	530,377	484,231	545,385	460,684	482,582	590,673	586,707
Administration	5,514,641	5,999,231	6,178,788	6,167,949	6,281,020	7,041,253	6,557,021	6,183,059	5,963,161	1,819,530
Fiscal	1,964,999	1,554,698	1,990,102	2,019,423	2,177,550	2,077,340	2,185,544	3,028,623	2,441,386	2,573,478
Business	2,494,829	2,687,483	2,320,386	2,307,448	2,299,809	1,881,251	1,533,645	1,344,500	1,583,775	1,552,317
Operation and maintenance of plant	11,645,982	8,631,086	11,949,256	11,451,826	10,444,810	11,149,385	11,392,037	11,722,180	12,471,455	12,510,123
Pupil transportation	3,253,212	3,192,244	3,055,811	3,498,625	3,909,255	4,265,255	4,269,391	4,550,353	4,499,491	5,302,386
Central	2,976,889	2,641,862	2,767,128	2,976,522	2,874,077	2,825,873	3,318,696	3,522,237	3,766,198	5,429,997
Operations of non-instructional services	2,381,565	1,835,912	2,038,093	1,920,647	2,467,145	2,065,415	2,664,776	2,215,880	2,538,766	2,076,586
Food service operations	-	-	-	-	-	-	-	5,776	5,485	2,981
Extracurricular activities	1,170,728	1,108,523	1,195,101	1,157,041	1,524,317	1,612,459	1,641,907	1,478,856	1,618,758	1,769,909
Capital outlay	122,904	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	610,196	732,788	589,770	570,050	673,878	713,571	736,771	525,075	519,722	461,235
Total governmental activities expenses	<u>92,708,540</u>	<u>92,651,352</u>	<u>97,591,636</u>	<u>95,633,327</u>	<u>98,191,255</u>	<u>101,113,741</u>	<u>102,829,044</u>	<u>105,585,800</u>	<u>114,006,850</u>	<u>118,407,300</u>
Business-type activities:										
Food services	2,539,369	2,410,538	2,275,179	2,112,230	2,248,241	2,599,332	2,352,105	2,354,293	2,310,751	2,434,896
Uniform school supplies	40,248	70,813	86,629	75,620	65,933	92,805	61,717	74,610	31,350	31,824
Customer services	47,037	33,077	19,536	9,112	12,347	15,811	10,805	20,356	9,385	-
Community services/early childhood	1,286,944	1,465,300	791,388	821,651	739,277	616,929	635,218	731,703	746,880	743,185
Bellefaire General Rotary	2,953,518	2,911,252	2,615,327	2,827,708	2,892,502	2,954,725	3,169,419	3,395,010	3,459,420	3,189,684
Total business-type activities expenses	<u>6,867,116</u>	<u>6,890,980</u>	<u>5,788,059</u>	<u>5,846,321</u>	<u>5,958,300</u>	<u>6,279,602</u>	<u>6,229,264</u>	<u>6,575,972</u>	<u>6,557,786</u>	<u>6,399,589</u>
Total primary government expenses	<u>99,575,656</u>	<u>99,542,332</u>	<u>103,379,695</u>	<u>101,479,648</u>	<u>104,149,555</u>	<u>107,393,343</u>	<u>109,058,308</u>	<u>112,161,772</u>	<u>120,564,636</u>	<u>124,806,889</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Ten Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program revenues:										
Governmental activities:										
Charges for services:										
Regular instruction	2,162,966	3,079,957	984,055	526,747	263,099	293,408	340,704	304,805	343,243	157,440
Special instruction	-	-	-	3,595,546	3,252,614	2,376,298	2,583,786	1,596,975	3,917,868	2,833,543
Vocational instruction	-	-	63,695	136,066	6,482	11,122	4,500	2,500	-	-
Adult/continuing instruction	-	-	-	6,825	9,397	5,465	3,474	930	-	-
Other instruction	566,797	31,532	-	-	-	-	-	-	-	-
Pupil	21,220	-	421	-	-	-	-	-	-	-
Administration	-	-	17,506	62,689	10,847	10,075	6,644	13,196	30,575	132,968
Pupil transportation	-	87,728	51,315	93,487	75,075	138,450	134,264	183,378	121,733	205,743
Community services	-	1,763,998	2,312,716	-	-	-	-	-	-	-
Extracurricular activities	116,855	418,013	357,465	44,292	92,616	100,420	91,070	95,025	59,767	115,175
Operating grants and contributions:										
Regular instruction	3,150,954	3,483,264	3,050,460	2,420,203	4,843,017	4,001,706	3,976,497	861,906	1,842,682	623,151
Special instruction	1,853,403	4,799,905	5,515,582	1,801,912	1,698,848	1,810,241	4,057,069	6,880,495	5,590,342	5,259,112
Vocational instruction	238,846	15,476	2,860,034	247,590	276,976	265,483	282,167	288,776	293,148	194,247
Adult/continuing instruction	508,232	-	-	-	290,714	245,318	343,219	269,869	444,629	537,124
Other instruction	-	-	2,264	-	-	-	-	-	-	-
Pupil	655,546	32,558	162,357	-	249,832	173,942	190,688	93,679	93,459	112,257
Instructional staff	142,883	569,528	-	-	3,300	12,970	12,970	-	-	-
Administration	55,280	-	-	-	21,633	-	-	-	-	-
Operation and maintenance of plant	45,500	-	-	77,993	29,821	-	-	-	-	-
Pupil transportation	186,892	30,090	-	-	-	-	-	-	-	-
Central	26,220	-	21,752	64,400	42,000	-	185	-	-	-
Community services	1,962,989	10,313	1,817,509	1,883,275	1,932,606	1,962,731	2,023,367	1,914,708	1,562,377	1,784,599
Capital grants and contributions:										
Regular instruction	-	48,750	48,750	-	-	-	-	-	-	-
Pupil	-	-	-	-	-	43,132	-	-	-	-
Operation and maintenance of plant	-	-	-	30,000	46,513	19,577	36,294	-	-	-
Pupil transportation	56,288	8,181	-	-	-	-	-	-	-	-
Central	-	-	-	-	-	42,000	36,000	-	27,300	-
Total governmental activities										
program revenues	<u>11,750,871</u>	<u>14,379,293</u>	<u>17,265,881</u>	<u>10,991,025</u>	<u>13,145,390</u>	<u>11,512,338</u>	<u>14,122,898</u>	<u>12,506,242</u>	<u>14,327,123</u>	<u>11,955,359</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Ten Fiscal Years

Table 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services:										
Food services	998,818	1,127,693	545,521	732,621	650,639	584,762	543,076	484,176	405,888	384,300
Uniform school supplies	43,492	77,652	73,630	73,253	60,424	65,986	63,943	48,737	30,361	27,468
Customer services	23,305	18,245	20,032	35,038	3,359	2,240	17,980	18,430	1,000	-
Community services/early childhood	1,481,117	1,181,284	890,313	784,388	617,183	606,389	695,690	687,621	720,938	620,621
Bellefaire General Rotary	1,741,370	2,592,146	1,776,450	1,861,111	2,007,314	1,538,587	2,727,969	2,515,584	611,951	2,222,430
Operating grants and contributions:										
Food services	1,245,716	1,017,510	2,311,805	2,104,689	1,457,295	1,584,727	1,632,068	1,804,716	1,661,511	1,613,137
Bellefaire general rotary	663,565	804,585	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Food services	-	-	-	-	-	-	-	116,347	-	-
Total business-type activities										
program revenues	<u>6,197,383</u>	<u>6,819,115</u>	<u>5,617,751</u>	<u>5,591,100</u>	<u>4,796,214</u>	<u>4,382,691</u>	<u>5,680,726</u>	<u>5,675,611</u>	<u>3,431,649</u>	<u>4,867,956</u>
Total primary government program revenues	<u>17,948,254</u>	<u>21,198,408</u>	<u>22,883,632</u>	<u>16,582,125</u>	<u>17,941,604</u>	<u>15,895,029</u>	<u>19,803,624</u>	<u>18,181,853</u>	<u>17,758,772</u>	<u>16,823,315</u>
Net expense:										
Governmental activities	(80,957,669)	(78,272,059)	(80,325,755)	(84,642,302)	(85,045,865)	(89,601,403)	(88,706,146)	(93,079,558)	(99,679,727)	(106,451,941)
Business-type activities	<u>(669,733)</u>	<u>(71,865)</u>	<u>(170,308)</u>	<u>(255,221)</u>	<u>(1,162,086)</u>	<u>(1,896,911)</u>	<u>(548,538)</u>	<u>(900,361)</u>	<u>(3,126,137)</u>	<u>(1,531,633)</u>
Total primary government net expense	<u>(81,627,402)</u>	<u>(78,343,924)</u>	<u>(80,496,063)</u>	<u>(84,897,523)</u>	<u>(86,207,951)</u>	<u>(91,498,314)</u>	<u>(89,254,684)</u>	<u>(93,979,919)</u>	<u>(102,805,864)</u>	<u>(107,983,574)</u>
General revenues and other changes										
in net assets:										
Governmental activities:										
Property taxes levied for:										
General purpose	50,466,423	56,364,919	60,310,034	76,288,318	57,086,358	66,578,842	62,320,929	55,807,544	57,099,411	65,982,589
Debt service	501,821	894,502	929,117	535,005	741,683	648,181	622,174	590,518	604,768	671,452
Capital projects	2,692,133	4,929,571	3,069,014	4,455,425	3,131,163	3,235,694	3,068,044	2,708,377	2,748,213	3,087,683
Payments in lieu of property taxes	-	-	-	-	-	178,090	17,774	1,813	-	-
Grants and entitlements not restricted										
to specific programs	16,603,073	21,819,121	30,581,825	26,687,865	23,469,550	25,907,434	27,656,292	32,788,606	31,992,845	31,837,748
Investment earnings	260,631	587,741	462,659	1,432,840	2,322,959	1,900,552	1,200,992	489,176	306,230	273,286
Miscellaneous	-	-	392,785	955,098	856,666	1,199,550	1,146,055	1,116,647	652,057	493,226
Transfers	<u>(545,509)</u>	<u>(267,455)</u>	<u>-</u>	<u>3,000</u>	<u>(2,585)</u>	<u>(144,976)</u>	<u>(350,372)</u>	<u>-</u>	<u>(169,318)</u>	<u>-</u>
Total governmental activities	<u>69,978,572</u>	<u>84,328,399</u>	<u>95,745,434</u>	<u>110,357,551</u>	<u>87,605,794</u>	<u>99,503,367</u>	<u>95,681,888</u>	<u>93,502,681</u>	<u>93,234,206</u>	<u>102,345,984</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Net Assets (continued)

Last Ten Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Business-type activities:										
Transfers	<u>545,509</u>	<u>267,455</u>	<u>-</u>	<u>(3,000)</u>	<u>2,585</u>	<u>144,976</u>	<u>350,372</u>	<u>-</u>	<u>169,318</u>	<u>-</u>
Total primary government general revenues and other changes in net assets	<u>70,524,081</u>	<u>84,595,854</u>	<u>95,745,434</u>	<u>110,354,551</u>	<u>87,608,379</u>	<u>99,648,343</u>	<u>96,032,260</u>	<u>93,502,681</u>	<u>93,403,524</u>	<u>102,345,984</u>
Change in net assets:										
Governmental activities	<u>(10,979,097)</u>	<u>6,056,340</u>	<u>15,419,679</u>	<u>25,715,249</u>	<u>2,559,929</u>	<u>9,901,964</u>	<u>6,975,742</u>	<u>423,123</u>	<u>(6,445,521)</u>	<u>(4,105,957)</u>
Business-type activities	<u>(124,224)</u>	<u>195,590</u>	<u>(170,308)</u>	<u>(258,221)</u>	<u>(1,159,501)</u>	<u>(1,751,935)</u>	<u>(198,166)</u>	<u>(900,361)</u>	<u>(2,956,819)</u>	<u>(1,531,633)</u>
Total primary government change in net assets	<u>\$ (11,103,321)</u>	<u>\$ 6,251,930</u>	<u>\$ 15,249,371</u>	<u>\$ 25,457,028</u>	<u>\$ 1,400,428</u>	<u>\$ 8,150,029</u>	<u>\$ 6,777,576</u>	<u>\$ (477,238)</u>	<u>\$ (9,402,340)</u>	<u>\$ (5,637,590)</u>

Source: School District financial records. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Cleveland Heights-University Heights City School District

Program Revenues by Function/Program

Last Ten Fiscal Years

Table 3

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Regular instruction	\$ 5,313,920	\$ 6,611,971	\$ 4,083,265	\$ 2,946,950	\$ 5,106,116	\$ 4,295,114	\$ 4,317,201	\$ 1,166,711	\$ 2,185,925	\$ 780,591
Special instruction	1,853,403	4,799,905	5,515,582	5,397,458	4,951,462	4,186,539	6,640,855	8,477,470	9,508,210	8,092,655
Vocational instruction	238,846	15,476	2,923,729	383,656	283,458	276,605	286,667	291,276	293,148	194,247
Adult/continuing instruction	508,232	-	-	6,825	300,111	250,783	346,693	270,799	444,629	537,124
Other instruction	566,797	31,532	2,264	-	-	-	-	-	-	-
Pupil	676,766	32,558	162,778	-	249,832	217,074	190,688	93,679	93,459	112,257
Instructional staff	142,883	569,528	-	-	3,300	12,970	12,970	-	-	-
Administration	55,280	-	17,506	62,689	32,480	10,075	6,644	13,196	30,575	132,968
Operation and maintenance of plant	45,500	-	-	107,993	76,334	19,577	36,294	-	-	-
Pupil transportation	243,180	125,999	51,315	93,487	75,075	138,450	134,264	183,378	121,733	205,743
Central	26,220	-	21,752	64,400	42,000	42,000	36,185	-	27,300	1,784,599
Community services	1,962,989	1,774,311	4,130,225	1,883,275	1,932,606	1,962,731	2,023,367	1,914,708	1,562,377	-
Extracurricular activities	116,855	418,013	357,465	44,292	92,616	100,420	91,070	95,025	59,767	115,175
Total governmental activities	<u>11,750,871</u>	<u>14,379,293</u>	<u>17,265,881</u>	<u>10,991,025</u>	<u>13,145,390</u>	<u>11,512,338</u>	<u>14,122,898</u>	<u>12,506,242</u>	<u>14,327,123</u>	<u>11,955,359</u>
Business-type activities:										
Food services	2,244,534	2,145,203	2,857,326	2,837,310	2,107,934	2,169,489	2,175,144	2,405,239	2,067,399	1,997,437
Uniform school supplies	43,492	77,652	73,630	73,253	60,424	65,986	63,943	48,737	30,361	27,468
Customer services	23,305	18,245	20,032	35,038	3,359	2,240	17,980	18,430	1,000	-
Community services/early childhood	1,481,117	1,181,284	890,313	784,388	617,183	606,389	695,690	687,621	720,938	620,621
Bellefaire General Rotary	2,404,935	3,396,731	1,776,450	1,861,111	2,007,314	1,538,587	2,727,969	2,515,584	611,951	2,222,430
Total business-type activities	<u>6,197,383</u>	<u>6,819,115</u>	<u>5,617,751</u>	<u>5,591,100</u>	<u>4,796,214</u>	<u>4,382,691</u>	<u>5,680,726</u>	<u>5,675,611</u>	<u>3,431,649</u>	<u>4,867,956</u>
Total primary government program revenues	\$ <u>17,948,254</u>	\$ <u>21,198,408</u>	\$ <u>22,883,632</u>	\$ <u>16,582,125</u>	\$ <u>17,941,604</u>	\$ <u>15,895,029</u>	\$ <u>19,803,624</u>	\$ <u>18,181,853</u>	\$ <u>17,758,772</u>	\$ <u>16,823,315</u>

Source: School District financial records. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Cleveland Heights-University Heights City School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,185	\$ 388,565
Restricted	-	-	-	-	-	-	-	-	2,425,675	-
Committed	-	-	-	-	-	-	-	-	-	16,583
Assigned	-	-	-	-	-	-	-	-	1,587,479	2,823,863
Unassigned	-	-	-	-	-	-	-	-	49,220,502	42,341,725
Reserved	8,159,310	14,015,916	17,421,642	31,484,977	28,287,616	33,065,009	29,045,094	20,559,439	-	-
Unreserved	<u>10,062,100</u>	<u>1,924,082</u>	<u>13,612,213</u>	<u>21,350,110</u>	<u>27,784,974</u>	<u>31,865,555</u>	<u>37,282,074</u>	<u>40,721,484</u>	-	-
Total general fund	<u>18,221,410</u>	<u>15,939,998</u>	<u>31,033,855</u>	<u>52,835,087</u>	<u>56,072,590</u>	<u>64,930,564</u>	<u>66,327,168</u>	<u>61,280,923</u>	<u>53,610,841</u>	<u>45,570,736</u>
All other governmental funds:										
Restricted	-	-	-	-	-	-	-	-	6,242,013	6,146,770
Unassigned	-	-	-	-	-	-	-	-	(1,358,259)	(1,014,561)
Reserved	4,927,249	9,767,446	7,642,807	4,704,397	2,959,452	2,968,533	3,589,646	2,782,844	-	-
Unreserved, undesignated reported in:										
Special revenue funds	953,319	217,477	1,179,271	648,244	(719,527)	(144,420)	(325,719)	10,070	-	-
Debt service funds	81,071	98,444	211,488	-	-	-	-	-	-	-
Capital projects funds	<u>1,173,189</u>	<u>1,433,228</u>	<u>265,668</u>	<u>2,415,169</u>	<u>2,957,383</u>	<u>3,430,357</u>	<u>3,641,857</u>	<u>3,912,946</u>	-	-
Total all other governmental funds	<u>7,134,828</u>	<u>11,516,595</u>	<u>9,297,234</u>	<u>7,767,810</u>	<u>5,197,308</u>	<u>6,254,470</u>	<u>6,905,784</u>	<u>6,705,860</u>	<u>4,883,754</u>	<u>5,132,209</u>
Total governmental funds	\$ <u>25,356,238</u>	\$ <u>27,456,593</u>	\$ <u>40,331,089</u>	\$ <u>60,602,897</u>	\$ <u>61,269,898</u>	\$ <u>71,185,034</u>	\$ <u>73,232,952</u>	\$ <u>67,986,783</u>	\$ <u>58,494,595</u>	\$ <u>50,702,945</u>

Source: School District financial records.

Note: The District implemented GASB 54 in 2011.

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 5

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$ 46,308,999	\$ 60,162,590	\$ 65,125,482	\$ 80,068,149	\$ 62,525,139	\$ 70,309,309	\$ 65,374,496	\$ 58,111,449	\$ 59,741,780	\$ 67,893,727
Payments in lieu of property taxes	-	-	-	-	-	85,089	110,775	1,813	-	-
Intergovernmental	33,868,366	33,979,643	40,330,849	35,994,845	35,909,507	37,665,113	38,219,178	42,481,847	45,195,019	41,721,066
Tuition and fees	589,353	666,018	3,000,244	563,807	1,691,244	718,184	1,084,330	1,132,778	919,510	2,103,521
Transportation fees	56,288	76,823	51,315	-	-	-	-	-	-	-
Earnings on investments	254,688	169,792	462,659	1,432,840	2,322,959	1,900,552	1,200,992	489,176	306,230	229,786
Extracurricular activities	347,415	276,992	357,465	187,545	221,068	225,465	243,331	247,153	193,720	214,197
Classroom materials and fees	65,752	47,994	24,334	21,612	31,683	26,783	36,870	21,525	7,769	6,628
Miscellaneous	1,273,296	634,344	1,864,071	1,522,733	1,078,839	1,840,138	1,805,193	1,758,554	909,544	590,072
Total revenues	<u>82,764,157</u>	<u>96,014,196</u>	<u>111,216,419</u>	<u>119,791,531</u>	<u>103,780,439</u>	<u>112,770,633</u>	<u>108,075,165</u>	<u>104,244,295</u>	<u>107,273,572</u>	<u>112,758,997</u>
Expenditures:										
Current:										
Instruction:										
Regular	34,583,645	33,868,601	34,236,479	34,573,204	36,216,029	36,489,302	35,617,232	37,438,613	40,644,644	41,711,646
Special	7,558,962	7,718,576	8,465,988	8,604,906	9,727,158	9,575,382	10,458,889	12,350,826	13,869,106	12,871,556
Vocational	1,828,643	1,695,105	1,717,241	1,670,809	1,681,895	1,718,541	2,006,303	1,917,949	2,133,784	2,253,201
Adult/continuing	249,789	258,416	256,099	147,662	263,554	1,019,433	1,097,166	243,510	351,808	359,859
Other instruction	2,454,574	2,675,944	2,053,694	3,404,613	2,728,650	3,152,431	3,552,064	4,424,310	5,341,468	7,119,352
Support services:										
Pupil	7,951,441	8,910,162	9,398,698	9,460,564	9,397,066	8,718,866	8,728,926	9,040,268	9,059,801	9,710,922
Instructional staff	4,835,159	5,385,171	4,786,153	4,416,605	5,175,284	5,992,632	6,445,317	7,798,200	5,929,177	5,744,220
Board of education	491,748	543,274	620,020	530,377	484,231	545,385	460,684	482,582	590,673	586,707
Administration	5,524,040	5,848,938	6,001,439	6,124,940	6,245,179	7,091,960	6,640,220	6,172,891	6,231,154	6,069,379
Fiscal	1,956,620	1,532,415	1,982,278	2,050,644	2,186,609	2,076,801	2,185,469	3,029,193	2,441,153	2,577,403
Business	4,087,808	5,139,737	2,293,991	2,300,101	2,271,198	2,249,394	1,539,458	1,367,110	1,867,829	1,418,638
Operation and maintenance of plant	14,280,666	16,007,194	16,773,828	11,076,485	10,230,156	10,331,539	11,521,381	13,204,102	13,667,124	13,738,248
Pupil transportation	3,194,204	3,229,414	2,872,764	3,347,240	3,753,311	4,080,869	4,199,497	4,461,495	4,660,456	4,956,598
Central	2,942,986	2,594,369	2,726,067	2,982,146	2,861,101	2,926,115	3,619,618	3,727,743	3,786,451	5,419,739
Operations of non-instructional services:										
Food service	976	24	-	-	-	-	-	5,776	5,446	2,981
Community services	2,279,893	1,755,029	2,026,440	1,828,088	2,359,941	1,965,639	2,528,283	2,126,328	2,356,186	1,965,327
Other	100,920	50,795	-	94,520	96,664	105,715	115,736	120,946	123,112	117,942
Extracurricular activities	1,154,995	1,077,510	1,202,092	1,131,599	1,526,574	1,518,699	1,591,867	1,482,333	1,586,270	1,731,341
Capital outlay	139,138	124,678	-	4,268,101	4,132,268	2,091,645	1,809,386	-	-	-
Debt service:										
Principal	1,409,915	1,274,239	910,000	930,000	1,097,667	1,147,357	1,493,387	2,193,347	1,815,920	1,721,314
Interest and fiscal charges	729,241	733,060	596,144	571,259	676,318	709,119	744,720	503,908	532,226	474,274
Total expenditures	<u>97,755,363</u>	<u>100,422,651</u>	<u>98,919,415</u>	<u>99,513,863</u>	<u>103,110,853</u>	<u>103,506,824</u>	<u>106,355,603</u>	<u>112,091,430</u>	<u>116,993,788</u>	<u>120,550,647</u>

Continued

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years

Table 5

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Excess of revenues over (under) expenditures	<u>(14,991,206)</u>	<u>(4,408,455)</u>	<u>12,297,004</u>	<u>20,277,668</u>	<u>669,586</u>	<u>9,263,809</u>	<u>1,719,562</u>	<u>(7,847,135)</u>	<u>(9,720,216)</u>	<u>(7,791,650)</u>
Other financing sources (uses):										
Issuance of bonds	5,800,000	-	-	-	-	-	-	-	-	-
Inception of capital leases	732,323	835,560	577,492	-	-	796,303	678,728	2,600,966	397,346	-
Qualified zone academy bonds	-	5,500,000	-	-	-	-	-	-	-	-
Other	5,942	-	-	-	-	-	-	-	-	-
Transfers-in	2,307,593	7,128,579	1,432,606	997,692	1,339,411	1,383,323	2,077,014	570,000	1,303,351	914,388
Refund of prior year expenditures	-	-	-	71,786	-	-	-	-	-	-
Transfers-out	(2,103,102)	(6,955,329)	(1,432,606)	(994,692)	(1,341,996)	(1,528,299)	(2,427,386)	(570,000)	(1,472,669)	(914,388)
Refund of prior year receipts	-	-	-	(80,646)	-	-	-	-	-	-
Total other financing sources (uses)	<u>6,742,756</u>	<u>6,508,810</u>	<u>577,492</u>	<u>(5,860)</u>	<u>(2,585)</u>	<u>651,327</u>	<u>328,356</u>	<u>2,600,966</u>	<u>228,028</u>	<u>-</u>
Net change in fund balances	\$ <u><u>(8,248,450)</u></u>	\$ <u><u>2,100,355</u></u>	\$ <u><u>12,874,496</u></u>	\$ <u><u>20,271,808</u></u>	\$ <u><u>667,001</u></u>	\$ <u><u>9,915,136</u></u>	\$ <u><u>2,047,918</u></u>	\$ <u><u>(5,246,169)</u></u>	\$ <u><u>(9,492,188)</u></u>	\$ <u><u>(7,791,650)</u></u>
Debt service as a percentage of noncapital expenditures	2.19%	1.98%	1.53%	1.51%	1.79%	1.83%	2.16%	2.52%	2.07%	1.82%

Source: School District financial records.

Cleveland Heights-University Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Table 6

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Total Direct Tax Rate	Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2003	\$ 937,234,820	\$ 2,677,813,771	\$ 31,701,920	\$ 36,024,909	\$ 25,539,854	\$ 111,042,843	\$ 994,476,594	\$ 2,824,881,523	\$ 121.10	35.0%
2004	1,066,559,720	3,047,313,486	33,561,950	38,138,580	23,331,004	101,439,148	1,123,452,674	3,186,891,214	121.10	35.0
2005	1,135,565,940	3,244,474,114	30,356,400	34,495,909	22,495,796	97,807,809	1,188,418,136	3,376,777,832	129.50	35.0
2006	1,068,833,330	3,053,809,514	27,878,630	31,680,261	23,111,301	100,483,917	1,119,823,261	3,185,973,692	129.50	35.0
2007	1,218,353,600	3,481,010,286	17,706,520	20,121,046	11,791,553	94,332,424	1,247,851,673	3,595,463,756	129.60	34.7
2008	1,230,715,140	3,516,328,971	11,548,270	13,123,034	9,140,242	73,121,936	1,251,403,652	3,675,695,877	136.70	34.7
2009	1,217,296,300	3,477,989,429	12,095,890	13,745,330	4,791,945	76,671,120	1,234,184,135	3,568,405,879	136.70	34.6
2010	1,131,890,150	3,233,971,857	12,905,470	14,665,307	-	-	1,144,795,620	3,248,637,167	136.80	35.2
2011	1,133,384,720	3,238,242,057	13,289,430	15,101,625	-	-	1,146,674,150	3,253,343,682	136.80	35.2
2012	1,120,618,240	3,201,766,400	13,770,650	15,648,466	-	-	1,134,388,890	3,217,414,866	143.70	35.3

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

Estimated actual values are calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

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

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

Cleveland Heights-University Heights City School District

Principal Taxpayers – Real Estate Tax

Fiscal Year 2012 and Fiscal Year 2003

Table 7

<u>Name of Taxpayer</u>	<u>December 31, 2011 (1)</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Severance Spe Lease Co., LLC (SCIT, Inc.)	\$ 16,115,440	1.41%
Kaiser Foundation Health Plan of Ohio	11,621,820	1.01%
Cleveland Electric Illuminating Company	9,864,610	0.86%
Inland Western University Heights	6,377,040	0.56%
Coral Cedar Center LLC	5,330,190	0.46%
The May Department Stores	2,607,500	0.23%
Concord Apartments LLC	2,591,190	0.23%
ARC Cleveland Hts., LLC	2,537,510	0.22%
Kensington Ltd. Partnership	2,520,000	0.22%
Western Reserve (Severance Housing Corp.)	2,275,010	0.20%
Total	\$ <u>61,840,310</u>	<u>5.40%</u>

<u>Name of Taxpayer</u>	<u>December 31, 2002 (2)</u>	
	<u>Assessed Value (2)</u>	<u>Percent of Total Assessed Value</u>
SCIT, Inc.	\$ 12,791,600	1.36%
AT&T Wireless PCS	10,295,760	1.10%
Kaiser Foundation Health Plan of Ohio	7,791,840	0.83%
The Cleveland Electric Illuminating Company	6,274,120	0.67%
Ohio Bell Telephone Company	6,142,900	0.66%
American Retirement Corporation	3,882,380	0.41%
Kensington Ltd. Partnership	3,674,690	0.39%
Margaret Wagner Apartments, Inc.	2,400,650	0.26%
Concord Company	2,290,930	0.25%
Waldorf Partners, Ltd. Partnership	2,145,370	0.23%
Total	\$ <u>57,690,240</u>	<u>6.16%</u>

Source: Cuyahoga County Auditor

- (1) Assessed values are for the 2011 collection year.
- (2) Assessed values are for the 2002 collection year.

Cleveland Heights-University Heights City School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years

Table 8

Tax 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			
									School	County	City	Total
2002/2003	\$ 121.10	\$ 14.65	\$ 14.10	\$ 1.55	\$ 5.90	\$ 0.00	\$ 0.00	\$ 157.30	\$ 3.80	\$ 0.91	\$ 6.10	\$ 10.81
2003/2004	121.10	13.52	14.00	1.55	5.90	2.80	0.13	159.00	3.80	0.91	6.00	10.71
2004/2005	129.50	13.52	13.10	1.85	5.90	2.80	0.13	166.80	3.80	0.61	6.48	10.89
2005/2006	129.50	13.52	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.71	6.48	10.99
2006/2007	129.60	13.42	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.74	6.48	11.02
2007/2008	136.70 ⁽¹⁾	13.42	12.90	1.85	5.90	2.80	0.13	173.70	3.80	0.74	6.48	11.02
2008/2009	136.70 ⁽¹⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.50	3.80	0.74	6.48	11.02
2009/2010	136.80 ⁽²⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02
2010/2011	136.80 ⁽²⁾	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02
2011/2012	143.70 ⁽³⁾	13.22	13.00	1.85	7.80	3.10	0.13	182.80	3.80	0.85	2.90	7.55

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

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

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

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

Cleveland Heights-University Heights City School District

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

Last Ten Years

Table 9

<u>Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Percent of Total Collections to Tax Levy</u>
2003	\$ 60,216,887	\$ 4,017,319	\$ 64,234,206	\$ 57,410,608	95.33%	\$ 2,830,263	\$ 60,240,871	93.78%
2004	63,884,607	3,977,674	67,862,281	58,532,812	91.62	3,179,666	61,712,478	90.94
2005	73,993,743	6,538,173	80,531,917	65,677,215	88.76	3,208,654	68,885,869	85.54
2006	73,180,871	6,317,749	79,498,620	69,220,320	94.58	4,081,167	73,301,487	92.20
2007	72,118,959	6,209,258	78,328,217	68,342,993	94.76	3,433,220	71,776,214	91.64
2008	80,279,737	6,829,786	87,109,523	69,488,916	86.56	4,198,730	73,687,646	84.59
2009	79,306,636	6,986,422	86,293,058	73,681,014	92.91	4,122,635	77,803,649	90.16
2010	78,224,800	6,840,923	85,065,723	72,761,558	93.02	3,556,037	76,317,595	89.72
2011	77,544,197	7,955,876	85,500,073	70,779,938	91.28	3,834,324	74,614,262	87.27
2012	77,532,166	8,729,765	86,261,931	70,108,742	90.43	3,494,985	73,603,727	85.33

Source: Cuyahoga County Auditor – Data is presented on a fiscal year basis, consistent with the County Auditor’s method of maintaining the information. 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, 2011

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	\$ <u>14,713,514</u>	100.00%	\$ <u>14,713,514</u>
Total direct	<u>14,713,514</u>		<u>14,713,514</u>
Overlapping:			
City of Cleveland Heights	17,011,000	75.64	12,867,120
City of South Euclid	21,215,755	1.86	394,613
City of University Heights	2,762,000	22.50	621,450
Cuyahoga County	332,440,000	3.92	13,031,648
Regional Transit Authority	<u>129,495,000</u>	3.92	<u>5,076,204</u>
Total overlapping	<u>500,067,948</u>		<u>31,991,035</u>
Grand total	\$ <u>514,781,462</u>		\$ <u>46,704,549</u>

Source: Cuyahoga County Auditor – Data is presented on a calendar year basis, consistent with the County Auditor’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 2011 collection year.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

Last Ten Fiscal Years

Table 11

	2003	2004	2005	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010	2011	2012
Assessed valuation	\$ 994,476,594	\$ 1,123,452,674	\$ 1,188,418,136	\$ 1,079,491,310	\$ 1,229,566,760	\$ 1,242,263,410	\$ 1,226,213,160	\$ 1,144,795,620	\$ 1,146,674,150	\$ 1,134,388,890
Debt limit - 9% of assessed value	\$ 89,502,893	\$ 101,110,741	\$ 106,957,632	\$ 97,154,218	\$ 110,661,008	\$ 111,803,707	\$ 110,359,184	\$ 103,031,606	\$ 103,200,674	102,095,000
Amount of debt applicable to debt limit:										
General obligation bonds	16,189,990	15,534,990	14,624,990	13,694,990	12,856,619	12,009,871	11,170,000	10,295,000	9,390,000	8,455,000
Less: amount available in debt service fund	(81,071)	(258,667)	(394,441)	(574,741)	(581,198)	(626,363)	(634,411)	(289,163)	(619,703)	(683,128)
Total	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,120,249</u>	<u>12,275,421</u>	<u>11,383,508</u>	<u>10,535,589</u>	<u>10,005,837</u>	<u>8,770,297</u>	<u>7,771,872</u>
Amount of debt subject to the limit	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,120,249</u>	<u>12,275,421</u>	<u>11,383,508</u>	<u>10,535,589</u>	<u>10,005,837</u>	<u>8,770,297</u>	<u>7,771,872</u>
Overall debt margin	\$ <u>73,393,974</u>	\$ <u>85,834,418</u>	\$ <u>92,727,083</u>	\$ <u>84,033,969</u>	\$ <u>98,385,587</u>	\$ <u>100,420,199</u>	\$ <u>99,823,595</u>	\$ <u>93,025,769</u>	\$ <u>94,430,377</u>	\$ <u>94,323,128</u>
Debt margin - .10% of assessed value (1)	\$ 994,477	\$ 1,123,453	\$ 1,188,418	\$ 1,079,491	\$ 1,229,567	\$ 1,242,263	\$ 1,226,213	\$ 1,144,796	\$ 1,146,674	1,134,389
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ <u>994,477</u>	\$ <u>1,123,453</u>	\$ <u>1,188,418</u>	\$ <u>1,079,491</u>	\$ <u>1,229,567</u>	\$ <u>1,242,263</u>	\$ <u>1,226,213</u>	\$ <u>1,144,796</u>	\$ <u>1,146,674</u>	\$ <u>1,134,389</u>
Total net debt applicable to the limit as a percentage of debt limit	18.00%	15.11%	13.30%	13.50%	11.09%	10.18%	9.55%	9.71%	8.50%	7.61%

Source: Cuyahoga County Auditor and School District financial records

(1) Ohio Bond law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.

(2) Assessed Valuation does not equal the assessed value in Table 6 due to General Tangible Personal Property Values no longer being included in calculation of legal debt margin.

Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years

Table 12

Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Energy Conservation Notes	Capital Leases	Qualified Zone Academy Bonds			
2003	\$ 9,249,990	\$ 6,940,000	\$ 985,513	\$ -	\$ 17,175,503	1.31%	\$ 264.58
2004	9,034,990	6,500,000	1,201,834	5,500,000	22,236,824	1.70	342.55
2005	8,784,990	5,840,000	1,141,507	5,500,000	21,266,497	1.62	327.61
2006	8,524,990	5,170,000	514,173	5,500,000	19,709,163	1.50	303.61
2007	8,371,619	4,485,000	254,877	5,500,000	18,611,496	1.42	286.71
2008	8,219,871	3,790,000	750,571	5,500,000	18,260,442	1.39	281.30
2009	8,085,000	3,085,000	775,783	5,500,000	17,445,783	1.33	268.75
2010	7,790,000	2,505,000	2,058,402	5,500,000	17,853,402	1.36	299.25
2011	7,480,000	1,910,000	1,544,828	5,500,000	16,434,828	1.18	275.47
2012	7,160,000	1,295,000	758,514	5,500,000	14,713,514	1.05	246.62

Source: School District financial records

Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years

Table 13

<u>Fiscal Year</u>	<u>Gross General Bonded Debt⁽¹⁾</u>	<u>Less Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value⁽²⁾</u>	<u>Population⁽³⁾</u>	<u>Ratio of Net Debt to Estimated Actual Value</u>	<u>Debt Per Capita</u>
2002/2003	\$ 16,189,990	\$ 151,399	\$ 16,038,591	\$ 2,824,881,523	64,915	0.57%	247
2003/2004	15,534,990	258,667	15,276,323	3,186,891,214	64,915	0.48	235
2004/2005	14,624,990	394,441	14,230,549	3,376,777,832	64,915	0.42	219
2005/2006	13,694,990	574,741	13,120,249	3,185,973,692	64,915	0.41	202
2006/2007	12,856,619	581,198	12,275,421	3,595,463,756	64,915	0.34	189
2007/2008	12,009,871	626,363	11,383,508	3,602,573,941	64,915	0.32	175
2008/2009	11,170,000	634,411	10,535,589	3,568,405,879	64,915	0.30	162
2009/2010	10,295,000	289,163	10,005,837	3,248,637,164	59,660	0.31	168
2010/2011	9,390,000	619,703	8,770,297	3,253,343,682	59,660	0.27	147
2011/2012	8,455,000	683,128	7,771,872	3,217,414,866	59,660	0.24	130

Sources:

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

Cleveland Heights-University Heights City School District

Demographic and Economic Statistics

Last Ten Fiscal Years

Table 14

<u>Year</u>	<u>County Population(1)</u>	<u>Cleveland Heights Population(1)</u>	<u>University Heights Population(1)</u>	<u>School Enrollment(2)</u>	<u>Unemployment Rate(3)</u>	<u>Cleveland Hts. Median Family Income(1)</u>	<u>University Hts. Median Family Income(1)</u>	<u>Total Personal Income(1)</u>	<u>Total Personal Per Capita</u>
2003	1,393,978	50,769	14,146	6,821	4.50%	\$ 58,028	\$ 75,424	\$1,310,043,276	\$ 20,181
2004	1,393,978	50,769	14,146	6,679	4.50	58,028	75,424	1,310,043,276	20,181
2005	1,393,978	50,769	14,146	6,711	5.90	58,028	75,424	1,310,043,276	20,181
2006	1,393,978	50,769	14,146	6,235	5.30	58,028	75,424	1,310,043,276	20,181
2007	1,393,978	50,769	14,146	6,058	5.20	58,028	75,424	1,310,043,276	20,181
2008	1,393,978	50,769	14,146	5,767	7.10	58,028	75,424	1,310,043,276	20,181
2009	1,393,978	50,769	14,146	5,915	8.60	58,028	75,424	1,310,043,276	20,181
2010	1,280,122	46,121	13,539	5,832	9.70	49,056	74,759	1,310,043,276	21,958
2011	1,280,122	46,121	13,539	5,870	8.80	49,056	74,759	1,395,621,460	23,393
2012	1,280,122	46,121	13,539	5,763	6.90	49,056	74,759	1,395,621,460	23,393

Sources:

- (1) Estimated figure from U.S. Census Bureau
- (2) School District records
- (3) Ohio Bureau of Employment Services

Cleveland Heights-University Heights City School District

Principal Employers

Fiscal Year 2006 and Fiscal Year 2012

Table 15

<u>December 31, 2005</u>			<u>December 31, 2011</u>		
<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Cleveland Heights-University Heights Board of Education	School District	1,164	John Carroll University	Education	2,271
Cleveland Heights City Hall	Local Government	921	Cleveland Heights-University Heights Board of Education	School District	1,470(a)
John Carroll University	Education	585	City of Cleveland Heights	Local Government	789
Wal Mart	Retail	300	Target	Retail	436
Kaiser Permanente	Healthcare	300	Bellefaire Jewish Children's Bureau	Social Services	429
Heinen's	Grocery/Retail	200	Whole Foods Market Group, Inc.	Grocery/Retail	314
Kauffman's	Retail	200	Kaiser Foundation	Healthcare	313
Target	Retail	200	Macy's Retail Holdings Inc.	Retail	300
Tops	Grocery/Retail	190	CAS Health Investors	Healthcare	234
Home Depot	Retail/Lumber	<u>150</u>	Home Depot	Retail/Lumber	<u>223</u>
Total		<u>4,210</u>	Total		<u>6,779</u>
Total Employment within the School District		<u>31,488</u>	Total Employment within the School District		<u>n/a</u>

Source: Cities of Cleveland Heights and University Heights. Information prior to 2006 was not available.

(a) Includes full and part-time employees

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program

June 30, 2012

Table 16

Boulevard Elementary School		Oxford Elementary School	
Constructed in 1975		Constructed in 1928	
Total Building Square Footage	51,437	Total Building Square Footage	61,400
Enrollment Grades K-5	332	Enrollment Grades K-5	325
Regular Instruction Teachers	22	Regular Instruction Teachers	23
Special Instruction Teachers	3	Special Instruction Teachers	3
Canterbury Elementary School		Roxboro Elementary School	
Constructed in 1927		Constructed in 1920	
Total Building Square Footage	65,800	Total Building Square Footage	55,600
Enrollment Grades K-5	354	Enrollment Grades K-5	410
Regular Instruction Teachers	24	Regular Instruction Teachers	23
Special Instruction Teachers	5	Special Instruction Teachers	4
Bellefaire School		Monticello Middle School	
Constructed in 1928		Constructed in 1930	
Total Building Square Footage	22,000	Total Building Square Footage	130,000
Enrollment Grades K-5	76	Enrollment Grades 6-8	367
Regular Instruction Teachers	9	Regular Instruction Teachers	34
Special Instruction Teachers	13	Special Instruction Teachers	10
Fairfax Elementary School		Roxboro Middle School	
Constructed in 1975		Constructed in 1931	
Total Building Square Footage	59,000	Total Building Square Footage	113,380
Enrollment Grades K-5	386	Enrollment Grades 6-8	517
Regular Instruction Teachers	26	Regular Instruction Teachers	41
Special Instruction Teachers	6	Special Instruction Teachers	9
Gearity Professional Development School		Wiley Middle School	
Constructed in 1954		Constructed in 1954	
Total Building Square Footage	70,856	Total Building Square Footage	133,127
Enrollment Grades K-5	360	Enrollment Grades 6-8	387
Regular Instruction Teachers	20	Regular Instruction Teachers	35
Special Instruction Teachers	11	Special Instruction Teachers	8
Noble Elementary School		Cleveland Heights High School	
Constructed in 1922		Constructed in 1925	
Total Building Square Footage	74,250	Total Building Square Footage	395,400
Enrollment Grades K-5	424	Enrollment Grades 9-12	1,828
Regular Instruction Teachers	24	Regular Instruction Teachers	115
Special Instruction Teachers	4	Special Instruction Teachers	24

Source: School District's appraisal reports and personnel records

Cleveland Heights-University Heights School District

Per Pupil Cost

Last Ten Fiscal Years

Table 17

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students who Receive Free or Reduced Lunch (3)</u>
2003	\$ 99,842,231	6,821	\$ 14,637	15.61%	610	11.18	43.64%
2004	85,249,293	6,683	12,756	(12.85)	581	11.50	44.32
2005	80,024,949	6,451	12,405	(2.75)	473	13.64	48.54
2006	83,685,378	6,235	13,422	8.20	491	12.70	51.09
2007	85,208,087	6,058	14,065	4.79	484	12.52	55.22
2008	88,720,072	5,767	15,384	9.38	455	12.67	53.16
2009	91,499,897	5,915	15,469	0.55	459	12.89	54.77
2010	94,323,087	5,832	16,173	4.55	480	12.15	50.22
2011	98,849,032	5,870	16,840	4.12	520	11.29	59.60
2012	107,508,894	5,763	18,655	10.78	607	9.49	59.26

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.

N/A – Information not available.

Cleveland Heights-University Heights School District

Teacher Education and Experience

Last Ten Fiscal Years

Table 18

Degree	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Bachelor's Degree	162	143	132	106	107	102	94	102	112	89
Master's Degree	444	433	338	382	374	350	362	373	403	402
PhD	4	5	3	3	3	3	3	5	5	5
Total	<u>610</u>	<u>581</u>	<u>473</u>	<u>491</u>	<u>484</u>	<u>455</u>	<u>459</u>	<u>480</u>	<u>520</u>	<u>496</u>
Years of Experience										
0-5	233	77	142	43	52	48	50	90	103	52
6-10	106	98	97	82	76	56	50	68	98	177
11 and over	271	406	234	366	356	351	359	322	319	267
Total	<u>610</u>	<u>581</u>	<u>473</u>	<u>491</u>	<u>484</u>	<u>455</u>	<u>459</u>	<u>480</u>	<u>520</u>	<u>496</u>

Source: School District personnel records.

Cleveland Heights-University Heights School District

Attendance and Graduation Rates

Last Ten Fiscal Years

Table 19

<u>Year</u>	<u>District Attendance Rate</u>	<u>State Average</u>	<u>District Graduation Rate</u>	<u>State Average</u>
2003	94.6%	94.5%	88.0%	84.3%
2004	94.6	94.5	90.0	85.9
2005	94.2	94.3	89.1	86.2
2006	94.5	94.1	96.4	86.1
2007	94.2	94.1	96.0	86.9
2008	94.3	94.2	93.2	84.6
2009	94.6	94.3	85.6	83.0
2010	95.0	94.3	92.9	84.3
2011	94.9	94.5	75.5*	90.2*
2012	94.8	95.2	(a)	(a)

Source: Ohio Department of Education Local Report Card.

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

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

Cleveland Heights-University Heights City School District

Full-time School District Employees by Function

Last Eight Fiscal Years

Table 20

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Function:								
Instruction:								
Regular	336	349	403	353	345	378	410	382
Special	114	118	124	102	114	102	110	148
Vocational	15	16	16	14	13	18	18	21
Adult/continuing	5	5	-	-	-	3	3	1
Other instruction	3	3	2	2	2	2	2	13
Support services:								
Pupil	158	160	189	196	196	164	158	113
Instructional staff	66	67	51	51	53	51	49	63
Administration	50	44	67	65	65	65	59	65
Fiscal	17	18	10	10	10	11	11	10
Business	24	25	5	4	4	4	4	4
Operations of maintenance of plant	86	87	109	102	102	96	96	96
Pupil transportation	81	82	48	49	49	43	32	42
Central	25	25	18	18	18	21	22	23
Operations of non-instructional services:								
Community services (1)	34	34	42	42	42	39	36	18
Other	1	1	1	1	1	1	1	25
Extracurricular activities	<u>20</u>	<u>20</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>12</u>
Total	<u><u>1,035</u></u>	<u><u>1,054</u></u>	<u><u>1,087</u></u>	<u><u>1,011</u></u>	<u><u>1,016</u></u>	<u><u>1,001</u></u>	<u><u>1,014</u></u>	<u><u>1,036</u></u>

Source: School District personnel records. Information prior to 2005 was not available.

(1) Includes food services personnel.

Cleveland
University **Heights**



City School District

Goals Statement

This Board continues to be committed to achieving “Excellence in Learning Through Excellence in Teaching” and ensuring quality education in support of our communities’ commitment to quality integrated living.

- Continue to emphasize competency and proficiency in basic studies and target results for measurable improvement.
- Every high school student will have a four-year plan that encourages the pursuit of academic work at the highest level of which he-she is capable. The plan will have as its goal that the student will be prepared for career and/or college entry upon graduation from high school.
- Promote better communications among schools, the school district and their constituencies.
- Continue to ensure quality fiscal planning and management, demonstrated by financial reporting beyond State requirements.
- The District will give attention to the appropriate placement and instruction of each transfer student.
- Monitor and assess program effectiveness of school district programs for all departments and schools.

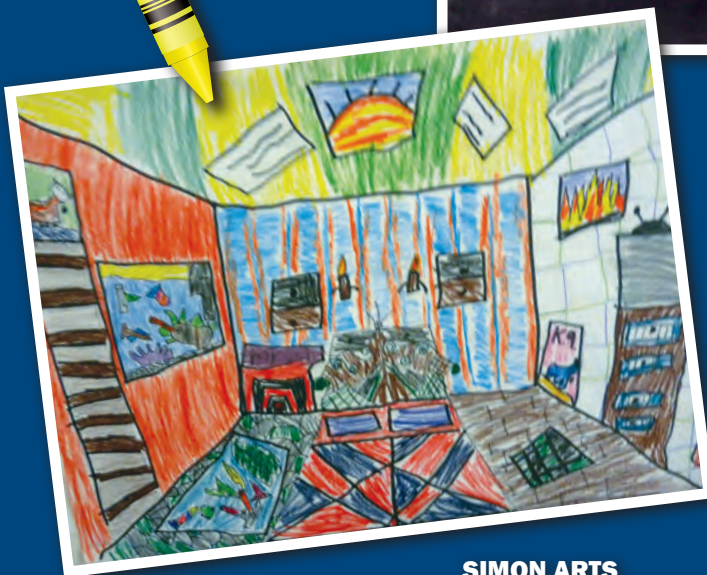
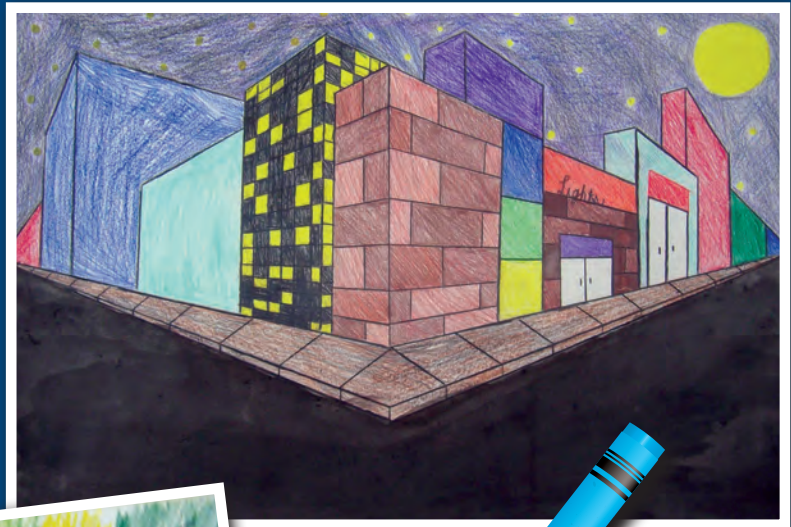


About the Artwork

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.



ANISSA MONROE
Grade 8,
Roxboro Middle School



SIMON ARTS
Grade 4, Fairfax Elementary

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Dave Yost • Auditor of State

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 10, 2013**