

C O M P R E H E N S I V E   A N N U A L

# *Financial Report*

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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





# *Introductory*

.....

## SECTION



**GARRETT SCHMIDT**  
*2nd grade, Fairfax Elementary*



**MEREDITH MATIA**  
*12th grade, CHHS*



**JASMINE GAMBLE**  
*1st grade, Noble Elementary*

**CLEVELAND HEIGHTS -  
UNIVERSITY HEIGHTS**  
City School District  
.....  
*University Heights, Ohio*

# *Comprehensive Annual Financial Report*

**for the fiscal year ended June 30, 2013**

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



**JAMAL WARE**  
*5th grade, Noble Elementary*



**MARLON WASHINGTON**  
*5th grade, Noble Elementary*

# 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  
University  
**Heights**



City School District

[www.chuh.org](http://www.chuh.org)

# Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013

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**A. Scott Gainer**  
Chief Financial Officer

March 25, 2014

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, 2013.

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 unmodified (“clean”) opinion on the Cleveland Heights-University Heights City School District’s financial statements for the year ended June 30, 2013. The Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A 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 5,301 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 46,100 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 2013 school year was 5,301.

## **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 a net position of \$2,990,309 at June 30, 2013 compared with a net position of \$3,421,077 at June 30, 2012. The District is meeting its claim liability.

The most recent District five-year forecast indicates a positive cash balance through 2016, with a \$9.9 million deficit beginning in 2017. 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 successfully passed a bond issue in November of 2013. As indicated previously, the District also successfully passed a 6.9 mill operating levy in November, 2011.

## **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 2013, the District earned \$269,926 in investment income of which \$100,159 was credited to the General Fund.

The basis of accounting and the various funds utilized by the District are fully described in Note 1 to the financial statements. Additional information on the District's budgetary accounting can also be found in Notes 1 and 3.

## **Major Initiatives**

The District continues 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 21<sup>st</sup> 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, resulting in successful passage of 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 District was awarded the Government Finance Officers Association in the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) for its comprehensive annual financial report for the fiscal years ended June 30, 2001 through 2011. Due to significant transition of the Finance Department personnel in fiscal year 2012, including the resignation of the assistant treasurer and departure of the Payroll Supervisor, the application for the CAFR was not submitted by the required due date and the application for fiscal year June 30, 2012 was waived.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The District has determined that it will apply for the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year June 30, 2013.

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, 2012. 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.

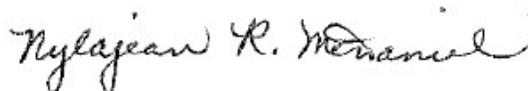
### *Acknowledgements*

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, Ph.D.  
Superintendent

# 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 August 31, 2012*

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



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO  
President

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

John D. Musso, CAE, RSBA  
Executive Director

**CLEVELAND HEIGHTS -  
UNIVERSITY HEIGHTS**  
City School District  
.....  
*University Heights, Ohio*

# *Principal Officials*

**as of June 30, 2013**

**CHIEF FINANCIAL OFFICER**

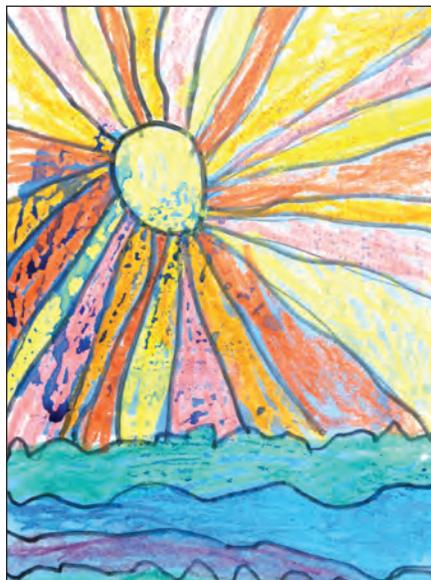
Mr. A. Scott Gainer



**ELIZABETH ROSEBROCK-HAYES**  
*3rd grade, Fairfax Elementary*

**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



**PATRICK WALDRON**  
*1st grade, Fairfax Elementary*

**SUPERINTENDENT**

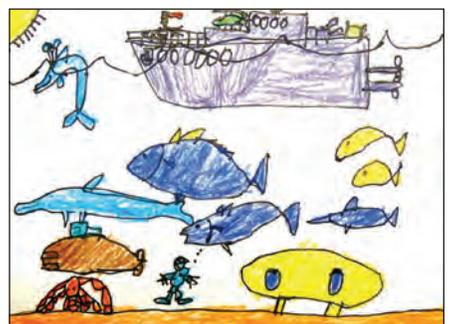
Mr. Douglas G. Heuer



**WYATT SKARIN**  
*3rd grade, Fairfax Elementary*



**DYLAN STENGER**  
*1st grade, Fairfax Elementary*

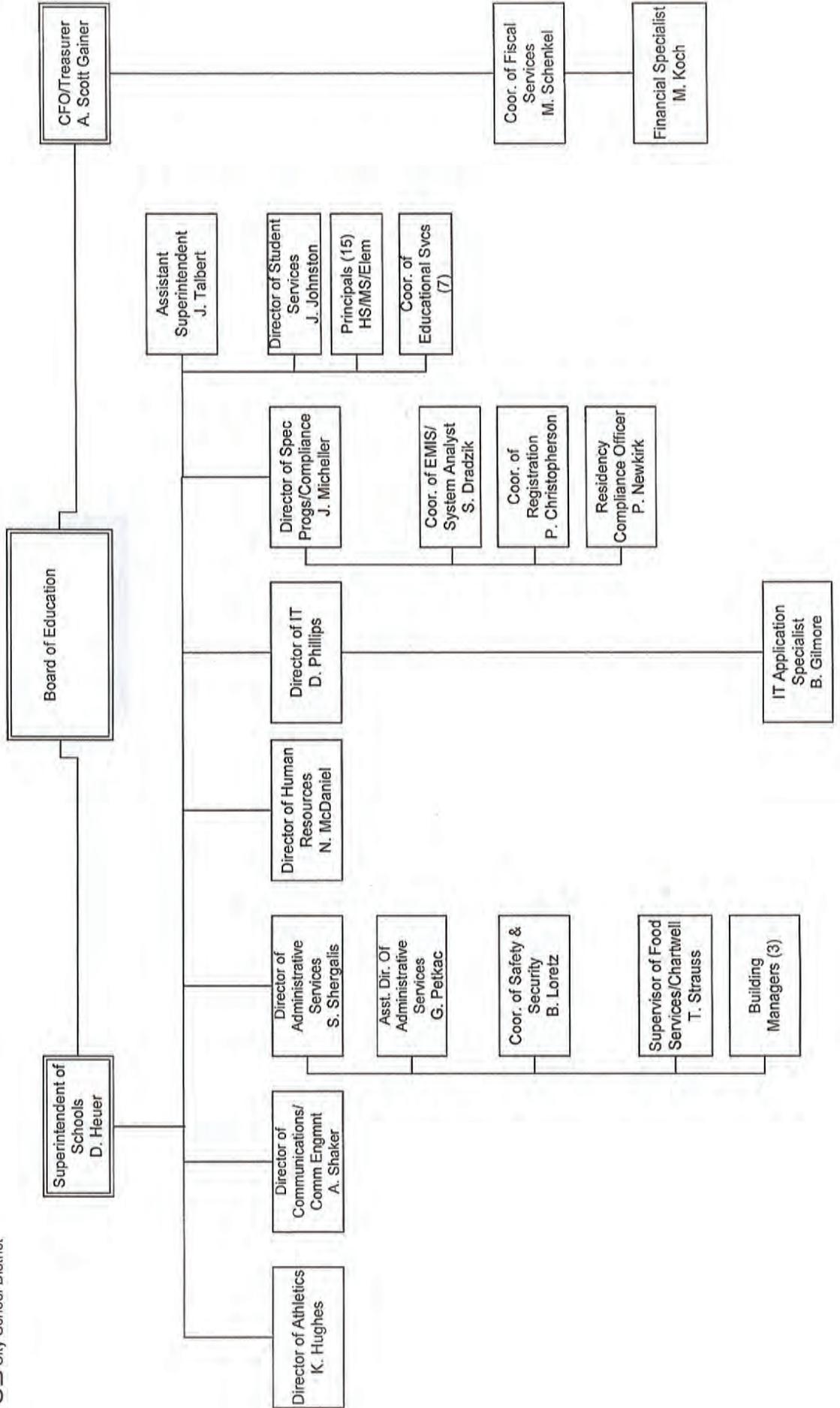


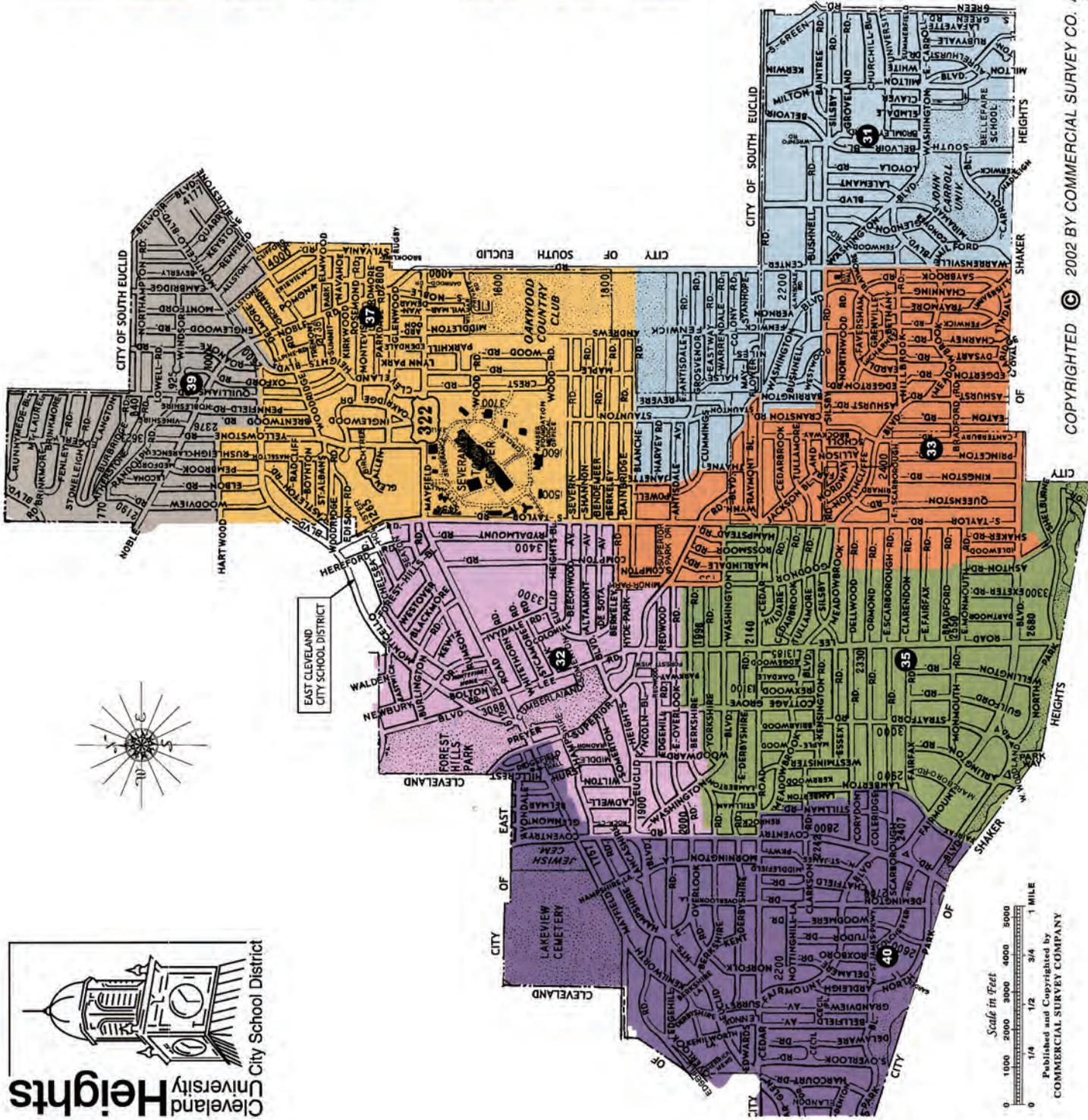
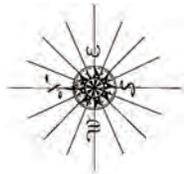
**KENJI SAKAIE**  
*3rd grade, Fairfax Elementary*



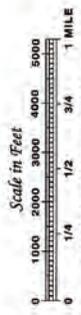


Cleveland Heights-University Heights  
Board of Education  
Organizational Chart for Administrators-Professional Staff Combined  
2012-2013

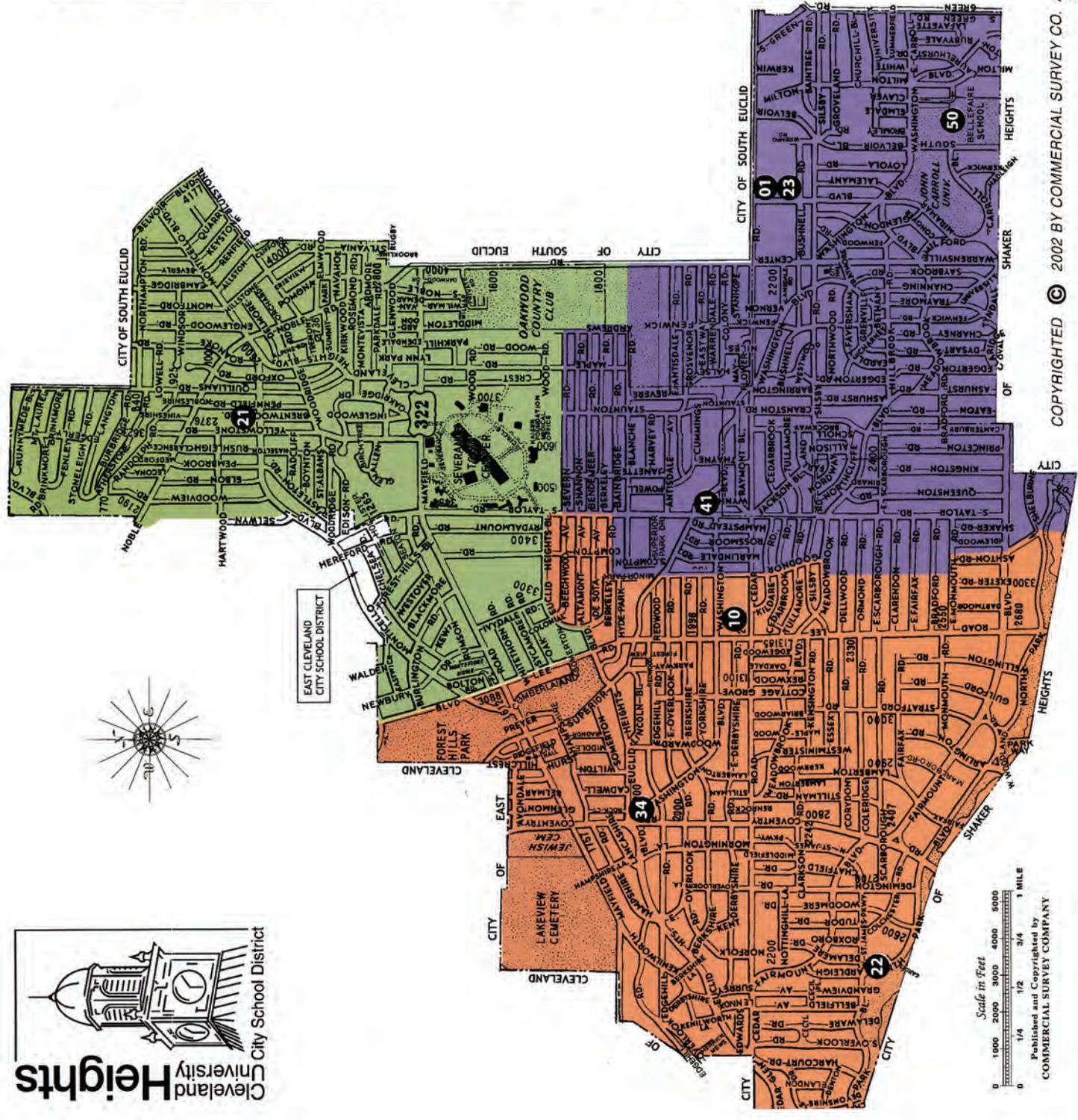




- ELEMENTARY SCHOOLS**
- 32** Boulevard Elementary School  
1749 Lee Road  
Cleveland Hts., OH 44118-1700  
216-371-7140
  - 33** Canterbury Elementary School  
2530 Canterbury Road  
Cleveland Hts., OH 44118-4398  
216-371-7470
  - 35** Fairfax Elementary School  
3150 Fairfax Road  
Cleveland Hts., 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



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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

# Financial

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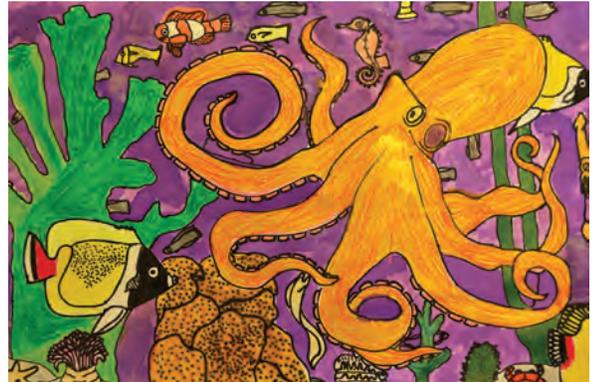
## SECTION



**IAN BANDY-ZALATORIS**  
*Kindergarten, Canterbury Elementary*



**HELENA DUFFY**  
*1st grade, Canterbury Elementary*



**NOAH POLLARD**  
*5th grade, Canterbury Elementary*



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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District, Cuyahoga County, Ohio, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

March 25, 2014

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Cleveland  
University **Heights**



City School District

# Cleveland Heights-University Heights City School District

## Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2013

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Our discussion and analysis of the Cleveland Heights-University Heights City School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013. 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 2013 are as follows:

In total, net position decreased \$3,474,915 which represents 5% decrease from the prior year. Net position of governmental activities decreased \$474,897 from 2012. Net position of business-type activities decreased \$3,000,018, or 33%, from 2012.

For governmental activities, general revenues accounted for \$105,133,490 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$13,852,217 or 12% of total revenues of \$118,985,707.

The District had \$119,460,604 in expenses related to governmental activities; only \$13,852,217 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 \$105,133,490 were able to provide for these programs resulting in a decrease of net position from \$80,466,419 to \$79,991,522.

Governmental activities expenses increased approximately 1 percent from the prior year. Instructional expenses made up 55 percent of total governmental activities expenses while support services account for 44 percent. Other expenses rounded out the remaining 4 percent.

The District had \$6,448,424 in expenses related to business-type activities; a total of \$3,448,406 was offset by program specific charges for services and grants which were not adequate to provide for these programs by \$3,000,018 resulting in a decrease of net position from \$(9,137,256) to \$(12,137,274).

The District's major governmental fund is the General Fund. The General Fund had \$104,131,524 in revenues and other financing sources and \$107,118,276 in expenditures and other financing uses. The General Fund balance decreased \$2,986,752, from \$45,570,736 to \$42,583,984.

### 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, 2013

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

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and 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 position and changes in it. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors. In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

## Reporting the School District's Most Significant Funds

### *Fund Financial Statements*

The analysis of the District's major governmental funds begins on page 11 of the financial statements. The governmental fund financial statements begin on page 20 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, 2013

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## *Governmental Funds*

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

## *Proprietary Funds*

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

## *Fiduciary Funds*

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in a separate statement on page 30. 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 Position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2013 and 2012.

### **Net Position**

	Governmental Activities <u>2013</u>	Business-Type Activities <u>2013</u>	Governmental Activities <u>2012</u>	Business-Type Activities <u>2012</u>
<b>Assets:</b>				
Current and other assets	\$ 129,793,386	\$ (12,434,459)	\$ 133,964,950	\$ (9,100,805)
Capital assets	<u>35,073,375</u>	<u>472,519</u>	<u>34,896,058</u>	<u>505,491</u>
Total assets	<u>164,866,761</u>	<u>(11,961,940)</u>	<u>168,861,008</u>	<u>(8,595,314)</u>
<b>Liabilities:</b>				
Current and other liabilities	64,935,747	111,920	67,499,072	234,805
Long-term liabilities	<u>19,939,492</u>	<u>63,414</u>	<u>20,895,517</u>	<u>307,137</u>
Total liabilities	<u>84,875,239</u>	<u>175,334</u>	<u>88,394,589</u>	<u>541,942</u>
<b>Net position</b>				
Net investment in capital assets	28,594,961	472,519	27,342,544	505,491
Restricted	6,794,785	-	6,496,780	-
Unrestricted (deficit)	<u>44,601,776</u>	<u>(12,609,793)</u>	<u>46,627,095</u>	<u>(9,642,747)</u>
Total net position (deficit)	<u>\$ 79,991,522</u>	<u>\$ (12,137,274)</u>	<u>\$ 80,466,419</u>	<u>\$ (9,137,256)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2013

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Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013, the District's assets exceeded liabilities by \$67,854,248.

Total assets decreased by \$7,360,873 due to a decrease in equity in cash offset by an increase in intergovernmental receivable.

Cash decreased by \$8,902,281. Last year's cash balance of \$42,936,684 included restricted assets of \$4,057,651. This year's cash balance of \$34,034,403 includes restricted assets of \$4,226,341. Decrease in cash is mainly due to an increase in instruction costs and lower than expected taxes revenue.

Net investment in capital assets reported on the government-wide statements represents 36 percent of total governmental activities net position for fiscal year 2013. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's governmental activities net position, \$6,794,785, or 8 percent, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted governmental activities net position, \$4,465,563 is restricted for debt service payments, including the Qualified Zone Academy Bonds, \$1,858,176 is restricted for capital projects, and \$471,046 is restricted for other purposes. The remaining balance of governmental activities net position \$44,601,776 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, 2013

	<b>Changes in Net Position</b>			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2013</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>
Revenues:				
Program revenues:				
Charges for services	\$ 5,398,450	\$ 1,325,079	\$ 3,444,869	\$ 3,254,819
Operating grants	<u>8,453,767</u>	<u>2,123,327</u>	<u>8,510,490</u>	<u>1,613,137</u>
Total program revenues	<u>13,852,217</u>	<u>3,448,406</u>	<u>11,955,359</u>	<u>4,867,956</u>
General revenues:				
Property taxes	73,045,069	-	69,741,724	-
Grants and entitlements	30,580,845	-	31,837,748	-
Investment earnings	230,870	-	273,286	-
Miscellaneous	<u>1,276,706</u>	<u>-</u>	<u>493,226</u>	<u>-</u>
Total general revenues	<u>105,133,490</u>	<u>-</u>	<u>102,345,984</u>	<u>-</u>
Total revenues	<u>118,985,707</u>	<u>3,448,406</u>	<u>114,301,343</u>	<u>4,867,956</u>
Program expenses:				
Instruction:				
Regular	43,005,293	-	40,951,163	-
Special	12,536,158	-	12,947,396	-
Vocational	1,988,214	-	2,306,559	-
Adult/continuing	258,202	-	335,150	-
Other instruction	8,257,928	-	7,154,104	-
Support services:				
Pupil	9,412,636	-	9,891,614	-
Instructional staff	8,004,270	-	6,445,138	-
Board of education	584,645	-	586,707	-
Administration	5,922,772	-	6,110,464	-
Fiscal	2,980,897	-	2,573,478	-
Business	556,890	-	1,552,317	-
Operation and maintenance of plant	12,391,012	-	12,510,123	-
Pupil transportation	4,616,743	-	5,302,386	-
Central	4,452,855	-	5,429,990	-
Community Services	2,100,792	-	1,958,644	-
Food service operations	15,636	-	2,981	-
Other non-instructional services	120,356	-	117,942	-
Extracurricular activities	1,955,860	-	1,769,909	-
Interest and fiscal charges	299,445	-	461,235	-
Food services	-	2,507,990	-	2,434,896
Uniform school supplies	-	21,260	-	31,824
Customer services	-	34,212	-	-
Community services/early childhood	-	770,293	-	743,185
Bellefaire General Rotary	-	<u>3,114,669</u>	-	<u>3,189,684</u>
Total program expenses	<u>119,460,604</u>	<u>6,448,424</u>	<u>118,407,300</u>	<u>6,399,589</u>
Change in net position	(474,897)	(3,000,018)	(4,105,957)	(1,531,633)
Net position at beginning of year	<u>80,466,419</u>	<u>(9,137,256)</u>	<u>84,572,376</u>	<u>(7,605,623)</u>
Net position at end of year	<u>\$ 79,991,522</u>	<u>\$ (12,137,274)</u>	<u>\$ 80,466,419</u>	<u>\$ (9,137,256)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2013

### *Governmental Activities*

The District passed an 8.5 mill levy in March 2004, a 7.2 mill levy in November 2007, a 6.9 mill levy in November 2011 and most recently a \$134.8 bond issue in November 2013. 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 position 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 0.5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 60 percent of total governmental activities revenues for the District in fiscal year 2013.

Instruction and support services comprise 55 percent and 41 percent of governmental program expenses, respectively. The operation of non-instructional services made up 4 percent of governmental program expenses. 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 \$1.1 million, mainly due to an increase in regular and other instruction offset by a decrease in business and central support service expenses. 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 2013 and 2012. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

<b>Governmental Activities</b>				
	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>
Program expenses:				
Instruction	\$ 66,045,795	\$ 54,342,005	\$ 63,694,372	\$ 54,089,755
Pupil and instructional staff	17,416,906	17,326,639	16,336,752	16,224,495
Board of education, administration, fiscal and business	10,045,204	10,018,859	10,822,966	10,689,998
Operation and maintenance - plant	12,391,012	12,391,012	12,510,123	12,510,123
Pupil transportation	4,616,743	4,591,646	5,302,386	5,096,643
Central services	4,452,855	4,452,855	5,429,990	5,429,990
Community services	2,100,792	249,765	1,958,644	174,045
Food service operations	15,636	15,636	2,981	2,981
Other non-instructional services	120,356	120,356	117,942	117,942
Extracurricular activities	1,955,860	1,800,169	1,769,909	1,654,734
Interest and fiscal charges	299,445	299,445	461,235	461,235
Total program expenses	<u>\$ 119,460,604</u>	<u>\$ 105,608,387</u>	<u>\$ 118,407,300</u>	<u>\$ 106,451,941</u>

The dependence upon tax revenues during fiscal year 2013 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, 2013

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## ***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 \$3,448,406 and expenses of \$6,448,424 for fiscal year 2013. The Bellefaire General Rotary Fund had expenses of \$3,114,669 and revenues of \$283,102. This resulted in a decrease of net position for the fiscal year of \$2,831,567. The other enterprise funds had expenses of \$3,333,755 and revenues of \$3,165,304. This resulted in a decrease to net position for the fiscal year of \$168,451.

## **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 \$48,364,955, a decrease of \$2,337,990 in comparison with the prior year. Approximately 79 percent of this total amount, \$38,445,360 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, \$6,472,636; has already been committed or assigned, \$3,025,013; or is in a nonspendable form, \$421,946.

The General Fund is the chief operating fund of the District. The District's General Fund balance decreased by \$2,986,752, mainly due to the fact that the increase in taxes revenue was not enough to meet the general fund costs even though they decreased during fiscal year 2013. In addition, the District transferred \$611,872 to cover costs in other funds that did not have enough revenue during the year.

<u>Revenues</u>	<u>2013 Amount</u>	<u>2012 Amount</u>	<u>Percentage Change</u>
Taxes	\$ 68,852,166	\$ 64,257,164	7%
Interest earnings	100,159	68,424	46%
Intergovernmental	29,545,832	31,945,895	(7.5)%
Other revenue	<u>5,540,842</u>	<u>2,732,244</u>	103%
Total	\$ <u>104,038,999</u>	\$ <u>99,003,727</u>	

The property tax revenue increased \$4,595,002. This increase is directly related to the amount of taxes available for advance and increased collections during the current year.

Interest earnings increased \$31,735 which is due to the increase in the CDARS investment which carries higher interest rates than the money market accounts in which the District invested in 2012.

Other revenue increased \$2,808,598. 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, 2013

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

<u>Expenditures by Function</u>	2013 <u>Amount</u>	2012 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 62,209,878	\$ 61,060,922	2%
Support services	42,129,853	43,416,287	(3)%
Other non-instructional services	119,279	131,564	(9)%
Food service operations	8,230	2,981	176%
Extracurricular activities	1,483,614	1,353,629	10%
Debt service	<u>555,550</u>	<u>838,449</u>	(34)%
Total	\$ <u>106,506,404</u>	\$ <u>106,803,832</u>	

Overall, increase in instruction is due to a step-increase in employee wages. Debt service payments decreased due to the expiration of a large computer equipment capital lease in 2012.

## ***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 2013, 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 2013. During the course of fiscal year 2013, the total budget was changed multiple times. For the General Fund, final budgeted revenues and other financing sources were \$104,430,466, or \$1,770,214 higher than the original budget. The increase was due to an increase in budgeted taxes revenues. Actual revenues and other financing sources for fiscal year 2013 were \$110,424,365. Actual differed from the final budget mainly due to higher than anticipated collection of intergovernmental revenue offset by a smaller than expected taxes revenue. General Fund original appropriations and other financing uses of \$107,674,992 increased to \$122,630,912 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 2013 totaled \$121,434,007, which was \$1,196,905 less than the final budget appropriations. Actual differed from final budget mainly due to lower than anticipated transfers to other funds.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2013

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## Capital Assets

The District had \$35,545,894 invested in capital assets net of depreciation, with \$35,073,375 attributed to government activities. Net acquisition for government activities totaled \$2,872,137, depreciation was \$2,694,820 and all disposals were fully depreciated. The majority of the additions were for building renovations and improvements and classroom equipment. Detailed information regarding capital asset activities is included in the notes to the basic financial statements (Note 9).

## Debt

At June 30, 2013, the District had \$13,096,407 in outstanding long-term bond debt and of this amount \$1,065,000 was due within one year. The District paid \$970,000 in principal on bonds outstanding. In addition, the District refunded \$6.825 million of the 2002 Library Improvement Bonds by issuing \$6.75 million in 2013 Library Improvement Refunding Bonds during the year ended June 30, 2013. The District had capital leases of \$318,414 outstanding at June 30, 2013, with \$98,728 due within one year. The District paid \$527,177 on capital leases outstanding during the fiscal year ended June 30, 2013. 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.

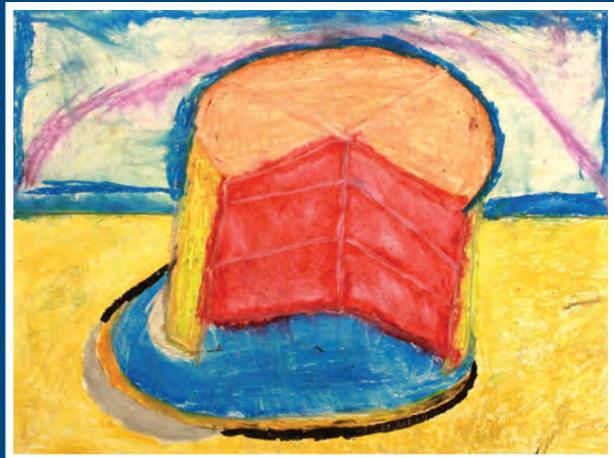
Cleveland  
University **Heights**



City School District

**CLEVELAND HEIGHTS -  
UNIVERSITY HEIGHTS**

City School District  
.....  
*University Heights, Ohio*



**JADA MORRIS**  
*4th grade, Gearity Elementary*



**ZESHAWN SPRING**  
*3rd grade, Gearity Elementary*



**VALERIA BERRELLEZA LUCERO**  
*Kindergarten, Gearity Elementary*



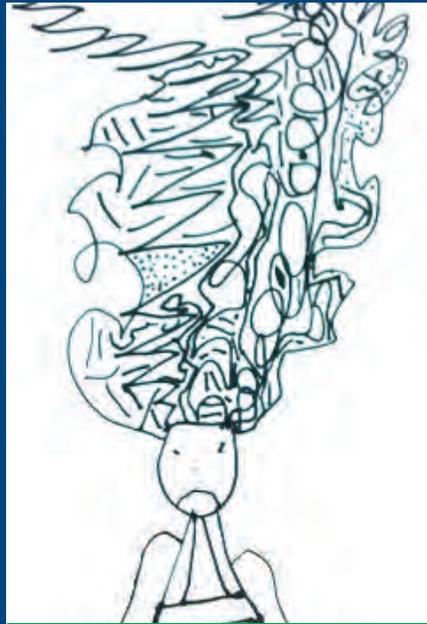
**CLARE DOLAN**  
*3rd grade, Gearity Elementary*



**TANAIIA HEARD**  
*4th grade, Gearity Elementary*



# Basic Financial Statements



**BEN NATKEVICIUS**  
*1st grade, Noble Elementary*



**McKINLAY LOVELESS**  
*1st grade, Noble Elementary*



**JACK FINK**  
*1st grade, Canterbury Elementary*



**RASHAUNNA RUFFIN**  
*2nd grade, Noble Elementary*

# Cleveland Heights-University Heights City School District

## Statement of Net Position

June 30, 2013

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 29,455,543	\$ 352,519	\$ 29,808,062
Accounts receivable	37,673	7,056	44,729
Prepaid items	137,233	-	137,233
Intergovernmental receivable	4,515,143	50,186	4,565,329
Internal balances	12,892,128	(12,892,128)	-
Materials and supplies inventory	421,946	9,066	431,012
Inventory held for resale	-	38,842	38,842
Taxes receivable	77,990,973	-	77,990,973
Unamortized bond issuance costs	116,406	-	116,406
Restricted cash and investments	4,226,341	-	4,226,341
Nondepreciable capital assets	2,814,341	-	2,814,341
Depreciable capital assets, net	<u>32,259,034</u>	<u>472,519</u>	<u>32,731,553</u>
Total assets	<u>164,866,761</u>	<u>(11,961,940)</u>	<u>152,904,821</u>
<b>Liabilities:</b>			
Accounts payable	1,708,357	47,486	1,755,843
Accrued wages and benefits	539,797	20,065	559,862
Matured compensated absences	286,853	-	286,853
Intergovernmental payable	2,545,303	44,369	2,589,672
Unearned revenue	58,126,141	-	58,126,141
Claims payable	1,715,400	-	1,715,400
Accrued interest payable	13,896	-	13,896
<b>Long-term liabilities:</b>			
Due within one year	1,609,535	4,439	1,613,974
Due in more than one year	<u>18,329,957</u>	<u>58,975</u>	<u>18,388,932</u>
Total liabilities	<u>84,875,239</u>	<u>175,334</u>	<u>85,050,573</u>
<b>Net position:</b>			
Net investment in capital assets	28,594,961	472,519	29,067,480
<b>Restricted for:</b>			
Capital projects	1,858,176	-	1,858,176
Debt service	239,222	-	239,222
Federal programs	471,046	-	471,046
Qualified Zone Academy Bond retirement	4,226,341	-	4,226,341
Unrestricted (deficit)	<u>44,601,776</u>	<u>(12,609,793)</u>	<u>31,991,983</u>
Total net position (deficit)	\$ <u>79,991,522</u>	\$ <u>(12,137,274)</u>	\$ <u>67,854,248</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, 2013

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Instruction:			
Regular	\$ 43,005,293	\$ 1,974,958	\$ 1,483,338
Special	12,536,158	2,814,090	4,268,212
Vocational	1,988,214	402,269	328,861
Adult/continuing	258,202	-	432,062
Other instruction	8,257,928	-	-
Support services:			
Pupil	9,412,636	-	90,267
Instructional staff	8,004,270	-	-
Board of education	584,645	-	-
Administration	5,922,772	26,345	-
Fiscal	2,980,897	-	-
Business	556,890	-	-
Operations and maintenance of plant	12,391,012	-	-
Pupil transportation	4,616,743	25,097	-
Central	4,452,855	-	-
Operation of non-instructional services:			
Food service operations	15,636	-	-
Community services	2,100,792	-	1,851,027
Other operation of non-instructional services	120,356	-	-
Extracurricular activities	1,955,860	155,691	-
Interest and fiscal charges	299,445	-	-
Total governmental activities	<u>119,460,604</u>	<u>5,398,450</u>	<u>8,453,767</u>
Business-type activities:			
Food services	2,507,990	359,057	2,123,327
Uniform school supplies	21,260	23,825	-
Customer services	34,212	11,890	-
Community services/early childhood	770,293	647,205	-
Bellefaire General Rotary	3,114,669	283,102	-
Total business-type activities	<u>6,448,424</u>	<u>1,325,079</u>	<u>2,123,327</u>
Totals	\$ <u>125,909,028</u>	\$ <u>6,723,529</u>	\$ <u>10,577,094</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 position  
 Net position (deficit) at beginning of year  
 Net position (deficit) at end of year

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

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business - Type Activities</u>	<u>Total</u>
\$ (39,546,997)	\$ -	\$ (39,546,997)
(5,453,856)	-	(5,453,856)
(1,257,084)	-	(1,257,084)
173,860	-	173,860
(8,257,928)	-	(8,257,928)
(9,322,369)	-	(9,322,369)
(8,004,270)	-	(8,004,270)
(584,645)	-	(584,645)
(5,896,427)	-	(5,896,427)
(2,980,897)	-	(2,980,897)
(556,890)	-	(556,890)
(12,391,012)	-	(12,391,012)
(4,591,646)	-	(4,591,646)
(4,452,855)	-	(4,452,855)
(15,636)	-	(15,636)
(249,765)	-	(249,765)
(120,356)	-	(120,356)
(1,800,169)	-	(1,800,169)
<u>(299,445)</u>	<u>-</u>	<u>(299,445)</u>
<u>(105,608,387)</u>	<u>-</u>	<u>(105,608,387)</u>
-	(25,606)	(25,606)
-	2,565	2,565
-	(22,322)	(22,322)
-	(123,088)	(123,088)
-	<u>(2,831,567)</u>	<u>(2,831,567)</u>
-	<u>(3,000,018)</u>	<u>(3,000,018)</u>
<u>(105,608,387)</u>	<u>(3,000,018)</u>	<u>(108,608,405)</u>
69,354,404	-	69,354,404
631,509	-	631,509
3,059,156	-	3,059,156
30,580,845	-	30,580,845
230,870	-	230,870
<u>1,276,706</u>	<u>-</u>	<u>1,276,706</u>
<u>105,133,490</u>	<u>-</u>	<u>105,133,490</u>
(474,897)	(3,000,018)	(3,474,915)
<u>80,466,419</u>	<u>(9,137,256)</u>	<u>71,329,163</u>
\$ <u><u>79,991,522</u></u>	\$ <u><u>(12,137,274)</u></u>	\$ <u><u>67,854,248</u></u>

# Cleveland Heights-University Heights City School District

## Balance Sheet – Governmental Funds

June 30, 2013

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 21,817,630	\$ 2,856,357	\$ 24,673,987
Accounts receivable	34,423	3,250	37,673
Intergovernmental receivable	2,840,956	1,534,969	4,375,925
Interfund receivable	14,870,038	-	14,870,038
Materials and supplies inventory	421,946	-	421,946
Taxes receivable	73,927,696	4,063,277	77,990,973
Restricted cash and investments	-	<u>4,226,341</u>	<u>4,226,341</u>
Total assets	<u>\$ 113,912,689</u>	<u>\$ 12,684,194</u>	<u>\$ 126,596,883</u>
<b>Liabilities and fund balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,115,268	\$ 593,089	\$ 1,708,357
Accrued wages and benefits	474,918	64,879	539,797
Interfund payable	-	1,977,910	1,977,910
Matured compensated absences	286,853	-	286,853
Intergovernmental payable	2,077,340	115,665	2,193,005
Deferred revenue	<u>67,374,326</u>	<u>4,151,680</u>	<u>71,526,006</u>
Total liabilities	<u>71,328,705</u>	<u>6,903,223</u>	<u>78,231,928</u>
<b>Fund balances:</b>			
Nonspendable	421,946	-	421,946
Restricted	-	6,472,636	6,472,636
Committed	169,433	-	169,433
Assigned	2,855,580	-	2,855,580
Unassigned	<u>39,137,025</u>	<u>(691,665)</u>	<u>38,445,360</u>
Total fund balances	<u>42,583,984</u>	<u>5,780,971</u>	<u>48,364,955</u>
Total liabilities and fund balances	<u>\$ 113,912,689</u>	<u>\$ 12,684,194</u>	<u>\$ 126,596,883</u>

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

# Cleveland Heights-University Heights City School District

## Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

June 30, 2013

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Total governmental funds balances \$ 48,364,955

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 35,073,375

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

Property and other taxes	\$ 10,333,183	
Investment earnings	4,444	
Tuition	2,455,038	
Grants	<u>607,200</u>	
Total		13,399,865

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 2,990,309

In the government-wide financial statements, interest is accrued on outstanding debt, whereas in Governmental Funds, an interest expenditure is reported when due. (13,896)

In the government-wide financial statements, bond issuance costs are amortized over the term of the bonds, whereas in the governmental funds bond issuance expenditures are reported when bonds are issued. 116,406

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

Energy Conservation Bonds	(660,000)	
Library Improvement Refunding Bonds	(6,750,000)	
Qualified Zone Academy Bonds	(5,500,000)	
Premium on bonds	(186,407)	
Capital leases	(318,414)	
Early retirement incentive	(156,000)	
Compensated absences	<u>(6,368,671)</u>	
Total		<u>(19,939,492)</u>

Net position of governmental activities \$ 79,991,522

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, 2013

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 68,852,166	\$ 3,741,021	\$ 72,593,187
Intergovernmental	29,545,832	9,747,443	39,293,275
Tuition and fees	4,261,340	-	4,261,340
Earnings on investments	100,159	169,767	269,926
Extracurricular activities	71,842	177,561	249,403
Classroom materials and fees	9,899	-	9,899
Miscellaneous	<u>1,197,761</u>	<u>90,398</u>	<u>1,288,159</u>
Total revenues	<u>104,038,999</u>	<u>13,926,190</u>	<u>117,965,189</u>
Expenditures:			
Current:			
Instruction:			
Regular	41,241,465	452,572	41,694,037
Special	10,863,443	1,686,804	12,550,247
Vocational	1,844,290	181,153	2,025,443
Adult/continuing	-	258,355	258,355
Other	8,260,680	-	8,260,680
Support services:			
Pupil	8,887,479	583,796	9,471,275
Instructional staff	4,405,911	2,954,110	7,360,021
Board of education	584,645	-	584,645
Administration	5,352,271	568,902	5,921,173
Fiscal	2,750,628	241,545	2,992,173
Business	486,832	-	486,832
Operations and maintenance of plant	11,072,551	2,923,277	13,995,828
Pupil transportation	4,303,341	16,560	4,319,901
Central	4,286,195	135,531	4,421,726
Operation of non-instructional services:			
Food service operations	8,230	7,406	15,636
Community services	265	2,145,747	2,146,012
Other non-instructional services	119,014	1,342	120,356
Extracurricular activities	1,483,614	457,086	1,940,700
Debt services:			
Principal	527,177	970,000	1,497,177
Interest and fiscal charges	28,373	299,667	328,040
Bond issuance costs	-	<u>124,721</u>	<u>124,721</u>
Total expenditures	<u>106,506,404</u>	<u>14,008,574</u>	<u>120,514,978</u>
Excess of revenues over (under) expenditures	<u>(2,467,405)</u>	<u>(82,384)</u>	<u>(2,549,789)</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, 2013

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):			
Inception of capital lease	87,077	-	87,077
Refunding bonds issued	-	6,750,000	6,750,000
Premium on refunding bonds issued	-	199,722	199,722
Payment to refunded bond escrow agent	-	(6,825,000)	(6,825,000)
Transfers - in	5,448	619,873	625,321
Transfers - out	<u>(611,872)</u>	<u>(13,449)</u>	<u>(625,321)</u>
Total other financing sources (uses)	<u>(519,347)</u>	<u>731,146</u>	<u>211,799</u>
Net change in fund balance	(2,986,752)	648,762	(2,337,990)
Fund balance at beginning of year	<u>45,570,736</u>	<u>5,132,209</u>	<u>50,702,945</u>
Fund balance at end of year	\$ <u>42,583,984</u>	\$ <u>5,780,971</u>	\$ <u>48,364,955</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, 2013

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Net change in fund balances - total governmental funds \$ (2,337,990)

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	\$ 2,872,137	
Depreciation	<u>(2,694,820)</u>	
Total		177,317

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	451,882	
Investment earnings	(39,056)	
Tuition	823,610	
Intergovernmental	<u>(215,918)</u>	
Total		1,020,518

Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of long-term capital leases, bonds and notes. (7,036,799)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 8,322,177

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. (430,768)

In the Statement of Activities, bond issuance costs are amortized over the term of the bonds, whereas, in Governmental Funds, a bond issuance expenditures is reported when the bonds are issued. 124,721

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	(41,500)	
Compensated absences	(301,168)	
Amortization of premium	13,315	
Amortization of issuance costs	(8,315)	
Accrued interest	<u>23,595</u>	
Total		<u>(314,073)</u>

Change in net position of governmental activities \$ (474,897)

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

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 72,451,991	\$ 74,122,205	\$ 68,665,169	\$ (5,457,036)
Intergovernmental	21,362,804	21,362,804	29,569,241	8,206,437
Tuition and fees	3,097,232	3,097,232	4,287,022	1,189,790
Earnings on investments	72,362	72,362	100,159	27,797
Miscellaneous	456,368	513,795	751,035	237,240
Total revenues	<u>97,440,757</u>	<u>99,168,398</u>	<u>103,372,626</u>	<u>4,204,228</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	37,248,075	42,394,925	42,394,843	82
Special	9,499,575	10,812,208	10,812,207	1
Vocational	1,642,140	1,869,049	1,869,050	(1)
Other instruction	7,064,089	8,040,188	8,040,188	-
<b>Support services:</b>				
Pupil	7,847,875	8,932,275	8,929,773	2,502
Instructional staff	4,397,361	5,004,979	5,004,980	(1)
Board of education	539,989	614,604	614,603	1
Administration	4,768,061	5,426,900	5,426,900	-
Fiscal	1,682,931	1,915,477	2,661,378	(745,901)
Business	452,592	515,130	515,131	(1)
Operation and maintenance of plant	11,534,057	13,127,806	13,127,808	(2)
Pupil transportation	4,113,531	4,740,514	4,677,514	63,000
Central	5,261,885	5,988,960	5,988,959	1
<b>Operation of non-instructional services:</b>				
Food service operations	7,347	8,361	8,361	-
Other non-instructional services	105,752	120,365	120,365	-
<b>Extracurricular activities:</b>				
Academic and subject oriented	419,917	477,940	477,940	-
Occupational oriented	5,024	5,718	5,718	-
Sports oriented	815,609	928,307	928,307	-
Co-curricular activities	36,744	41,822	41,821	1
Total expenditures	<u>97,442,554</u>	<u>110,965,528</u>	<u>111,645,846</u>	<u>(680,318)</u>
Excess of revenues over (under) expenditures	<u>(1,797)</u>	<u>(11,797,130)</u>	<u>(8,273,220)</u>	<u>3,523,910</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - in	124,180	124,180	4,489	(119,691)
Transfers - out	(622,989)	(709,072)	(613,161)	95,911
Advances - in	5,095,315	5,137,888	7,047,250	1,909,362
Advances - out	<u>(9,609,449)</u>	<u>(10,956,312)</u>	<u>(9,175,000)</u>	<u>1,781,312</u>
Total other financing sources (uses)	<u>(5,012,943)</u>	<u>(6,403,316)</u>	<u>(2,736,422)</u>	<u>3,666,894</u>
Net change in fund balance	(5,014,740)	(18,200,446)	(11,009,642)	7,190,804
Fund balance beginning of year	24,391,859	24,391,859	24,391,859	-
Prior year encumbrances appropriated	<u>4,548,171</u>	<u>4,548,171</u>	<u>4,548,171</u>	<u>-</u>
Fund balance end of year	\$ <u>23,925,290</u>	\$ <u>10,739,584</u>	\$ <u>17,930,388</u>	\$ <u>7,190,804</u>

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

# Cleveland Heights-University Heights City School District

## Statement of Fund Net Position – Proprietary Funds

June 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Internal
	General	Enterprise		Service
	Rotary			Funds
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and investments	\$ 287,214	\$ 65,305	\$ 352,519	\$ 4,781,556
Accounts receivable	-	7,056	7,056	-
Prepaid items	-	-	-	137,233
Intergovernmental receivable	43,499	6,687	50,186	139,218
Materials and supplies inventory	-	9,066	9,066	-
Inventory held for resale	-	38,842	38,842	-
Total current assets	<u>330,713</u>	<u>126,956</u>	<u>457,669</u>	<u>5,058,007</u>
Non-current assets:				
Capital assets, net of depreciation	-	472,519	472,519	-
Total assets	<u>330,713</u>	<u>599,475</u>	<u>930,188</u>	<u>5,058,007</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	-	47,486	47,486	-
Accrued wages and benefits	362	19,703	20,065	-
Interfund payable	10,980,960	1,911,168	12,892,128	-
Intergovernmental payable	-	44,369	44,369	352,298
Claims payable	-	-	-	1,715,400
Current portion of accrued compensated absences	-	4,439	4,439	-
Total current liabilities	<u>10,981,322</u>	<u>2,027,165</u>	<u>13,008,487</u>	<u>2,067,698</u>
Non-current liabilities:				
Accrued compensated absences	-	58,975	58,975	-
Total liabilities	<u>10,981,322</u>	<u>2,086,140</u>	<u>13,067,462</u>	<u>2,067,698</u>
<b>Net position:</b>				
Net investment in capital assets	-	472,519	472,519	-
Unrestricted (deficit)	<u>(10,650,609)</u>	<u>(1,959,184)</u>	<u>(12,609,793)</u>	<u>2,990,309</u>
Total net position (deficit)	\$ <u>(10,650,609)</u>	\$ <u>(1,486,665)</u>	\$ <u>(12,137,274)</u>	\$ <u>2,990,309</u>

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

# Cleveland Heights-University Heights City School District

## Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds

For the Fiscal Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Activities
	General Rotary	Enterprise		Internal Service Funds
Operating revenues:				
Tuition and fees	\$ 239,602	\$ 644,099	\$ 883,701	\$ -
Charges for services	-	-	-	14,742,171
Classroom materials and fees	-	9,238	9,238	-
Food services	-	355,476	355,476	-
Miscellaneous	43,500	33,164	76,664	-
Total operating revenues	<u>283,102</u>	<u>1,041,977</u>	<u>1,325,079</u>	<u>14,742,171</u>
Operating expenses:				
Salaries and wages	1,683,611	1,168,685	2,852,296	-
Fringe benefits	705,379	568,016	1,273,395	15,140,514
Purchased services	271,081	1,404,585	1,675,666	32,425
Supplies and materials	16,130	159,437	175,567	-
Depreciation	-	32,972	32,972	-
Other	438,468	60	438,528	-
Total operating expenses	<u>3,114,669</u>	<u>3,333,755</u>	<u>6,448,424</u>	<u>15,172,939</u>
Operating loss	<u>(2,831,567)</u>	<u>(2,291,778)</u>	<u>(5,123,345)</u>	<u>(430,768)</u>
Non-operating revenues:				
Federal donated commodities	-	124,326	124,326	-
Intergovernmental grants	-	1,999,001	1,999,001	-
Total non-operating revenues	<u>-</u>	<u>2,123,327</u>	<u>2,123,327</u>	<u>-</u>
Net loss	(2,831,567)	(168,451)	(3,000,018)	(430,768)
Total net position (deficit) at beginning of year	<u>(7,819,042)</u>	<u>(1,318,214)</u>	<u>(9,137,256)</u>	<u>3,421,077</u>
Total net position (deficit) at end of year	\$ <u>(10,650,609)</u>	\$ <u>(1,486,665)</u>	\$ <u>(12,137,274)</u>	\$ <u>2,990,309</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, 2013

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Internal
	General	Enterprise		Service
	Rotary			Funds
<b>Increase in cash and cash equivalents:</b>				
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 1,089,602	\$ 1,005,401	\$ 2,095,003	\$ 14,742,171
Cash received from other operating sources	-	26,477	26,477	-
Cash payments for materials and supplies	(16,130)	(46,562)	(62,692)	-
Cash payments for goods and services	(271,081)	(1,433,517)	(1,704,598)	(1,260,517)
Cash payments to employees for services	(1,911,337)	(1,172,537)	(3,083,874)	-
Cash payments to employee benefits	(775,986)	(603,566)	(1,379,552)	-
Cash payments for claims	-	-	-	(14,475,412)
Net cash used for operating activities	<u>(1,884,932)</u>	<u>(2,224,304)</u>	<u>(4,109,236)</u>	<u>(993,758)</u>
<b>Cash flows from non-capital financing activities:</b>				
Intergovernmental grants received	-	1,999,001	1,999,001	-
Advances - in	6,353,000	828,000	7,181,000	-
Advances - out	<u>(4,750,000)</u>	<u>(690,000)</u>	<u>(5,440,000)</u>	-
Net cash provided by non-capital financing activities	<u>1,603,000</u>	<u>2,137,001</u>	<u>3,740,001</u>	-
Net decrease in cash and cash equivalents	(281,932)	(87,303)	(369,235)	(993,758)
Cash and cash equivalents at beginning of year	<u>569,146</u>	<u>152,608</u>	<u>721,754</u>	<u>5,775,314</u>
Cash and cash equivalents at end of year	\$ <u>287,214</u>	\$ <u>65,305</u>	\$ <u>352,519</u>	\$ <u>4,781,556</u>
<b>Non-cash capital and non-capital financing activities:</b>				
Federal donated commodities	\$ -	\$ 124,326	\$ 124,326	\$ -
<b>Reconciliation of operating loss to net cash used for operating activities:</b>				
Operating loss	\$ (2,831,567)	\$ (2,291,778)	\$ (5,123,345)	\$ (430,768)
Adjustments:				
Depreciation	-	32,972	32,972	-
Federal donated commodities	-	124,326	124,326	-
Changes in assets/liabilities:				
Increase in accounts receivable	-	(3,412)	(3,412)	-
Increase in prepaid items	-	-	-	(3,779)
Decrease (increase) in intergovernmental receivable	1,244,968	(6,687)	1,238,281	(139,218)
Decrease in materials and supplies inventories	-	1,647	1,647	-
Increase in inventory held for resale	-	(13,098)	(13,098)	-
Decrease in accounts payable	-	(28,872)	(28,872)	-
Increase in accrued wages and benefits	362	11,783	12,145	-
Decrease in intergovernmental payable	(70,607)	(35,550)	(106,157)	(368,393)
Decrease in accrued compensated absences	(228,088)	(15,635)	(243,723)	-
Decrease in claims payable	-	-	-	(51,600)
Total adjustments	<u>946,635</u>	<u>67,474</u>	<u>1,014,109</u>	<u>(562,990)</u>
Net cash used for operating activities	\$ <u>(1,884,932)</u>	\$ <u>(2,224,304)</u>	\$ <u>(4,109,236)</u>	\$ <u>(993,758)</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, 2013

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	Student Managed Activity Agency Fund
Assets:	
Equity in pooled cash and investments	\$ <u>90,844</u>
Liabilities:	
Due to students	\$ <u>90,844</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, 2013

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

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

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education (the “Board”) controls the District’s twelve instructional/support facilities staffed by 471 classified employees, 531 certificated full-time teaching personnel and approximately 53 administrators who provide services to 5,301 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, 2013

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## **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 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 position, financial position and cash flows and are classified as either enterprise or internal service.

*Enterprise Funds* - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District'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, 2013

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

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District'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 Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. 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, 2013

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

### C. Basis of Presentation (continued)

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. 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 Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

### D. Basis of Accounting

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

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

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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

### D. Basis of Accounting (continued)

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, 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, 2013, but which were levied to finance fiscal year 2014 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, 2013

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## **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 2013, 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 2013. 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, 2013.

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 2013 amounted to \$100,159. The amount allocated from the other funds during fiscal year 2013 amounted to \$19,220.

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

### **G. Restricted Assets**

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets include the amount for the future repayment of the Qualified Zone Academy Bond (“QZAB”) held with a fiscal agent until the debt becomes due. See Note 14 for additional information regarding the QZAB.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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

### H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

### I. Inventory

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

### J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

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 Position, 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, 2013

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## **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, 2013

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## 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, 2013

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

### **O. Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those capital assets. Net position 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 position is available. As of June 30, 2013, the District did not have net position 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 2013, 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.

### **T. Comparative Data/Reclassifications**

Prior year data presented in Management's Discussion and Analysis have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2012 financial statements in order to conform to the 2013 presentation.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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## Note 2: Accountability

The following funds had deficit fund balances/net position at June 30, 2013:

### Special Revenue Funds:

Public School Preschool Grant	\$	21,939
Stimulus - School Improvement		250,249
Ohio Reads		12,158
Summer School Subsidy		19,312
Alternative School Grant		3,693
Idea (Flo-Thru)		3,568
Vocational Education		18,032
Race to the Top		97,196
Title II-D Technology Grant		3,272
Title I Improvement		11,609
Title III		3,367
Title I		106,124
Title V Innovation		2,698
Drug Free Schools		3,664
Title II-A Improving Teacher Quality		52,597
Miscellaneous Federal Grants		82,187

### Enterprise Funds:

Bellefaire General Rotary		10,650,609
Food Services		1,581,737
Customer Services		19,595

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, 2013

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

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

	<u>General</u>
GAAP Basis	\$ (2,986,752)
Revenue Accruals	(599,706)
Advances - in	7,047,250
Expenditure Accruals	(1,982,228)
Advances - out	(9,175,000)
Encumbrances	(3,295,578)
To reclassify the net change in fund balance for funds combined with the General Fund	<u>(17,628)</u>
Budget Basis	\$ <u><u>(11,009,642)</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>421,946</u>	\$ <u>-</u>	\$ <u>421,946</u>
Restricted for:			
Community activities	-	265,968	265,968
Athletics	-	18,214	18,214
Auxiliary services	-	262,918	262,918
Technology improvements	-	11,511	11,511
Adult education	-	4,132	4,132
Special education	-	8,210	8,210
Miscellaneous State and federal grants	-	105,382	105,382
Debt service payments	-	162,985	162,985
Capital improvements	<u>-</u>	<u>5,633,316</u>	<u>5,633,316</u>
Total restricted	<u>-</u>	<u>6,472,636</u>	<u>6,472,636</u>
Committed to:			
Purchases on order	<u>169,433</u>	<u>-</u>	<u>169,433</u>
Assigned to:			
Purchases on order	<u>2,855,580</u>	<u>-</u>	<u>2,855,580</u>
Unassigned (deficit)	<u>39,137,025</u>	<u>(691,665)</u>	<u>38,445,360</u>
Total	\$ <u><u>42,583,984</u></u>	\$ <u><u>5,780,971</u></u>	\$ <u><u>48,364,955</u></u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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

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

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

Inactive deposits are public deposits that the Board 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, 2013

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## 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 \$27,337,784 and the bank balance was \$28,499,453. Of the bank balance, \$10,500,000 was covered by Federal depository insurance and \$17,999,453 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, 2013, the District had the following investments:

	<u>Fair Value</u>	<u>Less Than 6 Months</u>
Federal National Mortgage Association	\$ 4,223,324	\$ 4,223,324
STAR Ohio	2,559,335	2,559,335
Total portfolio	<u>\$ 6,782,659</u>	<u>\$ 6,782,659</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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## Note 5: Deposits and 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, 2013:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal National Mortgage Association	62.3%
STAR Ohio	37.7%

## 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 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, 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, 2013

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

Public utility property tax revenue received in calendar 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2011, were levied after April 1, 2012 and are collected in 2013 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Cuyahoga County Fiscal Officer collects property taxes on behalf of the School District. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. These tax “advances” are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which became measurable as of June 30, 2013 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2013 was \$9,012,852 for the General Fund, \$89,794 in the Bond Retirement Fund, and \$429,003 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012		2013	
	<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	\$ 1,120,618,240	98.79%	\$ 1,068,405,140	98.61%
Public utility	<u>13,770,650</u>	<u>1.21%</u>	<u>15,110,130</u>	<u>1.39%</u>
	\$ <u>1,134,388,890</u>	<u>100.00%</u>	\$ <u>1,083,515,270</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 143.70		\$ 143.70

**Note 7: Interfund Transactions**

Interfund transactions for the year ended June 30, 2013 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,977,910
General Fund	Bellefaire General Rotary Fund	10,980,960
General Fund	Nonmajor Enterprise Funds	<u>1,911,168</u>
		\$ <u>14,870,038</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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**Note 7: Interfund Transactions (continued)**

All balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2013, all interfund loans outstanding are anticipated to be repaid in the fiscal year 2014. Interfund balances of \$12,892,128 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$1,977,910 being eliminated.

Interfund transfers for the year ended June 30, 2013, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ 611,872
Transfer from Nonmajor Governmental Funds to:	
General Fund	5,448
Nonmajor Governmental Funds	<u>8,001</u>
	<u>\$ 625,321</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from nonmajor governmental funds to the General Fund was to cover costs paid out of the general fund that could be paid out of the nonmajor governmental fund. The transfer from the nonmajor governmental fund to the nonmajor governmental fund was to move grant revenues from a prior year to the fund required to report the expenditures.

**Note 8: Receivables**

Receivables at June 30, 2013, 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	\$ 2,455,038
Fuel reimbursements	25,922
School Improvement Grant Competitive	201,961
Race to the Top grant	123,788
Adult Basic-Education grant	99,483
IDEA (flo thru) grant	42,680
Title I grant	772,691
Title II-A grant	102,580
Other federal grants	159,721
Bellefaire tuition	21,902
State Employees Retirement System refund	139,218
Ohio Bureau of Workers' Compensation refund	<u>370,159</u>
Total governmental activities	<u>4,515,143</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

## Note 8: Receivables (continued)

Business-type activities:

Bellefaire tuition	30,623
Ohio Bureau of Workers' Compensation refund	<u>19,563</u>
Total business-type activities	<u>50,186</u>
Total intergovernmental receivable	<u>\$ 4,565,329</u>

## Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Balance at 6/30/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/13</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>535,985</u>	<u>2,565,671</u>	<u>(2,268,938)</u>	<u>832,718</u>
Total capital assets, not being depreciated	<u>2,517,608</u>	<u>2,565,671</u>	<u>(2,268,938)</u>	<u>2,814,341</u>
Capital assets, being depreciated:				
Land improvements	5,055,979	11,988	-	5,067,967
Buildings and improvements	48,636,735	1,591,070	-	50,227,805
Vehicles	3,840,407	61,340	(23,927)	3,877,820
Furniture and equipment	<u>6,570,079</u>	<u>911,006</u>	<u>-</u>	<u>7,481,085</u>
Total capital assets, being depreciated	<u>64,103,200</u>	<u>2,575,404</u>	<u>(23,927)</u>	<u>66,654,677</u>
Less accumulated depreciation:				
Land improvements	(2,254,695)	(198,453)	-	(2,453,148)
Buildings and improvements	(22,606,783)	(1,228,390)	-	(23,835,173)
Vehicles	(2,173,878)	(340,087)	23,927	(2,490,038)
Furniture and equipment	<u>(4,689,394)</u>	<u>(927,890)</u>	<u>-</u>	<u>(5,617,284)</u>
Total accumulated depreciation	<u>(31,724,750)</u>	<u>(2,694,820)</u>	<u>23,927</u>	<u>(34,395,643)</u>
Total capital assets being depreciated, net	<u>32,378,450</u>	<u>(119,416)</u>	<u>-</u>	<u>32,259,034</u>
Governmental activities capital assets, net	<u>\$ 34,896,058</u>	<u>\$ 2,446,255</u>	<u>\$ (2,268,938)</u>	<u>\$ 35,073,375</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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

	<u>Balance</u> <u>at 6/30/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>at 6/30/13</u>
Business-type activities:				
Capital assets, being depreciated:				
Land improvements	\$ 6,274	\$ -	\$ -	\$ 6,274
Buildings and improvements	1,250,810	-	-	1,250,810
Furniture and equipment	<u>579,211</u>	<u>-</u>	<u>-</u>	<u>579,211</u>
Total capital assets, being depreciated	<u>1,836,295</u>	<u>-</u>	<u>-</u>	<u>1,836,295</u>
Less accumulated depreciation:				
Land improvements	(6,274)	-	-	(6,274)
Buildings and improvements	(908,071)	(12,143)	-	(920,214)
Furniture and equipment	<u>(416,459)</u>	<u>(20,829)</u>	<u>-</u>	<u>(437,288)</u>
Total accumulated depreciation	<u>(1,330,804)</u>	<u>(32,972)</u>	<u>-</u>	<u>(1,363,776)</u>
Business-type activities capital assets, net	\$ <u>505,491</u>	\$ <u>(32,972)</u>	\$ <u>-</u>	\$ <u>472,519</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 350,821
Vocational	7,086
Support services:	
Instructional staff	656,794
Administration	6,346
Business	145,022
Operations and maintenance of plant	1,169,702
Pupil transportation	300,408
Central	30,398
Community services	11,428
Extracurricular activities	<u>16,815</u>
	\$ <u>2,694,820</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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## 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 2013, 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 \$209,216,317 limit
Inland Marine – Equipment-type listed with different limits	\$250 deductible \$11,490,520 limit
Flood and Earthquake Limit	\$50,000 deductible (and 5%) \$1,000,000 limit (each)
Crime	\$250,000 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:	\$1,000,000 limit
Vehicles other than buses	\$250 comprehensive deductible \$500 collision deductible
Buses	\$1,000 comprehensive deductible \$1,000 collision deductible
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
Sexual Misconduct and Molestation	\$1,000,000 limit/aggregate
Data Compromise	\$50,000 limit/aggregate
Law Enforcement	\$1,000,000 limit/aggregate

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, 2013

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## 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 \$1,715,400 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2013, 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 \$1,715,400 reported in the Self-Insurance Internal Service Fund at June 30, 2013, 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 2011, 2012, and 2013 are as follows:

	Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
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
June 30, 2013	1,767,000	13,633,910	13,685,510	1,715,400

## 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 may be obtained on SERS' website at [www.ohsers.org](http://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 2013, the allocation to pension and death benefits was 13.1 percent. The remaining 0.9 percent of the 14 percent employer contribution rate was 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, 2013

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## **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, 2013, 2012 and 2011 were \$1,669,065, \$2,173,028, and \$2,035,702, respectively; 86.89 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. 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 provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771 or by calling toll free 1-888-227-7877 or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

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 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 (2.6 percent for 32 years, 2.7 percent for 33 years and so on) 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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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

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

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 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 one 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 the 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' of 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, 2013, 2012, and 2011, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011, were \$6,380,596, \$7,003,377, and \$7,311,793 respectively; 98.75 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The unpaid balance is reported as an intergovernmental payable. Contributions to the DC and Combined Plans for fiscal year 2013 were \$285,738 made by the District and \$204,098 made by the plan members.

## **Note 12: Postemployment 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 \$104.90 for most participants, but could be as high as \$335.70 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 2013, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$109,645, \$116,412, and \$110,510, respectively; 86.89 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits 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 HMOs, PPOs, 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 drug 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 the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the year ended June 30, 2013, the health care allocation is 0.16 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. Statutes provide 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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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## **Note 12: Postemployment Benefits (continued)**

### **A. School Employees Retirement System (continued)**

percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at \$20,525. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. For the fiscal years ended June 30, 2013, 2012 and 2011 the School District's contributions assigned to health care were \$295,663, \$326,508, and \$438,353, respectively; 86.89 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. 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 for SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

### **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 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. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Under Ohio law, funding for postemployment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, one percent of covered payroll was allocated to postemployment health care for the years ended June 30, 2013, 2012, and 2011. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the fiscal year ended June 30, 2013, 2012, and 2011 the District's contributions for health care were \$490,815, \$500,241, and \$522,271, respectively; 98.75 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The unpaid balance is reported as an intergovernmental payable.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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## **Note 13: Employee Benefits**

### **A. Compensated Absences**

The criteria for determining vacation, personal leave, sick leave, and compensatory time components are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for one-fourth of the first 360 days of total sick leave accumulation plus one-eighth the next 99 days. The entire compensated absence liability is reported on the government-wide financial statements.

### **B. Early Retirement Incentive**

The District offers employees participation in a Retirement Incentive program 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.

The last installment of the 2011-2012 Retirement Incentive program was paid prior to June 30, 2013. These payments of \$1,372,000 were made from the General Fund.

The last installment of the 2012-2013 and the first installment of the 2013-2014 Retirement Incentive Programs will be paid starting, July 1, 2013. The payments of \$240,000 will be made from the General Fund and are reported in this same fund on the fund financial statements.

The last installment of the 2013-2014 Retirement Incentive Programs will be completed by July 1, 2014. The payments of \$156,000 will be made from the General Fund and are 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, 2013

## Note 14: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2013 were as follows:

	Principal Outstanding 6/30/12	Additions	Deletions	Principal Outstanding at 6/30/13	Amounts Due in One Year
Governmental activities:					
2003 \$5,800,000 Energy Conservation Bonds - variable	\$ 1,295,000	\$ -	\$ 635,000	\$ 660,000	\$ 660,000
2002 \$9,499,990 Library Improvement Bonds - variable interest rate	7,160,000	-	7,160,000	-	-
2012 \$6,750,000 Library Improvement Refunding Bonds – variable interest rate	-	6,750,000	-	6,750,000	405,000
Premium on Library Improvement Refunding Bonds	-	199,722	13,315	186,407	-
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital lease obligations	758,514	87,077	527,177	318,414	98,728
Early retirement incentive	114,500	156,000	114,500	156,000	-
Compensated absences	<u>6,067,503</u>	<u>1,574,903</u>	<u>1,273,735</u>	<u>6,368,671</u>	<u>445,807</u>
Total governmental long-term liabilities	\$ <u>20,895,517</u>	\$ <u>8,767,702</u>	\$ <u>9,723,727</u>	\$ <u>19,939,492</u>	\$ <u>1,609,535</u>
Business-type activities:					
Compensated absences	\$ <u>307,137</u>	\$ <u>12,456</u>	\$ <u>256,178</u>	\$ <u>63,414</u>	\$ <u>4,439</u>

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.

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 Position, as well as the Permanent Improvement Fund.

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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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

On October 16, 2012, the District issued \$6,750,000 in General Obligation (Unlimited Tax) Library Refunding Bonds for the purpose of refunding Library Improvement Bonds outstanding in order to take advantage of lower interest rates. The interest rates range from 2.00% to 2.25%. An analysis of the information follows:

	Library Improvement Bonds <u>Series 2002</u>
Outstanding at June 30, 2012	\$ 7,160,000
Amount refunded	(6,825,000)
Principal payment on non-refunded portion	<u>(335,000)</u>
Outstanding at June 30, 2013	\$ <u><u>-</u></u>

The refunding bonds were sold at a premium of \$199,722. Proceeds and premium of \$6,949,722 and cash reserves of \$170,318 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the certificates of participation. As a result, \$6,825,000 of the Series 2002 bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the District's financial statements. On December 1, 2012, \$6,825,000 of defeased bonds was called and redeemed using the proceeds deposited with the escrow agent.

The District decreased its total debt service payments by \$1,820,879 as a result of the refunding. The District also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$1,615,143.

The legal debt margin of the District as of June 30, 2013, was \$90,082,952 with an unvoted debt margin of \$1,083,515.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2013, are as follows:

	<u>Energy Conservation Bonds</u>			<u>Library Refunding Bonds</u>			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2014	\$ 660,000	\$ 13,200	\$ 673,200	\$ 405,000	\$ 133,663	\$ 538,663	\$ 1,211,863
2015	-	-	-	430,000	125,313	555,313	555,313
2016	-	-	-	440,000	116,613	556,613	556,613
2017	-	-	-	450,000	107,713	557,713	557,713
2018	-	-	-	455,000	98,662	553,662	553,662
2019-2023	-	-	-	2,445,000	350,412	2,795,412	2,795,412
2024-2027	-	-	-	2,125,000	94,306	2,219,306	2,219,306
Total	\$ <u>660,000</u>	\$ <u>13,200</u>	\$ <u>673,200</u>	\$ <u>6,750,000</u>	\$ <u>1,026,682</u>	\$ <u>7,776,682</u>	\$ <u>8,449,882</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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## Note 15: Lease Obligations

The District has entered into capital leases for copier equipment. These leases meet the criteria of a capital lease. Governmental activities capital assets consisting of copier equipment have capital lease balances at June 30, 2013 in the amounts of 318,414. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$484,423 less accumulated depreciation, \$214,003. Principal payments for all of capital leases in the 2013 fiscal year totaled \$527,177. These amounts are reported as debt service principal 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, 2013:

	Capital Leases
2014	\$ 111,043
2015	107,780
2016	100,433
2017	19,571
2018	<u>3,263</u>
Total minimum lease payments	342,090
Less: amounts representing interest	<u>(23,676)</u>
Present value minimum capital lease payments	\$ <u>318,414</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 2013, the District paid \$688,603 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, 2013

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**Note 16: Jointly Governed Organization (continued)**

The District participates in the Council’s prepaid natural gas program. This program allows school districts to purchase natural gas at reduced rates. Compass Energy has been selected as the natural gas supplier and program manager for the period October 1, 2010 through March 31, 2013. The new program with Compass Energy runs from April 1, 2013 through March 31, 2016. There are currently 151 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.

	<u>Capital Improvements</u>
Set-aside reserve balance as of June 30, 2012	\$ -
Current year set-aside requirements	976,313
Qualifying disbursements	<u>(2,409,398)</u>
Total set-aside reserve balance as of June 30, 2013	\$ <u><u>(1,433,085)</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.

**Note 18: Contractual Commitments and Other Significant Commitments**

At June 30, 2013, the District’s significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Delisle Center roof replacement	\$ 462,702	\$ 401,006	\$ 61,696
Fairfax roof replacement	232,709	141,798	90,911
New technology phase 2	242,758	57,733	185,025
District-wide public announcements system	328,328	147,334	180,994
District-wide security doors	274,600	13,130	261,470
Safety and security upgrades	<u>526,837</u>	<u>-</u>	<u>526,837</u>
Total	\$ <u><u>2,067,934</u></u>	\$ <u><u>761,001</u></u>	\$ <u><u>1,306,933</u></u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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## Note 18: Contractual Commitments and Other Significant Commitments (continued)

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	\$ 2,824,732
Bellefaire general rotary	1,972
Nonmajor funds	<u>1,455,760</u>
Total other significant commitments	<u>\$ 4,282,464</u>

## Note 19: Contingencies

### A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2013.

### 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.

## 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.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2013

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## **Note 21: Change in Accounting Principles**

For fiscal year 2013, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

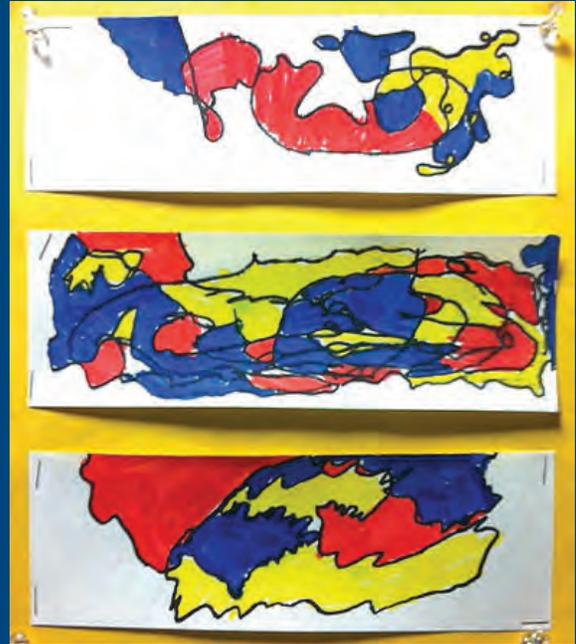
GASB Statement No. 62 incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which do not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the District. The implementation of this statement has no impact on the District’s financial statements or disclosures.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the District. The District’s financial statements have been updated to reflect the implementation of this standard.

In March 2012, the GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The requirements of this Statement are effective for financial statements for period beginning after December 15, 2012 and in the year implemented will cause the unamortized bond issue costs to be restated and shown as a period expense in the year incurred.

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# Combining Statements and Individual Fund Schedules



**ZOE MINOR**  
*Kindergarten, Noble Elementary*



**JAKALYN BROWN**  
*Kindergarten, Noble Elementary*



**SOPHIA NATKEVICIUS**  
*Kindergarten, Noble Elementary*



# Cleveland Heights-University Heights City School District

## Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2013

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### **Nonmajor Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to 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, 2013

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### 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, 2013

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## 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

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

## Nonmajor Capital Projects Fund

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

# Cleveland Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2013

	Nonmajor Special <u>Revenue</u>	Nonmajor Debt <u>Service</u>	Nonmajor Capital <u>Projects</u>	Total Nonmajor Governmental <u>Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 1,497,768	\$ 73,191	\$ 1,285,398	\$ 2,856,357
Accounts receivable	3,250	-	-	3,250
Intergovernmental receivable	1,534,969	-	-	1,534,969
Taxes receivable	-	671,372	3,391,905	4,063,277
Restricted cash	-	-	<u>4,226,341</u>	<u>4,226,341</u>
Total assets	\$ <u>3,035,987</u>	\$ <u>744,563</u>	\$ <u>8,903,644</u>	\$ <u>12,684,194</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 285,663	\$ -	\$ 307,426	\$ 593,089
Accrued wages and benefits	64,879	-	-	64,879
Interfund payable	1,977,910	-	-	1,977,910
Intergovernmental payable	115,665	-	-	115,665
Deferred revenue	<u>607,200</u>	<u>581,578</u>	<u>2,962,902</u>	<u>4,151,680</u>
Total liabilities	<u>3,051,317</u>	<u>581,578</u>	<u>3,270,328</u>	<u>6,903,223</u>
Fund balances:				
Restricted	676,335	162,985	5,633,316	6,472,636
Unassigned	<u>(691,665)</u>	<u>-</u>	<u>-</u>	<u>(691,665)</u>
Total fund balances (deficit)	<u>(15,330)</u>	<u>162,985</u>	<u>5,633,316</u>	<u>5,780,971</u>
Total liabilities and fund balances	\$ <u>3,035,987</u>	\$ <u>744,563</u>	\$ <u>8,903,644</u>	\$ <u>12,684,194</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, 2013

	Nonmajor Special <u>Revenue</u>	Nonmajor Debt <u>Service</u>	Nonmajor Capital <u>Projects</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ 649,144	\$ 3,091,877	\$ 3,741,021
Intergovernmental	9,145,171	100,379	501,893	9,747,443
Earnings on investments	1,077	-	168,690	169,767
Extracurricular activities	177,561	-	-	177,561
Miscellaneous	90,398	-	-	90,398
Total revenues	<u>9,414,207</u>	<u>749,523</u>	<u>3,762,460</u>	<u>13,926,190</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	452,572	-	-	452,572
Special	1,686,804	-	-	1,686,804
Vocational	181,153	-	-	181,153
Adult/continuing	258,355	-	-	258,355
<b>Support services:</b>				
Pupil	583,796	-	-	583,796
Instructional staff	2,954,110	-	-	2,954,110
Administration	568,902	-	-	568,902
Fiscal	241,545	-	-	241,545
Operations and maintenance of plant	-	-	2,923,277	2,923,277
Pupil transportation	16,560	-	-	16,560
Central	135,531	-	-	135,531
<b>Operation of non-instructional services:</b>				
Community services	2,145,747	-	-	2,145,747
Food service operations	7,406	-	-	7,406
Other non-instructional services	1,342	-	-	1,342
Extracurricular activities	457,086	-	-	457,086
<b>Debt services:</b>				
Principal	-	970,000	-	970,000
Interest and fiscal charges	-	299,667	-	299,667
Bond issuance costs	-	124,721	-	124,721
Total expenditures	<u>9,690,909</u>	<u>1,394,388</u>	<u>2,923,277</u>	<u>14,008,574</u>
Excess of revenues over (under) expenditures	<u>(276,702)</u>	<u>(644,865)</u>	<u>839,183</u>	<u>(82,384)</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, 2013

	Nonmajor Special <u>Revenue</u>	Nonmajor Debt <u>Service</u>	Nonmajor Capital <u>Projects</u>	Total Nonmajor Governmental <u>Funds</u>
Other financing sources (uses):				
Refunding bonds issued	-	6,750,000	-	6,750,000
Premium on refunding bonds issued	-	199,722	-	199,722
Payment to refunded bond escrow agent	-	(6,825,000)	-	(6,825,000)
Transfers - in	619,873	-	-	619,873
Transfers - out	<u>(13,449)</u>	<u>-</u>	<u>-</u>	<u>(13,449)</u>
Total other financing sources (uses)	<u>606,424</u>	<u>124,722</u>	<u>-</u>	<u>731,146</u>
Net change in fund balance	329,722	(520,143)	839,183	648,762
Fund balance (deficit) at beginning of year	<u>(345,052)</u>	<u>683,128</u>	<u>4,794,133</u>	<u>5,132,209</u>
Fund balance (deficit) at end of year	\$ <u><u>(15,330)</u></u>	\$ <u><u>162,985</u></u>	\$ <u><u>5,633,316</u></u>	\$ <u><u>5,780,971</u></u>

# Cleveland Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2013

	<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>
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 265,919	\$ 26,395	\$ 443,977	\$ -	\$ 3,101
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	<u>359</u>	<u>105</u>	<u>-</u>	<u>711</u>	<u>7,624</u>
Total assets	<u>\$ 266,278</u>	<u>\$ 26,500</u>	<u>\$ 443,977</u>	<u>\$ 711</u>	<u>\$ 10,725</u>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 7,790	\$ 151,307	\$ -	\$ -
Accrued wages and benefits	267	-	-	-	418
Interfund payable	-	-	27,000	-	24,000
Intergovernmental payable	43	496	2,752	-	1,081
Deferred revenue	-	-	-	-	7,165
Total liabilities	<u>310</u>	<u>8,286</u>	<u>181,059</u>	<u>-</u>	<u>32,664</u>
<b>Fund balances:</b>					
Restricted	265,968	18,214	262,918	711	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,939)</u>
Total fund balances (deficit)	<u>265,968</u>	<u>18,214</u>	<u>262,918</u>	<u>711</u>	<u>(21,939)</u>
Total liabilities and fund balances	<u>\$ 266,278</u>	<u>\$ 26,500</u>	<u>\$ 443,977</u>	<u>\$ 711</u>	<u>\$ 10,725</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	\$ 13,608	\$ -	\$ -	\$ 1,771	\$ -	\$ 1,772
-	-	-	-	-	-	-
-	204,637	-	-	-	4,800	424
<u>\$ 10,800</u>	<u>\$ 218,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ 4,800</u>	<u>\$ 2,196</u>
\$ -	\$ 4,680	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,734	-	-	-	-	-
-	249,000	12,158	19,312	-	-	4,000
-	9,119	-	-	-	-	1,889
-	201,961	-	-	-	-	-
<u>-</u>	<u>468,494</u>	<u>12,158</u>	<u>19,312</u>	<u>-</u>	<u>-</u>	<u>5,889</u>
10,800	-	-	-	1,771	4,800	-
-	(250,249)	(12,158)	(19,312)	-	-	(3,693)
<u>10,800</u>	<u>(250,249)</u>	<u>(12,158)</u>	<u>(19,312)</u>	<u>1,771</u>	<u>4,800</u>	<u>(3,693)</u>
<u>\$ 10,800</u>	<u>\$ 218,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ 4,800</u>	<u>\$ 2,196</u>

Continued

# Cleveland Heights-University Heights City School District

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

June 30, 2013

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	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	\$ 11,013	\$ 41,557	\$ 19,237
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	<u>101,143</u>	<u>41,693</u>	<u>24,746</u>
Total assets	<u>\$ 100,582</u>	<u>\$ 112,156</u>	<u>\$ 83,250</u>	<u>\$ 43,983</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ 923	\$ 9,544	\$ 4,600
Accrued wages and benefits	-	13,530	10,569	-
Interfund payable	-	76,000	-	29,000
Intergovernmental payable	-	8,928	31,525	4,727
Deferred revenue	-	<u>10,414</u>	<u>35,180</u>	<u>23,688</u>
Total liabilities	<u>-</u>	<u>109,795</u>	<u>86,818</u>	<u>62,015</u>
Fund balances:				
Restricted	100,582	2,361	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(3,568)</u>	<u>(18,032)</u>
Total fund balances (deficit)	<u>100,582</u>	<u>2,361</u>	<u>(3,568)</u>	<u>(18,032)</u>
Total liabilities and fund balances	<u>\$ 100,582</u>	<u>\$ 112,156</u>	<u>\$ 83,250</u>	<u>\$ 43,983</u>

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<u>Race to the Top</u>	<u>Title II-D Technology Grants</u>	<u>Title I Improvement</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
\$ 81,104	\$ 450	\$ 696	\$ 1,146	\$ 344,937	\$ 611
-	-	-	-	-	-
<u>123,876</u>	<u>278</u>	<u>142,613</u>	<u>11,667</u>	<u>640,717</u>	<u>-</u>
\$ <u>204,980</u>	\$ <u>728</u>	\$ <u>143,309</u>	\$ <u>12,813</u>	\$ <u>985,654</u>	\$ <u>611</u>
\$ 36,195	\$ -	\$ -	\$ -	\$ 31,584	\$ -
3,439	-	-	167	8,481	-
134,000	4,000	146,000	14,314	940,000	3,309
4,754	-	8,918	502	35,699	-
<u>123,788</u>	<u>-</u>	<u>-</u>	<u>1,197</u>	<u>76,014</u>	<u>-</u>
<u>302,176</u>	<u>4,000</u>	<u>154,918</u>	<u>16,180</u>	<u>1,091,778</u>	<u>3,309</u>
-	-	-	-	-	-
<u>(97,196)</u>	<u>(3,272)</u>	<u>(11,609)</u>	<u>(3,367)</u>	<u>(106,124)</u>	<u>(2,698)</u>
<u>(97,196)</u>	<u>(3,272)</u>	<u>(11,609)</u>	<u>(3,367)</u>	<u>(106,124)</u>	<u>(2,698)</u>
\$ <u>204,980</u>	\$ <u>728</u>	\$ <u>143,309</u>	\$ <u>12,813</u>	\$ <u>985,654</u>	\$ <u>611</u>

Continued

# Cleveland Heights-University Heights City School District

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

June 30, 2013

	<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	\$ 336	\$ 8,677	\$ 67,613	\$ 52,466	\$ 1,497,768
Accounts receivable	-	-	3,250	-	3,250
Intergovernmental receivable	-	7,754	103,227	118,595	1,534,969
Total assets	<u>\$ 336</u>	<u>\$ 16,431</u>	<u>\$ 174,090</u>	<u>\$ 171,061</u>	<u>\$ 3,035,987</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 26,013	\$ 13,027	\$ 285,663
Accrued wages and benefits	-	-	12,934	11,340	64,879
Interfund payable	4,000	-	84,932	206,885	1,977,910
Intergovernmental payable	-	721	228	4,283	115,665
Deferred revenue	-	7,500	102,580	17,713	607,200
Total liabilities	<u>4,000</u>	<u>8,221</u>	<u>226,687</u>	<u>253,248</u>	<u>3,051,317</u>
Fund balances:					
Restricted	-	8,210	-	-	676,335
Unassigned	<u>(3,664)</u>	<u>-</u>	<u>(52,597)</u>	<u>(82,187)</u>	<u>(691,665)</u>
Total fund balances (deficit)	<u>(3,664)</u>	<u>8,210</u>	<u>(52,597)</u>	<u>(82,187)</u>	<u>(15,330)</u>
Total liabilities and fund balances	<u>\$ 336</u>	<u>\$ 16,431</u>	<u>\$ 174,090</u>	<u>\$ 171,061</u>	<u>\$ 3,035,987</u>

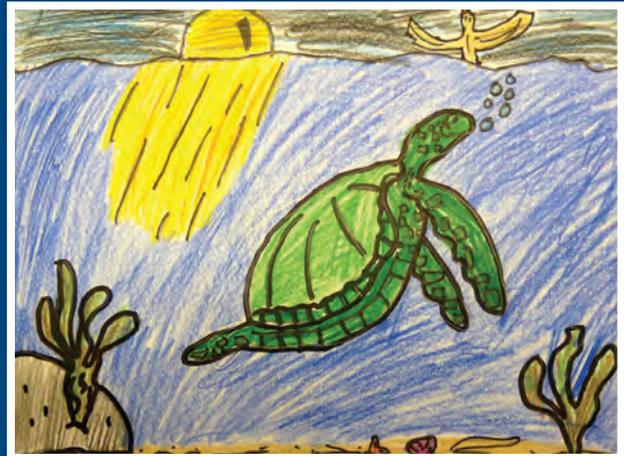
# Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual



**3RD GRADE STUDENTS**  
*Noble Elementary*



**BREANNA CLAYTON**  
*4th grade, Canterbury Elementary*



**JESSICA BEUKEMANN**  
*4th grade, Fairfax Elementary*



**TAYLOR PEACOCK-REID**  
*5th grade, Noble Middle*



# 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, 2013

	Other Grants	District Managed Activity	Auxiliary Services	Educational Management Information System	Public School Preschool Grant
Revenues:					
Intergovernmental	\$ -	\$ 150	\$ 1,851,027	\$ -	\$ 81,172
Earnings on investments	-	-	879	-	-
Extracurricular activities	-	177,561	-	-	-
Miscellaneous	<u>34,825</u>	<u>19,521</u>	<u>-</u>	<u>959</u>	<u>459</u>
Total revenues	<u>34,825</u>	<u>197,232</u>	<u>1,851,906</u>	<u>959</u>	<u>81,631</u>
Expenditures:					
Current:					
Instruction:					
Regular	1,378	-	-	-	85,472
Special	-	-	-	-	-
Vocational	11,614	-	-	-	-
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	-	71,698	-	-	-
Instructional staff	6,065	436	-	-	3,434
Administration	3,520	-	-	-	-
Fiscal	-	-	-	-	3,081
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services					
Community services	-	-	1,788,343	-	-
Food service operations	326	-	-	-	-
Other non-instructional services	1,342	-	-	-	-
Extracurricular activities	<u>12,691</u>	<u>444,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>36,936</u>	<u>516,529</u>	<u>1,788,343</u>	<u>-</u>	<u>91,987</u>
Excess of revenues over (under) expenditures	<u>(2,111)</u>	<u>(319,297)</u>	<u>63,563</u>	<u>959</u>	<u>(10,356)</u>
Other financing sources (uses):					
Transfers - in	-	253,163	-	342,656	-
Transfers - out	<u>-</u>	<u>(2,299)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>250,864</u>	<u>-</u>	<u>342,656</u>	<u>-</u>
Net change in fund balance	(2,111)	(68,433)	63,563	343,615	(10,356)
Fund balance (deficit) at beginning of year	<u>268,079</u>	<u>86,647</u>	<u>199,355</u>	<u>(342,904)</u>	<u>(11,583)</u>
Fund balance (deficit) at end of year	\$ <u>265,968</u>	\$ <u>18,214</u>	\$ <u>262,918</u>	\$ <u>711</u>	\$ <u>(21,939)</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>
\$ -	\$ 351,181	\$ -	\$ -	\$ -	\$ -	\$ 90,267
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,676	-	-	-	5,753	424
-	353,857	-	-	-	5,753	90,691
-	-	-	-	-	-	-
-	217,830	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	125,552	-	-	-	-	90,453
-	174,911	-	-	-	-	-
-	3,157	-	-	-	-	-
-	15,817	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	537,267	-	-	-	-	90,453
-	(183,410)	-	-	-	5,753	238
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(183,410)	-	-	-	5,753	238
10,800	(66,839)	(12,158)	(19,312)	1,771	(953)	(3,931)
\$ 10,800	\$ (250,249)	\$ (12,158)	\$ (19,312)	\$ 1,771	\$ 4,800	\$ (3,693)

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, 2013

	Miscellaneous State Grants	Adult Basic Education	IDEA (Flo-Thru)	Vocational Education
Revenues:				
Intergovernmental	\$ -	\$ 484,719	\$ 1,638,815	\$ 328,861
Earnings on investments	-	198	-	-
Extracurricular activities	-	-	-	-
Miscellaneous	-	1,660	6,513	1,058
Total revenues	<u>-</u>	<u>486,577</u>	<u>1,645,328</u>	<u>329,919</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	36,071	-
Vocational	-	-	-	169,539
Adult/continuing	-	258,355	-	-
Support services:				
Pupil	-	39,561	187,507	-
Instructional staff	-	123,301	828,938	85,283
Administration	-	17,963	414,570	-
Fiscal	-	7,863	66,930	-
Pupil transportation	-	1,875	-	-
Central	-	-	-	-
Operation of non-instructional services				
Community services	-	61	55,277	-
Food service operations	-	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>-</u>	<u>448,979</u>	<u>1,589,293</u>	<u>254,822</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>37,598</u>	<u>56,035</u>	<u>75,097</u>
Other financing sources (uses):				
Transfers - in	-	-	8,316	-
Transfers - out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,316</u>	<u>-</u>
Net change in fund balance	-	37,598	64,351	75,097
Fund balance (deficit) at beginning of year	<u>100,582</u>	<u>(35,237)</u>	<u>(67,919)</u>	<u>(93,129)</u>
Fund balance (deficit) at end of year	\$ <u>100,582</u>	\$ <u>2,361</u>	\$ <u>(3,568)</u>	\$ <u>(18,032)</u>

<u>Race to the Top</u>	<u>Title II-D Technology Grants</u>	<u>Title I Improvement</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V Innovative Program</u>
\$ 758,853	\$ 20,171	\$ 354,545	\$ 20,874	\$ 2,388,553	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>88</u>	<u>278</u>	<u>7</u>	<u>94</u>	<u>10,632</u>	<u>-</u>
<u>758,941</u>	<u>20,449</u>	<u>354,552</u>	<u>20,968</u>	<u>2,399,185</u>	<u>-</u>
118,408	5,500	739	-	-	-
-	-	-	20,737	1,412,166	-
-	-	-	-	-	-
-	-	-	-	-	-
8,075	-	-	-	4,616	-
510,924	-	331,962	100	530,864	-
-	-	6,912	-	115,805	-
19,432	378	7,973	804	98,389	-
-	-	-	-	525	-
135,531	-	-	-	-	-
-	3	-	1,119	240,256	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>792,370</u>	<u>5,881</u>	<u>347,586</u>	<u>22,760</u>	<u>2,402,621</u>	<u>-</u>
<u>(33,429)</u>	<u>14,568</u>	<u>6,966</u>	<u>(1,792)</u>	<u>(3,436)</u>	<u>-</u>
-	-	-	-	49	-
<u>(3,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>-</u>
(36,579)	14,568	6,966	(1,792)	(3,387)	-
<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>(97,196)</u>	\$ <u>(3,272)</u>	\$ <u>(11,609)</u>	\$ <u>(3,367)</u>	\$ <u>(106,124)</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, 2013

	Drug Free Schools	Preschool Disabilities Grant	Title IIA- Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue
Revenues:					
Intergovernmental	\$ 46,896	\$ 32,050	\$ 293,869	\$ 403,168	\$ 9,145,171
Earnings on investments	-	-	-	-	1,077
Extracurricular activities	-	-	-	-	177,561
Miscellaneous	-	254	3,897	1,300	90,398
Total revenues	<u>46,896</u>	<u>32,304</u>	<u>297,766</u>	<u>404,468</u>	<u>9,414,207</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	873	387	239,815	452,572
Special	-	-	-	-	1,686,804
Vocational	-	-	-	-	181,153
Adult/continuing	-	-	-	-	258,355
Support services:					
Pupil	23,792	32,542	-	-	583,796
Instructional staff	-	-	276,923	80,969	2,954,110
Administration	-	-	-	6,975	568,902
Fiscal	1,139	641	10,516	8,582	241,545
Pupil transportation	-	-	-	14,160	16,560
Central	-	-	-	-	135,531
Operation of non-instructional services:					
Community services	-	-	33,265	27,423	2,145,747
Food service operations	-	-	-	7,080	7,406
Other non-instructional services	-	-	-	-	1,342
Extracurricular activities	-	-	-	-	457,086
Total expenditures	<u>24,931</u>	<u>34,056</u>	<u>321,091</u>	<u>385,004</u>	<u>9,690,909</u>
Excess of revenues over (under) expenditures	<u>21,965</u>	<u>(1,752)</u>	<u>(23,325)</u>	<u>19,464</u>	<u>(276,702)</u>
Other financing sources (uses):					
Transfers - in	-	7,687	8,000	2	619,873
Transfers - out	-	-	-	(8,000)	(13,449)
Total other financing sources (uses)	<u>-</u>	<u>7,687</u>	<u>8,000</u>	<u>(7,998)</u>	<u>606,424</u>
Net change in fund balance	21,965	5,935	(15,325)	11,466	329,722
Fund balance (deficit) at beginning of year	<u>(25,629)</u>	<u>2,275</u>	<u>(37,272)</u>	<u>(93,653)</u>	<u>(345,052)</u>
Fund balance (deficit) at end of year	\$ <u>(3,664)</u>	\$ <u>8,210</u>	\$ <u>(52,597)</u>	\$ <u>(82,187)</u>	\$ <u>(15,330)</u>

Cleveland  
University **Heights**



City School District

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 72,451,991	\$ 74,122,205	\$ 68,665,169	\$ (5,457,036)
Intergovernmental	21,362,804	21,362,804	29,569,241	8,206,437
Tuition and fees	3,097,232	3,097,232	4,287,022	1,189,790
Earnings on investments	72,362	72,362	100,159	27,797
Miscellaneous	<u>456,368</u>	<u>513,795</u>	<u>751,035</u>	<u>237,240</u>
Total revenues	<u>97,440,757</u>	<u>99,168,398</u>	<u>103,372,626</u>	<u>4,204,228</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Salaries and wages	26,083,159	29,687,267	29,687,185	82
Employee benefits	8,923,862	10,156,942	10,156,942	-
Purchased services	1,393,825	1,586,419	1,586,419	-
Supplies and materials	771,334	877,915	877,916	(1)
Capital outlay	24,169	27,509	27,508	1
Other	<u>51,726</u>	<u>58,873</u>	<u>58,873</u>	<u>-</u>
Total regular	<u>37,248,075</u>	<u>42,394,925</u>	<u>42,394,843</u>	<u>82</u>
<b>Special:</b>				
Salaries and wages	6,695,156	7,620,277	7,620,277	-
Employee benefits	2,628,617	2,991,836	2,991,836	-
Purchased services	94,137	107,146	107,146	-
Supplies and materials	65,355	74,386	74,385	1
Capital outlay	260	296	296	-
Other	<u>16,050</u>	<u>18,267</u>	<u>18,267</u>	<u>-</u>
Total special	<u>9,499,575</u>	<u>10,812,208</u>	<u>10,812,207</u>	<u>1</u>
<b>Vocational:</b>				
Salaries and wages	1,145,495	1,303,777	1,303,777	-
Employee benefits	407,141	463,399	463,399	-
Purchased services	6,467	7,361	7,361	-
Supplies and materials	42,250	48,089	48,090	(1)
Capital outlay	40,193	45,747	45,747	-
Other	<u>594</u>	<u>676</u>	<u>676</u>	<u>-</u>
Total vocational	<u>1,642,140</u>	<u>1,869,049</u>	<u>1,869,050</u>	<u>(1)</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other instruction:				
Salaries and wages	331,341	377,126	377,126	-
Employee benefits	173,006	196,910	196,910	-
Purchased services	6,521,945	7,423,132	7,423,132	-
Supplies and materials	1,499	1,706	1,706	-
Other	36,298	41,314	41,314	-
Total other instruction	<u>7,064,089</u>	<u>8,040,188</u>	<u>8,040,188</u>	<u>-</u>
Total instruction	<u>55,453,879</u>	<u>63,116,370</u>	<u>63,116,288</u>	<u>82</u>
Support services:				
Pupil:				
Salaries and wages	5,502,877	6,263,254	6,263,254	-
Employee benefits	2,030,863	2,311,480	2,311,480	-
Purchased services	256,110	291,499	291,499	-
Supplies and materials	49,984	56,890	54,388	2,502
Other	8,041	9,152	9,152	-
Total pupil	<u>7,847,875</u>	<u>8,932,275</u>	<u>8,929,773</u>	<u>2,502</u>
Instructional staff:				
Salaries and wages	1,910,353	2,174,321	2,174,321	-
Employee benefits	781,721	889,738	889,738	-
Purchased services	583,783	664,449	664,449	-
Supplies and materials	616,210	701,357	701,358	(1)
Capital outlay	480,164	546,512	546,512	-
Other	25,130	28,602	28,602	-
Total instructional staff	<u>4,397,361</u>	<u>5,004,979</u>	<u>5,004,980</u>	<u>(1)</u>
Board of education:				
Salaries and wages	18,341	20,875	20,875	-
Employee benefits	2,576	2,932	2,932	-
Purchased services	504,464	574,170	574,169	1
Supplies and materials	281	320	320	-
Other	14,327	16,307	16,307	-
Total board of education	<u>539,989</u>	<u>614,604</u>	<u>614,603</u>	<u>1</u>
Administration:				
Salaries and wages	3,037,621	3,457,351	3,457,351	-
Employee benefits	1,447,253	1,647,233	1,647,232	1
Purchased services	110,231	125,462	125,463	(1)
Supplies and materials	108,864	123,906	123,906	-
Capital outlay	6,226	7,086	7,086	-
Other	57,866	65,862	65,862	-
Total administration	<u>4,768,061</u>	<u>5,426,900</u>	<u>5,426,900</u>	<u>-</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Fiscal:</b>				
Salaries and wages	569,686	648,404	648,404	-
Employee benefits	556,173	633,026	633,026	-
Purchased services	91,132	103,724	103,725	(1)
Supplies and materials	7,000	7,968	7,968	-
Capital outlay	2,913	3,316	3,316	-
Other	<u>456,027</u>	<u>519,039</u>	<u>1,264,939</u>	<u>(745,900)</u>
Total fiscal	<u>1,682,931</u>	<u>1,915,477</u>	<u>2,661,378</u>	<u>(745,901)</u>
<b>Business:</b>				
Salaries and wages	181,696	206,803	206,803	-
Employee benefits	89,299	101,638	101,638	-
Purchased services	140,642	160,074	160,075	(1)
Supplies and materials	13,792	15,698	15,698	-
Other	<u>27,163</u>	<u>30,917</u>	<u>30,917</u>	<u>-</u>
Total business	<u>452,592</u>	<u>515,130</u>	<u>515,131</u>	<u>(1)</u>
<b>Operations and maintenance of plant:</b>				
Salaries and wages	3,671,267	4,178,552	4,178,552	-
Employee benefits	1,988,431	2,263,190	2,263,190	-
Purchased services	4,129,190	4,699,752	4,699,753	(1)
Supplies and materials	932,573	1,061,434	1,061,435	(1)
Capital outlay	453,234	515,860	515,859	1
Other	<u>359,362</u>	<u>409,018</u>	<u>409,019</u>	<u>(1)</u>
Total operations and maintenance of plant	<u>11,534,057</u>	<u>13,127,806</u>	<u>13,127,808</u>	<u>(2)</u>
<b>Pupil transportation:</b>				
Salaries and wages	1,649,112	1,876,982	1,876,982	-
Employee benefits	751,755	855,631	855,631	-
Purchased services	1,205,205	1,372,214	1,371,214	1,000
Supplies and materials	437,893	498,400	498,400	-
Capital outlay	5,546	6,312	6,312	-
Other	<u>64,020</u>	<u>130,975</u>	<u>68,975</u>	<u>62,000</u>
Total pupil transportation	<u>4,113,531</u>	<u>4,740,514</u>	<u>4,677,514</u>	<u>63,000</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	1,102,408	1,254,736	1,254,736	-
Employee benefits	555,662	632,443	632,443	-
Purchased services	1,618,933	1,842,633	1,842,633	-
Supplies and materials	327,800	373,094	373,093	1
Capital outlay	1,628,849	1,853,920	1,853,920	-
Other	28,233	32,134	32,134	-
Total central	<u>5,261,885</u>	<u>5,988,960</u>	<u>5,988,959</u>	<u>1</u>
Total support services	<u>40,598,282</u>	<u>46,266,645</u>	<u>46,947,046</u>	<u>(680,401)</u>
Operation of non-instructional services:				
Food service operations:				
Salaries and wages	6,150	6,999	6,999	-
Employee benefits	1,197	1,362	1,362	-
Total food service operations	<u>7,347</u>	<u>8,361</u>	<u>8,361</u>	<u>-</u>
Other non-instructional services:				
Salaries and wages	69,484	79,086	79,086	-
Employee benefits	36,268	41,279	41,279	-
Total other non-instructional services	<u>105,752</u>	<u>120,365</u>	<u>120,365</u>	<u>-</u>
Total operation of non-instructional services	<u>113,099</u>	<u>128,726</u>	<u>128,726</u>	<u>-</u>
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	313,056	356,313	356,313	-
Employee benefits	106,861	121,627	121,627	-
Total academic and subject oriented	<u>419,917</u>	<u>477,940</u>	<u>477,940</u>	<u>-</u>
Occupational oriented:				
Salaries and wages	4,270	4,860	4,860	-
Fringe benefits	754	858	858	-
Total occupational oriented	<u>5,024</u>	<u>5,718</u>	<u>5,718</u>	<u>-</u>
Sports oriented:				
Salaries and wages	640,386	728,872	728,872	-
Employee benefits	175,223	199,435	199,435	-
Total sports oriented	<u>815,609</u>	<u>928,307</u>	<u>928,307</u>	<u>-</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Co-curricular activities:				
Salaries and wages	27,632	31,450	31,450	-
Employee benefits	9,112	10,372	10,371	1
Total co-curricular activities	36,744	41,822	41,821	1
Total extracurricular activities	1,277,294	1,453,787	1,453,786	1
Total expenditures	97,442,554	110,965,528	111,645,846	(680,318)
Excess of revenues over (under) expenditures	(1,797)	(11,797,130)	(8,273,220)	3,523,910
Other financing sources (uses):				
Transfers - in	124,180	124,180	4,489	(119,691)
Transfers - out	(622,989)	(709,072)	(613,161)	95,911
Advances - in	5,095,315	5,137,888	7,047,250	1,909,362
Advances - out	(9,609,449)	(10,956,312)	(9,175,000)	1,781,312
Total other financing sources (uses)	(5,012,943)	(6,403,316)	(2,736,422)	3,666,894
Net change in fund balance	(5,014,740)	(18,200,446)	(11,009,642)	7,190,804
Fund balance at beginning of year	24,391,859	24,391,859	24,391,859	-
Prior year encumbrances appropriated	4,548,171	4,548,171	4,548,171	-
Fund balance at end of year	\$ 23,925,290	\$ 10,739,584	\$ 17,930,388	\$ 7,190,804

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 6,118	\$ 6,118
Expenditures:				
Current:				
Support services:				
Central:				
Purchased services	-	-	3,690	(3,690)
Extracurricular activities:				
Co-curricular activities:				
Purchased services	167	1,377	9,990	(8,613)
Supplies and materials	425	3,500	2,387	1,113
Other	4,596	37,866	3,850	34,016
Total extracurricular activities	5,188	42,743	16,227	26,516
Total expenditures	5,188	42,743	19,917	22,826
Net change in fund balance	(5,188)	(42,743)	(13,799)	28,944
Fund balance at beginning of year	384,028	384,028	384,028	-
Prior year encumbrances appropriated	4,877	4,877	4,877	-
Fund balance at end of year	\$ 383,717	\$ 346,162	\$ 375,106	\$ 28,944

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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Extracurricular activities	\$ 68,704	\$ 68,704	\$ 71,842	\$ 3,138
Classroom materials and fees	9,466	9,466	9,899	433
Miscellaneous	57,950	57,950	64,925	6,975
Total revenues	<u>136,120</u>	<u>136,120</u>	<u>146,666</u>	<u>10,546</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Purchased services	27,336	31,415	31,415	-
Supplies and materials	41,822	48,062	39,542	8,520
Capital outlay	1,122	1,289	1,289	-
Other	19,368	22,258	22,258	-
Total regular	<u>89,648</u>	<u>103,024</u>	<u>94,504</u>	<u>8,520</u>
<b>Special:</b>				
Other	<u>721</u>	<u>829</u>	<u>829</u>	<u>-</u>
Total instruction	<u>90,369</u>	<u>103,853</u>	<u>95,333</u>	<u>8,520</u>
<b>Support services:</b>				
<b>Pupil:</b>				
Purchased services	8,979	10,318	10,318	-
Supplies and materials	8,665	9,958	9,958	-
Total pupil	<u>17,644</u>	<u>20,276</u>	<u>20,276</u>	<u>-</u>
<b>Instructional staff:</b>				
Purchased services	<u>222</u>	<u>255</u>	<u>255</u>	<u>-</u>
<b>Administration:</b>				
Purchased services	64	73	73	-
Supplies and materials	2,891	3,322	3,322	-
Capital outlay	94	108	108	-
Total administration	<u>3,049</u>	<u>3,503</u>	<u>3,503</u>	<u>-</u>
Total support services	<u>20,915</u>	<u>24,034</u>	<u>24,034</u>	<u>-</u>
<b>Extracurricular activities:</b>				
<b>Academic and subject oriented:</b>				
Supplies and materials	<u>1,506</u>	<u>1,731</u>	<u>1,731</u>	<u>-</u>
<b>Sports oriented:</b>				
Purchased services	<u>1,572</u>	<u>1,807</u>	<u>1,807</u>	<u>-</u>

Continued

# Cleveland Heights-University Heights City School District

Public School Support Fund (continued)

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

For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Co-curricular activities:				
Purchased services	527	606	606	-
Supplies and materials	2,048	2,354	2,354	-
Other	2,067	2,375	2,375	-
Total co-curricular activities	4,642	5,335	5,335	-
Total extracurricular activities	7,720	8,873	8,873	-
Total expenditures	119,004	136,760	128,240	8,520
Excess of revenues over (under) expenditures	17,116	(640)	18,426	19,066
Other financing sources (uses):				
Transfers - in	12,880	12,880	3,208	(9,672)
Transfers - out	(5,997)	(6,892)	(960)	5,932
Total other financing sources (uses)	6,883	5,988	2,248	(3,740)
Net change in fund balance	23,999	5,348	20,674	19,066
Fund balance at beginning of year	180,864	180,864	180,864	-
Prior year encumbrances appropriated	3,932	3,932	3,932	-
Fund balance at end of year	\$ 208,795	\$ 190,144	\$ 205,470	\$ 19,066

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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 263,641	\$ 263,641	\$ 34,466	\$ (229,175)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	1,228	2,574	502	2,072
Employee benefits	110	230	182	48
Purchased services	1,780	3,730	-	3,730
Supplies and materials	1,864	3,906	413	3,493
Total regular	4,982	10,440	1,097	9,343
Vocational:				
Purchased services	5,597	11,731	7,090	4,641
Supplies and materials	3,774	7,910	5,474	2,436
Total vocation	9,371	19,641	12,564	7,077
Total instruction	14,353	30,081	13,661	16,420
Support services:				
Instructional staff:				
Salaries and wages	1,248	2,616	-	2,616
Employee benefits	51	106	355	(249)
Purchased services	1,883	3,947	589	3,358
Supplies and materials	4,693	9,836	5,630	4,206
Total instructional staff	7,875	16,505	6,574	9,931
Administration:				
Purchased services	1,840	3,856	2,437	1,419
Supplies and materials	477	1,000	1,083	(83)
Total administration	2,317	4,856	3,520	1,336
Total support services	10,192	21,361	10,094	11,267
Operation of non-instructional services:				
Food service operations:				
Supplies and materials	291	610	326	284
Other non-instructional services:				
Purchased services	1,539	3,225	3,225	-
Total operation of non-instructional services	1,830	3,835	3,551	284

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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular activities:				
Purchased services	72	150	33	117
Supplies and materials	631	1,323	368	955
Other	191	400	12,290	(11,890)
Total extracurricular activities	894	1,873	12,691	(10,818)
Total expenditures	27,269	57,150	39,997	17,153
Excess of revenues over (under) expenditures	236,372	206,491	(5,531)	(212,022)
Other financing sources (uses):				
Transfers - in	101,079	101,079	-	(101,079)
Net change in fund balance	337,451	307,570	(5,531)	(313,101)
Fund balance at beginning of year	263,482	263,482	263,482	-
Prior year encumbrances appropriated	4,878	4,878	4,878	-
Fund balance at end of year	\$ 605,811	\$ 575,930	\$ 262,829	\$ (313,101)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 104	\$ 167	\$ 150	\$ (17)
Extracurricular activities	123,676	197,734	177,561	(20,173)
Miscellaneous	12,547	20,060	19,416	(644)
Total revenues	<u>136,327</u>	<u>217,961</u>	<u>197,127</u>	<u>(20,834)</u>
Expenditures:				
Current:				
Support services:				
Pupil:				
Purchased services	25,716	43,792	36,864	6,928
Supplies and materials	18,595	31,667	31,667	-
Other	2,805	4,777	4,777	-
Total pupil	<u>47,116</u>	<u>80,236</u>	<u>73,308</u>	<u>6,928</u>
Instructional staff:				
Supplies and materials	256	436	436	-
Total support services	<u>47,372</u>	<u>80,672</u>	<u>73,744</u>	<u>6,928</u>
Operation of non-instructional services:				
Community services:				
Other	117	200	200	-
Extracurricular activities:				
Salaries and wages	9,636	16,409	16,409	-
Fringe benefits	3,608	6,143	6,143	-
Purchased services	149,591	254,741	254,741	-
Supplies and materials	103,329	175,959	175,959	-
Other	2,842	4,840	4,840	-
Total extracurricular activities	<u>269,006</u>	<u>458,092</u>	<u>458,092</u>	<u>-</u>
Total expenditures	<u>316,495</u>	<u>538,964</u>	<u>532,036</u>	<u>6,928</u>
Excess of revenues over (under) expenditures	<u>(180,168)</u>	<u>(321,003)</u>	<u>(334,909)</u>	<u>(13,906)</u>
Other financing sources (uses):				
Transfers - in	197,673	316,039	253,163	(62,876)
Transfers - out	(18,504)	(31,510)	(2,299)	29,211
Total other financing sources (uses)	<u>179,169</u>	<u>284,529</u>	<u>250,864</u>	<u>(33,665)</u>
Net change in fund balance	(999)	(36,474)	(84,045)	(47,571)
Fund balance at beginning of year	72,155	72,155	72,155	-
Prior year encumbrances appropriated	<u>16,422</u>	<u>16,422</u>	<u>16,422</u>	<u>-</u>
Fund balance at end of year	\$ <u>87,578</u>	\$ <u>52,103</u>	\$ <u>4,532</u>	\$ <u>(47,571)</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,717,846	\$ 2,111,911	\$ 1,851,027	\$ (260,884)
Earnings on investments	816	1,003	879	(124)
Total revenues	<u>1,718,662</u>	<u>2,112,914</u>	<u>1,851,906</u>	<u>(261,008)</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	109,798	94,420	95,285	(865)
Employee benefits	39,576	34,034	33,606	428
Purchased services	1,337,769	1,150,401	1,121,780	28,621
Supplies and materials	768,871	661,183	665,542	(4,359)
Capital outlay	234,237	201,430	229,821	(28,391)
Other	-	-	10	(10)
Total expenditures	<u>2,490,251</u>	<u>2,141,468</u>	<u>2,146,044</u>	<u>(4,576)</u>
Excess of revenues over (under) expenditures	<u>(771,589)</u>	<u>(28,554)</u>	<u>(294,138)</u>	<u>(265,584)</u>
Other financing sources (uses):				
Advances - in	25,057	30,805	27,000	(3,805)
Transfers - out	<u>(10,987)</u>	<u>(9,448)</u>	-	<u>9,448</u>
Total other financing sources (uses)	<u>14,070</u>	<u>21,357</u>	<u>27,000</u>	<u>5,643</u>
Net change in fund balance	(757,519)	(7,197)	(267,138)	(259,941)
Fund balance at beginning of year	112,684	112,684	112,684	-
Prior year encumbrances appropriated	<u>150,831</u>	<u>150,831</u>	<u>150,831</u>	-
Fund balance at end of year	\$ <u>(494,004)</u>	\$ <u>256,318</u>	\$ <u>69</u>	\$ <u>(259,941)</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services:				
Central:				
Salaries and wages	\$ 31,727	\$ 35,538	\$ -	\$ 35,538
Contractual services	409	458	-	458
Supplies and materials	357	400	-	400
Other	<u>4,508</u>	<u>5,050</u>	<u>-</u>	<u>5,050</u>
Total expenditures	<u>37,001</u>	<u>41,446</u>	<u>-</u>	<u>41,446</u>
Excess of revenues over (under) expenditures	<u>(37,001)</u>	<u>(41,446)</u>	<u>-</u>	<u>41,446</u>
Other financing sources (uses):				
Transfers - in	8,750	408,750	342,656	(66,094)
Advances - out	<u>(307,999)</u>	<u>(345,000)</u>	<u>(345,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(299,249)</u>	<u>63,750</u>	<u>(2,344)</u>	<u>(66,094)</u>
Net change in fund balance	(336,250)	22,304	(2,344)	(24,648)
Fund balance at beginning of year	<u>2,344</u>	<u>2,344</u>	<u>2,344</u>	<u>-</u>
Fund balance at end of year	\$ <u>333,906</u>	\$ <u>24,648</u>	\$ <u>-</u>	\$ <u>(24,648)</u>

# Cleveland Heights-University Heights City School District

## Public School Preschool Grant Fund

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

For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 65,662	\$ 102,970	\$ 81,172	\$ (21,798)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	44,940	47,649	44,945	2,704
Employee benefits	14,105	14,955	16,294	(1,339)
Purchased services	1,556	1,650	1,650	-
Supplies and materials	4,803	5,092	4,981	111
Capital outlay	19,750	20,940	20,940	-
Total instruction	85,154	90,286	88,810	1,476
Support services:				
Instructional staff:				
Purchased services	4,250	4,506	4,506	-
Supplies and materials	1,778	1,885	1,488	397
Total instructional staff	6,028	6,391	5,994	397
Administration:				
Other	1,116	1,183	3,081	(1,898)
Total support services	7,144	7,574	9,075	(1,501)
Total expenditures	92,298	97,860	97,885	25
Excess of revenues over (under) expenditures	(26,636)	5,110	(16,713)	(21,823)
Other financing sources (uses):				
Transfers - in	2,924	4,586	-	(4,586)
Advances - in	19,414	30,445	24,000	(6,445)
Advances - out	(11,318)	(12,000)	(12,000)	-
Total other financing sources (uses)	11,020	23,031	12,000	(11,031)
Net change in fund balance	(15,616)	28,141	(4,713)	(32,854)
Fund balance at beginning of year	3,654	3,654	3,654	-
Prior year encumbrances appropriated	1,600	1,600	1,600	-
Fund balance at end of year	\$ (10,362)	\$ 33,395	\$ 541	\$ (32,854)

# 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, 2013

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	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 24,000	\$ 24,000	\$ -	\$ (24,000)
Net change in fund balance	24,000	24,000	-	(24,000)
Fund balance at beginning of year	10,800	10,800	10,800	-
Fund balance at end of year	\$ 34,800	\$ 34,800	\$ 10,800	\$ (24,000)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 271,583	\$ 400,908	\$ 351,181	\$ (49,727)
Expenditures:				
Current:				
Instruction:				
Special Education:				
Salaries and wages	183,529	183,529	177,947	5,582
Employee benefits	52,500	52,500	37,893	14,607
Purchased services	13,399	13,399	740	12,659
Supplies and materials	52,365	52,365	20,807	31,558
Total instruction	301,793	301,793	237,387	64,406
Support services:				
Pupil:				
Salaries and wages	97,102	97,102	98,445	(1,343)
Employee benefits	30,000	30,000	27,951	2,049
Total pupil	127,102	127,102	126,396	706
Instructional staff:				
Salaries and wages	126,300	126,300	125,769	531
Employee benefits	60,000	60,000	49,523	10,477
Other	10,000	10,000	1,246	8,754
Total instructional staff	196,300	196,300	176,538	19,762
Administration:				
Salaries and wages	4,400	4,400	923	3,477
Employee benefits	781	781	342	439
Total administration	5,181	5,181	1,265	3,916
Fiscal:				
Other	14,762	14,762	15,817	(1,055)
Pupil Transportation:				
Contractual services	3,200	3,200	-	3,200
Total support services	346,545	346,545	320,016	26,529
Total expenditures	648,338	648,338	557,403	90,935
Excess of revenues over (under) expenditures	(376,755)	(247,430)	(206,222)	41,208

Continued

# Cleveland Heights-University Heights City School District

Stimulus - School Improvement Fund (continued)

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

For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - in	165,855	244,833	-	(244,833)
Advances - in	192,562	284,258	249,000	(35,258)
Advances - out	<u>(240,000)</u>	<u>(240,000)</u>	<u>(240,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>118,417</u>	<u>289,091</u>	<u>9,000</u>	<u>(280,091)</u>
Net change in fund balance	(258,338)	41,661	(197,222)	(238,883)
Fund balance at beginning of year	192,004	192,004	192,004	-
Prior year encumbrances appropriated	<u>5,624</u>	<u>5,624</u>	<u>5,624</u>	<u>-</u>
Fund balance at end of year	\$ <u>(60,710)</u>	\$ <u>239,289</u>	\$ <u>406</u>	\$ <u>(238,883)</u>

**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, 2013

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	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</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

## 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 76,093	\$ 110,488	\$ 90,267	\$ (20,221)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	68,634	77,452	65,496	11,956
Employee benefits	21,566	24,337	24,771	(434)
Total expenditures	90,200	101,789	90,267	11,522
Excess of revenues over (under) expenditures	(14,107)	8,699	-	(8,699)
Other financing sources (uses):				
Transfers - in	9,027	13,108	-	(13,108)
Advances - in	3,372	4,896	4,000	(896)
Advances - out	(13,292)	(15,000)	(15,000)	-
Total other financing sources (uses)	(893)	3,004	(11,000)	(14,004)
Net change in fund balance	(15,000)	11,703	(11,000)	(22,703)
Fund balance at beginning of year	12,772	12,772	12,772	-
Fund balance at end of year	\$ (2,228)	\$ 24,475	\$ 1,772	\$ (22,703)

# 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, 2013

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	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 54,103	\$ 54,103	\$ -	\$ (54,103)
Net change in fund balance	54,103	54,103	-	(54,103)
Fund balance at beginning of year	100,578	100,578	100,578	-
Fund balance at end of year	\$ 154,681	\$ 154,681	\$ 100,578	\$ (54,103)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 351,073	\$ 455,356	\$ 432,062	\$ (23,294)
Earnings on investments	161	209	198	(11)
Total revenues	<u>351,234</u>	<u>455,565</u>	<u>432,260</u>	<u>(23,305)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Adult/continuing:</b>				
Salaries and wages	268,910	315,289	200,040	115,249
Employee benefits	30,063	35,248	32,917	2,331
Purchased services	11,600	13,600	16,720	(3,120)
Supplies and materials	14,732	17,272	18,304	(1,032)
Capital outlay	1,175	1,378	1,381	(3)
Total instruction	<u>326,480</u>	<u>382,787</u>	<u>269,362</u>	<u>113,425</u>
<b>Support services:</b>				
<b>Pupil:</b>				
Salaries and wages	18,813	22,058	20,662	1,396
Employee benefits	8,235	9,655	14,046	(4,391)
Purchased services	1,032	1,210	1,459	(249)
Supplies and materials	1,386	1,625	600	1,025
Total pupil	<u>29,466</u>	<u>34,548</u>	<u>36,767</u>	<u>(2,219)</u>
<b>Instructional staff:</b>				
Salaries and wages	67,662	79,332	83,678	(4,346)
Employee benefits	23,313	27,334	41,317	(13,983)
Purchased services	3,782	4,434	4,051	383
Other	171	200	200	-
Total instructional staff	<u>94,928</u>	<u>111,300</u>	<u>129,246</u>	<u>(17,946)</u>
<b>Administration:</b>				
Salaries and wages	12,731	14,927	10,880	4,047
Employee benefits	6,323	7,414	7,181	233
Total administration	<u>19,054</u>	<u>22,341</u>	<u>18,061</u>	<u>4,280</u>
<b>Fiscal:</b>				
Other	<u>5,757</u>	<u>6,750</u>	<u>7,863</u>	<u>(1,113)</u>
<b>Operations and maintenance of plant:</b>				
Purchased services	<u>640</u>	<u>750</u>	<u>-</u>	<u>750</u>
<b>Pupil transportation:</b>				
Purchased services	<u>853</u>	<u>1,000</u>	<u>1,875</u>	<u>(875)</u>
Total support services	<u>150,698</u>	<u>176,689</u>	<u>193,812</u>	<u>(17,123)</u>

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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Supplies and materials	512	600	61	539
Total expenditures	477,690	560,076	463,235	96,841
Excess of revenues over (under) expenditures	(126,456)	(104,511)	(30,975)	73,536
Other financing sources (uses):				
Transfers - in	91,996	119,322	-	(119,322)
Transfers - out	(3,838)	(4,500)	-	4,500
Advances - in	61,754	80,097	76,000	(4,097)
Advances - out	(76,761)	(90,000)	(90,000)	-
Total other financing sources (uses)	73,151	104,919	(14,000)	(118,919)
Net change in fund balance	(53,305)	408	(44,975)	(45,383)
Fund balance at beginning of year	41,460	41,460	41,460	-
Prior year encumbrances appropriated	3,743	3,743	3,743	-
Fund balance at end of year	\$ (8,102)	\$ 45,611	\$ 228	\$ (45,383)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,545,784	\$ 1,644,712	\$ 1,638,815	\$ (5,897)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	2,822	3,000	2,275	725
Employee benefits	188	200	2,075	(1,875)
Purchased services	2,145	2,280	-	2,280
Supplies and materials	28,051	29,821	29,526	295
Capital outlay	5,126	5,450	5,450	-
Total instruction	38,332	40,751	39,326	1,425
Support services:				
Pupil:				
Salaries and wages	142,572	151,571	135,467	16,104
Employee benefits	56,932	60,526	40,635	19,891
Purchased services	18,813	20,000	21,005	(1,005)
Supplies and materials	2,822	3,000	2,877	123
Total pupil	221,139	235,097	199,984	35,113
Instructional staff:				
Salaries and wages	484,672	515,264	512,565	2,699
Employee benefits	278,111	295,665	320,966	(25,301)
Purchased services	1,179	1,253	985	268
Supplies and materials	4,703	5,000	520	4,480
Total instructional staff	768,665	817,182	835,036	(17,854)
Administration:				
Salaries and wages	269,026	286,007	280,345	5,662
Employee benefits	113,658	120,831	130,984	(10,153)
Purchased services	6,584	7,000	7,983	(983)
Total administration	389,268	413,838	419,312	(5,474)
Fiscal:				
Other	34,858	37,058	66,930	(29,872)
Pupil transportation:				
Purchased services	3,329	3,539	-	3,539
Total support services	1,417,259	1,506,714	1,521,262	(14,548)

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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	84,412	89,740	72,515	17,225
Supplies and materials	941	1,000	836	164
Total operation of non-instructional services	<u>85,353</u>	<u>90,740</u>	<u>73,351</u>	<u>17,389</u>
Total expenditures	<u>1,540,944</u>	<u>1,638,205</u>	<u>1,633,939</u>	<u>4,266</u>
Excess of revenues over (under) expenditures	<u>4,840</u>	<u>6,507</u>	<u>4,876</u>	<u>(1,631)</u>
Other financing sources (uses):				
Transfers - in	16,756	17,828	8,316	(9,512)
Transfers - out	(31,981)	(34,000)	-	34,000
Advances - out	<u>(32,922)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(48,147)</u>	<u>(51,172)</u>	<u>(26,684)</u>	<u>24,488</u>
Net change in fund balance	(43,307)	(44,665)	(21,808)	22,857
Fund balance at beginning of year	(1,654)	(1,654)	(1,654)	-
Prior year encumbrances appropriated	<u>30,662</u>	<u>30,662</u>	<u>30,662</u>	<u>-</u>
Fund balance at end of year	\$ <u>(14,299)</u>	\$ <u>(15,657)</u>	\$ <u>7,200</u>	\$ <u>22,857</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 214,756	\$ 388,685	\$ 328,861	\$ (59,824)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	107,848	108,906	99,922	8,984
Employee benefits	39,648	40,036	41,044	(1,008)
Supplies and materials	27,968	28,242	14,052	14,190
Capital outlay	48,657	49,134	48,579	555
Total instruction	<u>224,121</u>	<u>226,318</u>	<u>203,597</u>	<u>22,721</u>
Support services:				
Pupil transportation:				
Salaries and wages	49,864	50,354	56,925	(6,571)
Employee benefits	30,329	30,627	28,320	2,307
Total support services	<u>80,193</u>	<u>80,981</u>	<u>85,245</u>	<u>(4,264)</u>
Total expenditures	<u>304,314</u>	<u>307,299</u>	<u>288,842</u>	<u>18,457</u>
Excess of revenues over (under) expenditures	<u>(89,558)</u>	<u>81,386</u>	<u>40,019</u>	<u>(41,367)</u>
Other financing sources (uses):				
Transfers - in	13,253	23,987	-	(23,987)
Advances - in	18,938	34,275	29,000	(5,275)
Advances - out	<u>(103,980)</u>	<u>(105,000)</u>	<u>(105,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(71,789)</u>	<u>(46,738)</u>	<u>(76,000)</u>	<u>(29,262)</u>
Net change in fund balance	(161,347)	34,648	(35,981)	(70,629)
Fund balance at beginning of year	18,231	18,231	18,231	-
Prior year encumbrances appropriated	<u>19,134</u>	<u>19,134</u>	<u>19,134</u>	<u>-</u>
Fund balance at end of year	\$ <u>(123,982)</u>	\$ <u>72,013</u>	\$ <u>1,384</u>	\$ <u>(70,629)</u>

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 532,328	\$ 1,324,065	\$ 758,853	\$ (565,212)
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	143,234	170,566	118,648	51,918
Support services:				
Pupil:				
Capital outlay	40,463	48,184	35,755	12,429
Instructional staff:				
Salaries and wages	266,837	317,755	192,916	124,839
Employee benefits	60,249	71,746	28,038	43,708
Purchased services	310,570	369,832	324,718	45,114
Supplies and materials	40,791	48,575	2,977	45,598
Capital outlay	16,753	19,950	-	19,950
Total instruction staff	695,200	827,858	548,649	279,209
Fiscal:				
Other	21,780	25,936	19,432	6,504
Central:				
Salaries and wages	46,278	55,109	55,109	-
Employee benefits	13,376	15,928	27,418	(11,490)
Purchased services	43,667	52,000	50,705	1,295
Total central	103,321	123,037	133,232	(10,195)
Total support services	860,764	1,025,015	737,068	287,947
Operation of non-instructional services:				
Community services:				
Purchased services	16,482	19,626	-	19,626
Total expenditures	1,020,480	1,215,207	855,716	359,491
Excess of revenues over (under) expenditures	(488,152)	108,858	(96,863)	(205,721)

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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - in	46,027	114,483	-	(114,483)
Transfers - out	(2,645)	(3,150)	(3,150)	-
Advances - in	94,000	233,806	134,000	(99,806)
Advances - out	(188,945)	(225,000)	(225,000)	-
Total other financing sources (uses)	<u>(51,563)</u>	<u>120,139</u>	<u>(94,150)</u>	<u>(214,289)</u>
Net change in fund balance	(539,715)	228,997	(191,013)	(420,010)
Fund balance at beginning of year	11,638	11,638	11,638	-
Prior year encumbrances appropriated	<u>200,348</u>	<u>200,348</u>	<u>200,348</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>(327,729)</u></u>	\$ <u><u>440,983</u></u>	\$ <u><u>20,973</u></u>	\$ <u><u>(420,010)</u></u>

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 27,318	\$ 20,171	\$ (7,147)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	-	-	5,500	(5,500)
Support services:				
Instructional staff:				
Capital outlay	4,632	4,632	4,632	-
Fiscal:				
Other	-	-	378	(378)
Total support services	4,632	4,632	5,010	(378)
Operation of non-instructional services:				
Community services:				
Purchased services	3	3	3	-
Total expenditures	4,635	4,635	10,513	(5,878)
Excess of revenues over (under) expenditures	(4,635)	22,683	9,658	(13,025)
Other financing sources (uses):				
Transfers - in	-	7,265	-	(7,265)
Advances - in	-	5,417	4,000	(1,417)
Advances - out	(22,000)	(22,000)	(22,000)	-
Total other financing sources (uses)	(22,000)	(9,318)	(18,000)	(8,682)
Net change in fund balance	(26,635)	13,365	(8,342)	(21,707)
Fund balance at beginning of year	4,157	4,157	4,157	-
Prior year encumbrances appropriated	4,635	4,635	4,635	-
Fund balance at end of year	\$ (17,843)	\$ 22,157	\$ 450	\$ (21,707)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 31,951	\$ 322,411	\$ 211,939	\$ (110,472)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	-	615	(615)
Employee benefits	-	-	107	(107)
Total instruction	-	-	722	(722)
Support services:				
Instructional staff:				
Salaries and wages	319	246,316	248,203	(1,887)
Employee benefits	102	78,858	77,919	939
Purchased services	291	225,040	-	225,040
Supplies and materials	-	200	-	200
Total instructional staff	712	550,414	326,122	224,292
Administration:				
Personal services	-	-	5,869	(5,869)
Fringe benefits	-	-	1,026	(1,026)
Total administration	-	-	6,895	(6,895)
Fiscal:				
Other	10	7,576	7,973	(397)
Total support services	722	557,990	340,990	217,000
Total expenditures	722	557,990	341,712	216,278
Excess of revenues over (under) expenditures	31,229	(235,579)	(129,773)	105,806
Other financing sources (uses):				
Transfers - in	1,039	10,487	-	(10,487)
Advances - in	22,010	222,102	146,000	(76,102)
Total other financing sources (uses)	23,049	232,589	146,000	(86,589)
Net change in fund balance	54,278	(2,990)	16,227	19,217
Fund balance at beginning of year	(15,771)	(15,771)	(15,771)	-
Prior year encumbrances appropriated	240	240	240	-
Fund balance at end of year	\$ 38,747	\$ (18,521)	\$ 696	\$ 19,217

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,399	\$ 15,979	\$ 10,498	\$ (5,481)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	12,755	12,158	13,222	(1,064)
Employee benefits	4,912	4,682	4,963	(281)
Purchased services	1,936	1,845	1,838	7
Supplies and materials	4,540	4,327	1,409	2,918
Total instruction	<u>24,143</u>	<u>23,012</u>	<u>21,432</u>	<u>1,580</u>
Support services:				
Instructional staff:				
Purchased services	1,568	1,495	160	1,335
Fiscal:				
Other:	<u>645</u>	<u>615</u>	<u>804</u>	<u>(189)</u>
Total support services	<u>2,213</u>	<u>2,110</u>	<u>964</u>	<u>1,146</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	157	150	132	18
Employee benefits	10	10	6	4
Purchased services	2,033	1,938	981	957
Supplies and materials	94	90	-	90
Total operation of non-instructional services	<u>2,294</u>	<u>2,188</u>	<u>1,119</u>	<u>1,069</u>
Total expenditures	<u>28,650</u>	<u>27,310</u>	<u>23,515</u>	<u>3,795</u>
Excess of revenues over (under) expenditures	(21,251)	(11,331)	(13,017)	(1,686)
Other financing sources (uses):				
Transfers - in	2,800	6,048	-	(6,048)
Advances - in	<u>7,049</u>	<u>15,222</u>	<u>10,000</u>	<u>(5,222)</u>
Total other financing sources (uses)	<u>9,849</u>	<u>21,270</u>	<u>10,000</u>	<u>(11,270)</u>
Net change in fund balance	(11,402)	9,939	(3,017)	(12,956)
Fund balance at beginning of year	<u>3,895</u>	<u>3,895</u>	<u>3,895</u>	-
Fund balance at end of year	\$ <u>(7,507)</u>	\$ <u>13,834</u>	\$ <u>878</u>	\$ <u>(12,956)</u>

# Cleveland Heights-University Heights City School District

## Title I Fund

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

For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,454,113	\$ 1,910,355	\$ 1,834,482	\$ (75,873)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	885,857	936,817	918,520	18,297
Employee benefits	345,991	365,894	348,386	17,508
Purchased services	1,196	1,265	1,262	3
Supplies and materials	190,128	201,065	148,252	52,813
Capital outlay	5,935	6,276	-	6,276
Total instruction	1,429,107	1,511,317	1,416,420	94,897
Support services:				
Pupil:				
Purchased services	3,972	4,200	4,616	(416)
Instructional staff:				
Salaries and wages	332,355	351,474	377,439	(25,965)
Employee benefits	106,799	112,943	121,326	(8,383)
Purchased services	40,930	43,285	19,859	23,426
Supplies and materials	38,004	40,190	7,668	32,522
Total instructional staff	518,088	547,892	526,292	21,600
Administration:				
Salaries and wages	94,165	99,582	89,397	10,185
Employee benefits	25,497	26,963	23,488	3,475
Purchased services	1,365	1,444	334	1,110
Supplies and materials	132,875	140,518	1,913	138,605
Other	189	200	25	175
Total administration	254,091	268,707	115,157	153,550
Fiscal:				
Other	54,496	57,631	98,389	(40,758)
Pupil transportation:				
Contractual services	9,456	10,000	525	9,475
Total support services	840,103	888,430	744,979	143,451

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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	1,189	1,258	946	312
Employee benefits	235	248	434	(186)
Purchased services	318,046	336,342	542,167	(205,825)
Supplies and materials	21,193	22,412	16,536	5,876
Capital outlay	<u>1,483</u>	<u>1,568</u>	<u>1,568</u>	<u>-</u>
Total operation of non-instructional services	<u>342,146</u>	<u>361,828</u>	<u>561,651</u>	<u>(199,823)</u>
Total expenditures	<u>2,611,356</u>	<u>2,761,575</u>	<u>2,723,050</u>	<u>38,525</u>
Excess of revenues over (under) expenditures	<u>(1,157,243)</u>	<u>(851,220)</u>	<u>(888,568)</u>	<u>(37,348)</u>
Other financing sources (uses):				
Transfers - in	31,796	41,772	49	(41,723)
Advances - in	745,096	978,878	940,000	(38,878)
Advances - out	<u>(269,497)</u>	<u>(285,000)</u>	<u>(285,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>507,395</u>	<u>735,650</u>	<u>655,049</u>	<u>(80,601)</u>
Net change in fund balance	(649,848)	(115,570)	(233,519)	(117,949)
Fund balance at beginning of year	64,923	64,923	64,923	-
Prior year encumbrances appropriated	<u>169,241</u>	<u>169,241</u>	<u>169,241</u>	<u>-</u>
Fund balance at end of year	\$ <u>(415,684)</u>	\$ <u>118,594</u>	\$ <u>645</u>	\$ <u>(117,949)</u>

**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, 2013

	<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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 55,550	\$ 46,896	\$ (8,654)
Expenditures:				
Current:				
Support services:				
Pupil:				
Purchased services	29,136	29,321	1,500	27,821
Supplies and materials	19,466	19,590	22,292	(2,702)
Total pupil	48,602	48,911	23,792	25,119
Fiscal:				
Other	1,127	1,134	1,139	(5)
Total expenditures	49,729	50,045	24,931	25,114
Excess of revenues over (under) expenditures	(49,729)	5,505	21,965	16,460
Other financing sources (uses):				
Advances - in	-	4,450	4,000	(450)
Advances - out	(745)	(750)	(750)	-
Total other financing sources (uses)	(745)	3,700	3,250	(450)
Net change in fund balance	(50,474)	9,205	25,215	16,010
Fund balance at beginning of year	(24,879)	(24,879)	(24,879)	-
Fund balance at end of year	\$ (75,353)	\$ (15,674)	\$ 336	\$ 16,010

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,456	\$ 35,863	\$ 32,050	\$ (3,813)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	11,593	11,593	5,952	5,641
Special:				
Capital outlay	1,200	1,200	-	1,200
Total instruction	12,793	12,793	5,952	6,841
Support services:				
Pupil:				
Salaries and wages	26,040	26,040	26,177	(137)
Employee benefits	6,601	6,601	6,914	(313)
Total pupil	32,641	32,641	33,091	(450)
Fiscal:				
Other	1,010	1,010	641	369
Total support services	33,651	33,651	33,732	(81)
Total expenditures	46,444	46,444	39,684	6,760
Excess of revenues over (under) expenditures	(27,988)	(10,581)	(7,634)	2,947
Other financing sources (uses):				
Transfers - in	14,410	28,003	7,687	(20,316)
Advances - out	(4,500)	(4,500)	(4,500)	-
Total other financing sources (uses)	9,910	23,503	3,187	(20,316)
Net change in fund balance	(18,078)	12,922	(4,447)	(17,369)
Fund balance at beginning of year	8,045	8,045	8,045	-
Fund balance at end of year	\$ (10,033)	\$ 20,967	\$ 3,598	\$ (17,369)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 205,348	\$ 443,177	\$ 293,869	\$ (149,308)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	30,934	54,472	37,907	16,565
Employee benefits	8,505	14,976	3,530	11,446
Purchased services	131,165	230,966	250,743	(19,777)
Supplies and materials	15,119	26,623	1,625	24,998
Other	26,691	47,000	6,460	40,540
Total instructional staff	212,414	374,037	300,265	73,772
Fiscal:				
Other	5,441	9,581	10,516	(935)
Total support services	217,855	383,618	310,781	72,837
Operation of non-instructional services:				
Community services:				
Purchased services	56,876	100,152	39,439	60,713
Supplies and materials	286	503	144	359
Total operation of non-instructional services	57,162	100,655	39,583	61,072
Total expenditures	275,017	484,273	350,364	133,909
Excess of revenues over (under) expenditures	(69,669)	(41,096)	(56,495)	(15,399)
Other financing sources (uses):				
Transfers - in	6,164	13,303	8,000	(5,303)
Advances - in	47,517	102,549	68,000	(34,549)
Advances - out	(5,111)	(9,000)	(9,000)	-
Total other financial sources (uses)	48,570	106,852	67,000	(39,852)
Net change in fund balance	(21,099)	65,756	10,505	(55,251)
Fund balance at beginning of year	15	15	15	-
Prior year encumbrances appropriated	2,671	2,671	2,671	-
Fund balance at end of year	\$ (18,413)	\$ 68,442	\$ 9,499	\$ (55,251)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 250,854	\$ 321,854	\$ 303,586	\$ (18,268)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	128,758	111,624	104,429	7,195
Employee benefits	31,887	27,644	30,083	(2,439)
Purchased services	63,241	54,825	53,823	1,002
Supplies and materials	136,092	117,982	51,150	66,832
Capital outlay	8,874	7,693	7,695	(2)
Other	4,614	4,000	676	3,324
Total instruction	<u>373,466</u>	<u>323,768</u>	<u>247,856</u>	<u>75,912</u>
Support services:				
Instructional staff:				
Salaries and wages	48,147	41,740	35,843	5,897
Fringe benefits	12,338	10,696	12,533	(1,837)
Purchased services	36,292	31,462	33,436	(1,974)
Total instructional staff	<u>96,777</u>	<u>83,898</u>	<u>81,812</u>	<u>2,086</u>
Administration:				
Salaries and wages	11,850	10,273	6,700	3,573
Employee benefits	2,426	2,103	1,192	911
Total administration	<u>14,276</u>	<u>12,376</u>	<u>7,892</u>	<u>4,484</u>
Fiscal:				
Other	<u>8,193</u>	<u>7,103</u>	<u>8,582</u>	<u>(1,479)</u>
Pupil transportation:				
Purchased services	<u>30,094</u>	<u>26,089</u>	<u>20,690</u>	<u>5,399</u>
Total support services	<u>149,340</u>	<u>129,466</u>	<u>118,976</u>	<u>10,490</u>
Operation of non-instructional services:				
Food service operations:				
Contractual services	10,800	9,363	7,063	2,300
Supplies and materials	8,809	7,637	9,956	(2,319)
Total food service operations	<u>19,609</u>	<u>17,000</u>	<u>17,019</u>	<u>(19)</u>

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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community services:				
Salaries and wages	31,532	27,336	25,067	2,269
Employee benefits	2,307	2,000	1,658	342
Capital outlay	-	-	698	(698)
Total community services	<u>33,839</u>	<u>29,336</u>	<u>27,423</u>	<u>1,913</u>
Total operation of non-instructional services	<u>53,448</u>	<u>46,336</u>	<u>44,442</u>	<u>1,894</u>
Total expenditures	<u>576,254</u>	<u>499,570</u>	<u>411,274</u>	<u>88,296</u>
Excess of revenues over (under) expenditures	<u>(325,400)</u>	<u>(177,716)</u>	<u>(107,688)</u>	<u>70,028</u>
Other financing sources (uses):				
Transfers - in	103,941	133,359	2	(133,357)
Transfers - out	-	-	(8,000)	(8,000)
Advances - in	175,176	224,757	212,000	(12,757)
Advances - out	<u>(175,332)</u>	<u>(152,000)</u>	<u>(152,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>103,785</u>	<u>206,116</u>	<u>52,002</u>	<u>(154,114)</u>
Net change in fund balance	(221,615)	28,400	(55,686)	(84,086)
Fund balance at beginning of year	12,756	12,756	12,756	-
Prior year encumbrances appropriated	<u>53,411</u>	<u>53,411</u>	<u>53,411</u>	<u>-</u>
Fund balance at end of year	\$ <u>(155,448)</u>	\$ <u>94,567</u>	\$ <u>10,481</u>	\$ <u>(84,086)</u>

# Cleveland Heights-University Heights City School District

## Bond Retirement Fund

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

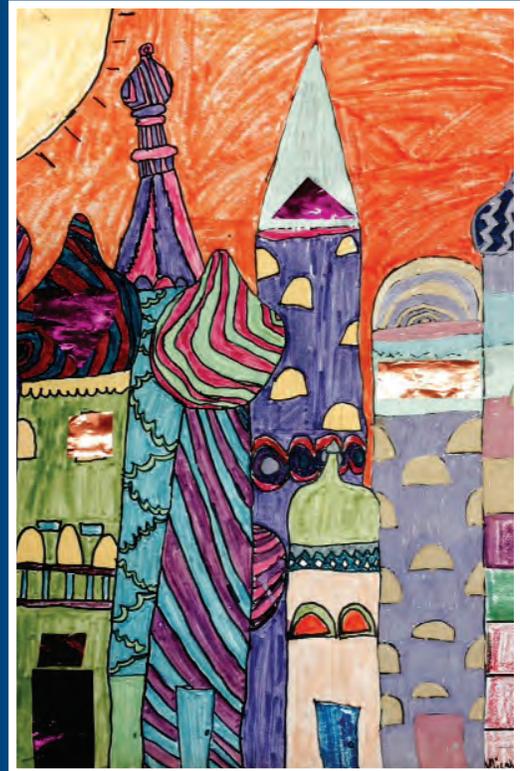
For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 756,910	\$ 721,437	\$ 661,525	\$ (59,912)
Intergovernmental	1,030,611	1,030,611	100,379	(930,232)
Total revenues	<u>1,787,521</u>	<u>1,752,048</u>	<u>761,904</u>	<u>(990,144)</u>
Expenditures:				
Debt services:				
Principal	797,910	797,910	970,000	(172,090)
Interest and fiscal charges	602,090	477,090	299,667	177,423
Issuance costs	-	125,000	124,721	279
Total expenditures	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,394,388</u>	<u>5,612</u>
Excess of revenues over (under) expenditures	387,521	352,048	(632,484)	(984,532)
Other financing sources (uses):				
Proceeds of refunding bonds	-	6,825,000	6,750,000	(75,000)
Premium on refunding bonds issued	-	-	199,722	199,722
Payment to refunded bond escrow agent	-	(6,825,000)	(6,825,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>124,722</u>	<u>124,722</u>
Net change in fund balance	387,521	352,048	(507,762)	(859,810)
Fund balance at beginning of year	<u>580,953</u>	<u>580,953</u>	<u>580,953</u>	<u>-</u>
Fund balance at end of year	\$ <u>968,474</u>	\$ <u>933,001</u>	\$ <u>73,191</u>	\$ <u>(859,810)</u>

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



**MELYSSA CANDELA-NOWAK**  
*3rd grade, Oxford Elementary*



**MICAH BAUCOM**  
*5th grade, Oxford Middle*



**NAVEAH HEAD**  
*2nd grade, Oxford Elementary*



Cleveland  
University **Heights**



City School District

# Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2013

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## **Nonmajor Enterprise Funds**

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expense (including depreciation) of providing goods or services 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 Position Nonmajor Enterprise Funds

June 30, 2013

	<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	\$ 26,098	\$ 29,023	\$ 1,405	\$ 8,779	\$ 65,305
Accounts receivable	7,056	-	-	-	7,056
Intergovernmental receivable	3,581	-	-	3,106	6,687
Materials and supplies inventories	9,066	-	-	-	9,066
Inventory held for resale	<u>38,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,842</u>
Total current assets	84,643	29,023	1,405	11,885	126,956
Non-current assets:					
Capital assets, net of depreciation	<u>137,372</u>	<u>-</u>	<u>-</u>	<u>335,147</u>	<u>472,519</u>
Total assets	<u>222,015</u>	<u>29,023</u>	<u>1,405</u>	<u>347,032</u>	<u>599,475</u>
Liabilities:					
Current liabilities:					
Accounts payable	47,068	-	-	418	47,486
Accrued wages and benefits	10,044	-	-	9,659	19,703
Interfund payable	1,686,168	-	21,000	204,000	1,911,168
Intergovernmental payable	25,507	-	-	18,862	44,369
Current portion of accrued compensated absences	<u>2,448</u>	<u>-</u>	<u>-</u>	<u>1,991</u>	<u>4,439</u>
Total current liabilities	1,771,235	-	21,000	234,930	2,027,165
Non-current liabilities:					
Accrued compensated absences	<u>32,517</u>	<u>-</u>	<u>-</u>	<u>26,458</u>	<u>58,975</u>
Total liabilities	<u>1,803,752</u>	<u>-</u>	<u>21,000</u>	<u>261,388</u>	<u>2,086,140</u>
Net position:					
Net investment in capital assets	137,372	-	-	335,147	472,519
Unrestricted (deficit)	<u>(1,719,109)</u>	<u>29,023</u>	<u>(19,595)</u>	<u>(249,503)</u>	<u>(1,959,184)</u>
Total net position (deficit)	<u>\$ (1,581,737)</u>	<u>\$ 29,023</u>	<u>\$ (19,595)</u>	<u>\$ 85,644</u>	<u>\$ (1,486,665)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2013

	Food Services	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ -	\$ 644,099	\$ 644,099
Classroom materials and fees	-	9,238	-	-	9,238
Food services	355,476	-	-	-	355,476
Miscellaneous	<u>3,581</u>	<u>14,587</u>	<u>11,890</u>	<u>3,106</u>	<u>33,164</u>
Total operating revenues	<u>359,057</u>	<u>23,825</u>	<u>11,890</u>	<u>647,205</u>	<u>1,041,977</u>
Operating expenses:					
Salaries and wages	673,625	-	-	495,060	1,168,685
Fringe benefits	346,780	-	-	221,236	568,016
Purchased services	1,354,357	1,256	34,212	14,760	1,404,585
Supplies and materials	112,875	20,004	-	26,558	159,437
Depreciation	20,293	-	-	12,679	32,972
Other	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
Total operating expenses	<u>2,507,990</u>	<u>21,260</u>	<u>34,212</u>	<u>770,293</u>	<u>3,333,755</u>
Operating (loss) income	<u>(2,148,933)</u>	<u>2,565</u>	<u>(22,322)</u>	<u>(123,088)</u>	<u>(2,291,778)</u>
Non-operating revenues:					
Federal donated commodities	124,326	-	-	-	124,326
Intergovernmental grants	<u>1,999,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,999,001</u>
Total non-operating revenues	<u>2,123,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,123,327</u>
Net (loss) income	(25,606)	2,565	(22,322)	(123,088)	(168,451)
Net position (deficit) at beginning of year					
	<u>(1,556,131)</u>	<u>26,458</u>	<u>2,727</u>	<u>208,732</u>	<u>(1,318,214)</u>
Net position (deficit) at end of year	\$ <u>(1,581,737)</u>	\$ <u>29,023</u>	\$ <u>(19,595)</u>	\$ <u>85,644</u>	\$ <u>(1,486,665)</u>

# Cleveland Heights-University Heights City School District

## Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2013

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>(Decrease) increase in cash and cash equivalents:</b>					
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 352,064	\$ 9,238	\$ -	\$ 644,099	\$ 1,005,401
Cash received from other operating sources	-	14,587	11,890	-	26,477
Cash payments for materials and supplies	-	(20,004)	-	(26,558)	(46,562)
Cash payments for goods and services	(1,383,707)	(1,256)	(34,212)	(14,342)	(1,433,517)
Cash payments to employees for services	(683,880)	-	-	(488,657)	(1,172,537)
Cash payments for employee benefits	(368,160)	-	-	(235,406)	(603,566)
Net cash (used for) provided by operating activities	<u>(2,083,683)</u>	<u>2,565</u>	<u>(22,322)</u>	<u>(120,864)</u>	<u>(2,224,304)</u>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental grants received	1,999,001	-	-	-	1,999,001
Advances - in	603,000	-	21,000	204,000	828,000
Advances - out	(600,000)	-	-	(90,000)	(690,000)
Net cash provided by noncapital financing	<u>2,002,001</u>	<u>-</u>	<u>21,000</u>	<u>114,000</u>	<u>2,137,001</u>
Net (decrease) increase in cash and cash equivalents	(81,682)	2,565	(1,322)	(6,864)	(87,303)
Cash and cash equivalents at beginning of year	<u>107,780</u>	<u>26,458</u>	<u>2,727</u>	<u>15,643</u>	<u>152,608</u>
Cash and cash equivalents at end of year	<u>\$ 26,098</u>	<u>\$ 29,023</u>	<u>\$ 1,405</u>	<u>\$ 8,779</u>	<u>\$ 65,305</u>
<b>Non-cash capital and noncapital financing activities:</b>					
Federal donated commodities	\$ 124,326	\$ -	\$ -	\$ -	\$ 124,326

Continued

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2013

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of operating (loss) income to net cash (used for) provided by operating activities:</b>					
Operating (loss) income	\$ (2,148,933)	\$ 2,565	\$ (22,322)	\$ (123,088)	\$ (2,291,778)
Adjustments:					
Depreciation	20,293	-	-	12,679	32,972
Federal donated commodities	124,326	-	-	-	124,326
Changes in assets/liabilities:					
Increase in accounts receivable	(3,412)	-	-	-	(3,412)
Increase in intergovernmental receivable	(3,581)	-	-	(3,106)	(6,687)
Decrease in materials and supplies inventories	1,647	-	-	-	1,647
Increase in inventory held for resale	(13,098)	-	-	-	(13,098)
(Decrease) increase in accounts payable	(29,290)	-	-	418	(28,872)
Increase in accrued wages and benefits	4,104	-	-	7,679	11,783
Decrease in intergovernmental payable	(21,380)	-	-	(14,170)	(35,550)
Decrease in accrued compensated absences	(14,359)	-	-	(1,276)	(15,635)
Total adjustments	<u>65,250</u>	<u>-</u>	<u>-</u>	<u>2,224</u>	<u>67,474</u>
Net cash (used for) provided by operating activities	\$ <u>(2,083,683)</u>	\$ <u>2,565</u>	\$ <u>(22,322)</u>	\$ <u>(120,864)</u>	\$ <u>(2,224,304)</u>

# Cleveland Heights-University Heights City School District

## Combining Statement of Fund Net Position Nonmajor Internal Service Funds

June 30, 2013

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	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 3,814,154	\$ 967,402	\$ 4,781,556
Prepaid items	137,233	-	137,233
Intergovernmental receivable	<u>139,218</u>	<u>-</u>	<u>139,218</u>
Total assets	<u>4,090,605</u>	<u>967,402</u>	<u>5,058,007</u>
Liabilities:			
Current liabilities:			
Intergovernmental payable	-	352,298	352,298
Claims payable	<u>1,715,400</u>	<u>-</u>	<u>1,715,400</u>
Total liabilities	<u>1,715,400</u>	<u>352,298</u>	<u>2,067,698</u>
Net position:			
Unrestricted	\$ <u>2,375,205</u>	\$ <u>615,104</u>	\$ <u>2,990,309</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2013

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	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ <u>14,146,698</u>	\$ <u>595,473</u>	\$ <u>14,742,171</u>
Operating expenses:			
Fringe benefits	14,719,005	421,509	15,140,514
Purchased services	<u>8,675</u>	<u>23,750</u>	<u>32,425</u>
Total operating expenses	<u>14,727,680</u>	<u>445,259</u>	<u>15,172,939</u>
Operating (loss) income	(580,982)	150,214	(430,768)
Net position at beginning of year	<u>2,956,187</u>	<u>464,890</u>	<u>3,421,077</u>
Net position at end of year	\$ <u><u>2,375,205</u></u>	\$ <u><u>615,104</u></u>	\$ <u><u>2,990,309</u></u>

# Cleveland Heights-University Heights City School District

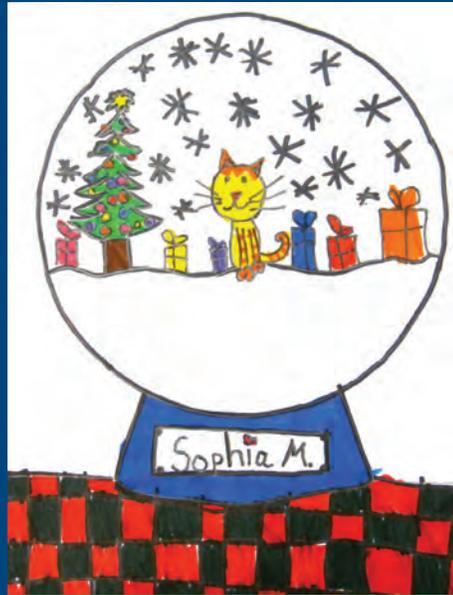
## Combining Statement of Cash Flows Nonmajor Internal Service Funds

For the Fiscal Year Ended June 30, 2013

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<b>Increase in cash and cash equivalents:</b>			
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 14,146,698	\$ 595,473	\$ 14,742,171
Cash payments for goods and services	(1,236,767)	(23,750)	(1,260,517)
Cash payments for claims	<u>(13,685,510)</u>	<u>(789,902)</u>	<u>(14,475,412)</u>
Net cash used for operating activities	<u>(775,579)</u>	<u>(218,179)</u>	<u>(993,758)</u>
Net decrease in cash and cash equivalents	(775,579)	(218,179)	(993,758)
Cash and cash equivalents at beginning of year	<u>4,589,733</u>	<u>1,185,581</u>	<u>5,775,314</u>
Cash and cash equivalents at end of year	\$ <u><u>3,814,154</u></u>	\$ <u><u>967,402</u></u>	\$ <u><u>4,781,556</u></u>
<b>Reconciliation of operating income (loss) to net cash used for operating activities:</b>			
Operating (loss) income	\$ (580,982)	\$ 150,214	\$ (430,768)
Adjustments:			
Changes in assets/liabilities:			
Increase in prepaid items	(3,779)	-	(3,779)
Increase in intergovernmental receivable	(139,218)	-	(139,218)
Decrease in intergovernmental payable	-	(368,393)	(368,393)
Decrease in claims payable	<u>(51,600)</u>	<u>-</u>	<u>(51,600)</u>
Total adjustments	<u>(194,597)</u>	<u>(368,393)</u>	<u>(562,990)</u>
Net cash used for operating activities	\$ <u><u>(775,579)</u></u>	\$ <u><u>(218,179)</u></u>	\$ <u><u>(993,758)</u></u>

**CLEVELAND HEIGHTS -  
UNIVERSITY HEIGHTS**

City School District  
.....  
*University Heights, Ohio*



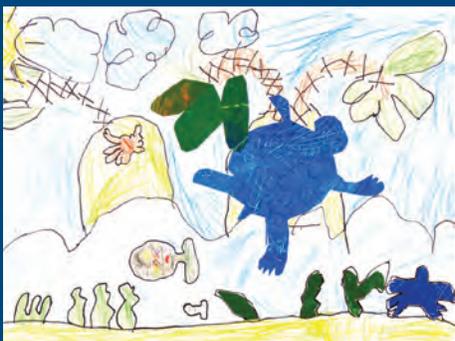
**SOPHIA MULLER**  
*2nd grade, Fairfax Elementary*



**GABE MALLAMAD**  
*Kindergarten, Fairfax Elementary*



**JAMAL WARE**  
*5th grade, Noble Middle*



**JANELLE STEINER**  
*1st grade, Fairfax Elementary*



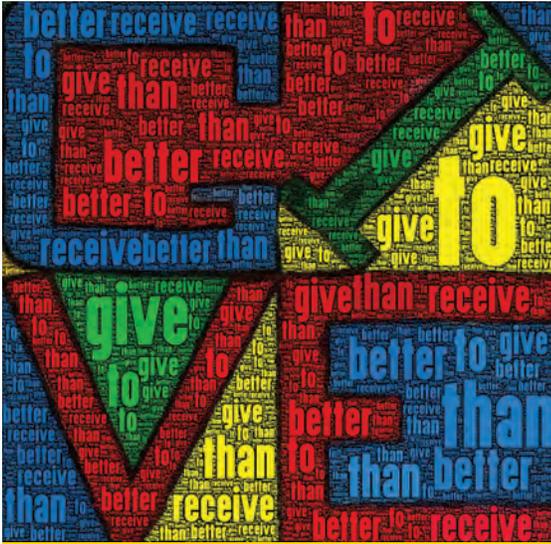
**AUSTIN GALLAGHER**  
*1st grade, Fairfax Elementary*



# Statistical

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## SECTION



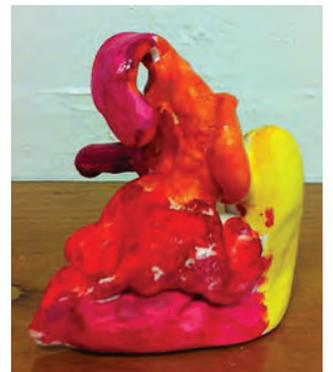
**WILL YOUNG**  
5th grade, Canterbury Elementary



**DAYNA WASSON**  
4th grade, Canterbury Elementary



**CHEYENNE LIVINGSTON**  
5th grade, Fairfax Elementary



**SAMIKSHA RAI**  
1st grade, Noble Elementary



**EMMA BLEICK**  
12th grade, CHHS

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 629,523	\$ 1,215,126	\$ 1,089,602	\$ (125,524)
Expenses:				
Salaries and wages:				
Regular instruction	244,918	310,965	310,962	3
Special instruction	873,116	1,108,569	1,108,569	-
Support services - pupil	322,029	408,872	289,900	118,972
Support services - administration	159,022	201,906	201,906	-
Total salaries and wages	1,599,085	2,030,312	1,911,337	118,975
Fringe benefits:				
Regular instruction	77,568	98,484	98,484	-
Special instruction	372,929	473,497	473,497	-
Support services - pupil	83,775	106,368	106,368	-
Support services - administration	76,900	97,637	97,637	-
Total fringe benefits	611,172	775,986	775,986	-
Purchased services:				
Special instruction	213,282	270,797	270,797	-
Support services - pupil	680	863	863	-
Total purchased services	213,962	271,660	271,660	-
Supplies and materials:				
Special instruction	13,336	16,933	16,934	(1)
Support services - pupil	158	200	200	-
Support services - administration	315	400	400	-
Total supplies and materials	13,809	17,533	17,534	(1)
Total expenses	2,438,028	3,095,491	2,976,517	118,974
Excess of revenues over (under) expenditures	(1,808,505)	(1,880,365)	(1,886,915)	(6,550)
Other financing sources (uses):				
Transfers - out	(20,839)	(26,459)	-	26,459
Advances - in	3,670,477	7,084,874	6,353,000	(731,874)
Advances - out	(3,741,131)	(4,750,000)	(4,750,000)	-
Total other financing sources (uses)	(91,493)	2,308,415	1,603,000	(705,415)
Net change in fund equity	(1,899,998)	428,050	(283,915)	(711,965)
Fund equity at beginning of year	547,197	547,197	547,197	-
Prior year encumbrances appropriated	21,947	21,947	21,947	-
Fund equity at end of year	\$ (1,330,854)	\$ 997,194	\$ 285,229	\$ (711,965)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 292,646	\$ 411,824	\$ 352,064	\$ (59,760)
Intergovernmental	1,661,624	2,338,319	1,999,001	(339,318)
Total revenues	<u>1,954,270</u>	<u>2,750,143</u>	<u>2,351,065</u>	<u>(399,078)</u>
Expenses:				
Food service operations:				
Salaries and wages	660,239	833,879	683,880	149,999
Fringe benefits	291,498	368,160	368,160	-
Purchased services	1,273,156	1,607,990	1,409,650	198,340
Other	48	60	60	-
Total expenses	<u>2,224,941</u>	<u>2,810,089</u>	<u>2,461,750</u>	<u>348,339</u>
Excess of revenues over (under) expenses	<u>(270,671)</u>	<u>(59,946)</u>	<u>(110,685)</u>	<u>(50,739)</u>
Other financing sources (uses):				
Advances - in	501,230	705,356	603,000	(102,356)
Advances - out	<u>(475,061)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>26,169</u>	<u>105,356</u>	<u>3,000</u>	<u>(102,356)</u>
Net change in fund equity	(244,502)	45,410	(107,685)	(153,095)
Fund equity at beginning of year	(2,307)	(2,307)	(2,307)	-
Prior year encumbrances appropriated	<u>110,087</u>	<u>110,087</u>	<u>110,087</u>	<u>-</u>
Fund equity at end of year	\$ <u>(136,722)</u>	\$ <u>153,190</u>	\$ <u>95</u>	\$ <u>(153,095)</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Classroom materials and fees	\$ 19,387	\$ 19,387	\$ 9,238	\$ (10,149)
Miscellaneous	30,613	30,613	14,587	(16,026)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>23,825</u>	<u>(26,175)</u>
<b>Expenses:</b>				
Purchased services:				
Regular instruction	-	-	188	(188)
Other non-instructional services	-	-	3,300	(3,300)
Total purchased services	<u>-</u>	<u>-</u>	<u>3,488</u>	<u>(3,488)</u>
Supplies and materials:				
Regular instruction	27,363	30,398	11,609	18,789
Other non-instructional services	4,637	5,151	9,512	(4,361)
Total supplies and materials	<u>32,000</u>	<u>35,549</u>	<u>21,121</u>	<u>14,428</u>
Total expenses	<u>32,000</u>	<u>35,549</u>	<u>24,609</u>	<u>10,940</u>
Net change in fund equity	18,000	14,451	(784)	(15,235)
Fund equity at beginning of year	22,909	22,909	22,909	-
Prior year encumbrances appropriated	<u>3,549</u>	<u>3,549</u>	<u>3,549</u>	<u>-</u>
Fund equity at end of year	\$ <u>44,458</u>	\$ <u>40,909</u>	\$ <u>25,674</u>	\$ <u>(15,235)</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 18,075	\$ 18,075	\$ 11,890	\$ (6,185)
Expenses:				
Purchased services:				
Support services - administration	-	320	-	320
Support services - central	-	35,102	35,102	-
Total expenses	-	35,422	35,102	320
Excess of revenues over (under) expenses	18,075	(17,347)	(23,212)	(5,865)
Other financing sources (uses):				
Advances - in	31,925	31,925	21,000	(10,925)
Net change in fund equity	50,000	14,578	(2,212)	(16,790)
Fund equity at beginning of year	2,727	2,727	2,727	-
Fund equity at end of year	\$ 52,727	\$ 17,305	\$ 515	\$ (16,790)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 536,977	\$ 650,897	\$ 644,099	\$ (6,798)
Expenses:				
Community services:				
Salaries and wages	441,904	497,076	488,657	8,419
Fringe benefits	209,276	235,406	235,406	-
Purchased services	13,683	15,392	15,392	-
Supplies and materials	30,125	33,886	33,886	-
Total expenses	694,988	781,760	773,341	8,419
Excess of revenues over (under) expenses	(158,011)	(130,863)	(129,242)	1,621
Other financing sources (uses):				
Advances - in	170,072	206,153	204,000	(2,153)
Advances - out	(80,011)	(90,000)	(90,000)	-
Total other financing sources (uses)	90,061	116,153	114,000	(2,153)
Net change in fund equity	(67,950)	(14,710)	(15,242)	(532)
Fund equity at beginning of year	15,284	15,284	15,284	-
Prior year encumbrances appropriated	358	358	358	-
Fund equity at end of year	\$ (52,308)	\$ 932	\$ 400	\$ (532)

# 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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ <u>265,335</u>	\$ <u>265,335</u>	\$ <u>14,146,698</u>	\$ <u>13,881,363</u>
Expenses:				
Central:				
Fringe benefits	3,919,300	1,322,101	14,913,602	(13,591,501)
Purchases services	<u>25,717</u>	<u>8,675</u>	<u>8,675</u>	<u>-</u>
Total expenses	<u>3,945,017</u>	<u>1,330,776</u>	<u>14,922,277</u>	<u>(13,591,501)</u>
Excess of revenues over (under) expenses	<u>(3,679,682)</u>	<u>(1,065,441)</u>	<u>(775,579)</u>	<u>289,862</u>
Other financing sources (uses):				
Transfers - in	22,054,665	22,054,665	-	(22,054,665)
Transfers - out	<u>(19,554,984)</u>	<u>(6,596,502)</u>	<u>-</u>	<u>6,596,502</u>
Total other financing sources (uses)	<u>2,499,681</u>	<u>15,458,163</u>	<u>-</u>	<u>(15,458,163)</u>
Net change in fund equity	(1,180,001)	14,392,722	(775,579)	(15,168,301)
Fund equity at beginning of year	4,557,928	4,557,928	4,557,928	-
Prior year encumbrances appropriated	<u>31,805</u>	<u>31,805</u>	<u>31,805</u>	<u>-</u>
Fund equity at end of year	\$ <u>3,409,732</u>	\$ <u>18,982,455</u>	\$ <u>3,814,154</u>	\$ <u>(15,168,301)</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, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 750,000	\$ 750,000	\$ 595,473	\$ (154,527)
Expenses:				
Support services:				
Central:				
Fringe benefits	750,000	635,318	789,902	(154,584)
Purchased services	-	-	25,000	(25,000)
Total expenses	<u>750,000</u>	<u>635,318</u>	<u>814,902</u>	<u>(179,584)</u>
Net change in fund equity	-	114,682	(219,429)	(334,111)
Fund equity at beginning of year	550,263	550,263	550,263	-
Prior year encumbrances appropriated	<u>635,318</u>	<u>635,318</u>	<u>635,318</u>	-
Fund equity at end of year	\$ <u>1,185,581</u>	\$ <u>1,300,263</u>	\$ <u>966,152</u>	\$ <u>(334,111)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2013

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	<u>Balance</u> <u>06/30/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/13</u>
Student activities:				
Assets:				
Equity in pooled cash and investments	\$ <u>93,792</u>	\$ <u>76,643</u>	\$ <u>79,591</u>	\$ <u>90,844</u>
Liabilities:				
Accounts payable	\$ 19,533	\$ -	\$ 19,533	\$ -
Due to students	<u>74,259</u>	<u>76,643</u>	<u>60,058</u>	<u>90,844</u>
Total liabilities	\$ <u>93,792</u>	\$ <u>76,643</u>	\$ <u>79,591</u>	\$ <u>90,844</u>

# Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2013

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

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

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

# Cleveland Heights-University Heights City School District

## Net Position by Component

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 28,594,961
Restricted for:										
Capital projects	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	1,858,176
Debt service	-	-	574,741	581,198	617,346	657,395	304,922	656,723	756,981	239,222
Other purposes	1,782,304	867,606	285,016	4,423	54,665	1,159,654	1,725,730	364,493	461,744	471,046
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	4,226,341
Unrestricted	11,739,480	22,834,399	50,813,197	50,779,010	58,669,637	61,051,577	58,524,444	51,903,551	46,627,095	44,601,776
Total net position - governmental activities	<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>	<u>79,991,522</u>
<b>Business-type activities:</b>										
Net investment in capital assets	821,275	787,690	754,143	721,008	687,993	655,529	572,056	533,397	505,491	472,519
Unrestricted (deficit)	<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>	<u>(12,609,793)</u>
Total net position - business-type activities	<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>	<u>(12,137,274)</u>
<b>Primary government:</b>										
Net investment in capital assets	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	29,067,480
Restricted for:										
Capital projects	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	1,858,176
Debt service	-	-	574,741	581,198	617,346	657,395	304,922	656,723	756,981	239,222
Other purposes	1,782,304	867,606	285,016	4,423	54,665	1,159,654	1,725,730	364,493	461,744	471,046
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	4,226,341
Unrestricted	10,906,567	21,864,763	49,618,887	48,458,334	54,630,041	56,846,279	53,303,584	43,764,531	36,984,348	31,991,983
Total net position - primary government	<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>	<u>67,854,248</u>

Source: School District financial records

# Cleveland Heights-University Heights City School District

## Changes in Net Position

### Last Ten Fiscal Years

Table 2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses:</b>										
Governmental activities:										
Regular instruction	\$ 36,417,770	\$ 37,821,356	\$ 35,341,336	\$ 35,895,404	\$ 36,794,327	\$ 35,816,557	\$ 37,442,211	\$ 41,334,122	\$ 40,951,163	\$ 43,005,293
Special instruction	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	12,536,158
Vocational instruction	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	1,988,214
Adult/continuing instruction	238,686	257,212	145,191	270,336	981,637	620,287	233,715	346,356	335,150	258,202
Other instruction	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	8,257,928
Pupil	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	9,412,636
Instructional staff	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	8,004,270
Board of education	579,903	620,020	530,377	484,231	545,385	460,684	482,582	590,673	586,707	584,645
Administration	5,999,231	6,178,788	6,167,949	6,281,020	7,041,253	6,557,021	6,183,059	5,963,161	6,110,464	5,922,772
Fiscal	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	2,980,897
Business	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	556,890
Operation and maintenance of plant	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	12,391,012
Pupil transportation	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	4,616,743
Central	2,641,862	2,767,128	2,976,522	2,874,077	2,825,873	3,318,696	3,522,237	3,766,198	5,429,990	4,452,855
Food service operations	-	-	-	-	-	-	5,776	5,485	2,981	15,636
Community services	1,835,912	2,038,093	1,920,647	2,467,145	2,065,415	2,664,776	2,215,880	2,538,766	1,958,644	2,100,792
Other operation of non-instructional services	-	-	-	-	-	-	-	-	117,942	120,356
Extracurricular activities	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	1,955,860
Interest and fiscal charges	732,788	589,770	570,050	673,878	713,571	736,771	525,075	519,722	461,235	299,445
Total governmental activities expenses	<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>	<u>119,460,604</u>
Business-type activities:										
Food services	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	2,507,990
Uniform school supplies	70,813	86,629	75,620	65,933	92,805	61,717	74,610	31,350	31,824	21,260
Customer services	33,077	19,536	9,112	12,347	15,811	10,805	20,356	9,385	-	34,212
Community services/early childhood	1,465,300	791,388	821,651	739,277	616,929	635,218	731,703	746,880	743,185	770,293
Bellefaire General Rotary	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	3,114,669
Total business-type activities expenses	<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>	<u>6,448,424</u>
Total primary government expenses	<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>	<u>125,909,028</u>

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

Last Ten Fiscal Years Table 2

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program revenues:										
Governmental activities:										
Charges for services:										
Regular instruction	3,079,957	984,055	526,747	263,099	293,408	340,704	304,805	343,243	157,440	1,974,958
Special instruction	-	-	3,595,546	3,252,614	2,376,298	2,583,786	1,596,975	3,917,868	2,833,543	2,814,090
Vocational instruction	-	63,695	136,066	6,482	11,122	4,500	2,500	-	-	402,269
Adult/continuing instruction	-	-	6,825	9,397	5,465	3,474	930	-	-	-
Other instruction	31,532	-	-	-	-	-	-	-	-	-
Pupil	-	421	-	-	-	-	-	-	-	-
Administration	-	17,506	62,689	10,847	10,075	6,644	13,196	30,575	132,968	26,345
Pupil transportation	87,728	51,315	93,487	75,075	138,450	134,264	183,378	121,733	205,743	25,097
Community services	1,763,998	2,312,716	-	-	-	-	-	-	-	-
Extracurricular activities	418,013	357,465	44,292	92,616	100,420	91,070	95,025	59,767	115,175	155,691
Operating grants and contributions:										
Regular instruction	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	1,483,338
Special instruction	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	4,268,212
Vocational instruction	15,476	2,860,034	247,590	276,976	265,483	282,167	288,776	293,148	194,247	328,861
Adult/continuing instruction	-	-	-	290,714	245,318	343,219	269,869	444,629	537,124	432,062
Other instruction	-	2,264	-	-	-	-	-	-	-	-
Pupil	32,558	162,357	-	249,832	173,942	190,688	93,679	93,459	112,257	90,267
Instructional staff	569,528	-	-	3,300	12,970	12,970	-	-	-	-
Administration	-	-	-	21,633	-	-	-	-	-	-
Operation and maintenance of plant	-	-	77,993	29,821	-	-	-	-	-	-
Pupil transportation	30,090	-	-	-	-	-	-	-	-	-
Central	-	21,752	64,400	42,000	-	185	-	-	-	-
Community services	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	1,851,027
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	8,181	-	-	-	-	-	-	-	-	-
Central	-	-	-	-	42,000	36,000	-	27,300	-	-
Total governmental activities	14,379,293	17,265,881	10,991,025	13,145,390	11,512,338	14,122,898	12,506,242	14,327,123	11,955,559	13,852,217

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-type activities:</b>										
Charges for services:										
Food services	1,127,693	545,521	732,621	650,639	584,762	543,076	484,176	405,888	384,300	359,057
Uniform school supplies	77,652	73,630	73,253	60,424	65,986	63,943	48,737	30,361	27,468	23,825
Customer services	18,245	20,032	35,038	3,359	2,240	17,980	18,430	1,000	-	11,890
Community services/early childhood	1,181,284	890,313	784,388	617,183	606,389	695,690	687,621	720,938	620,621	647,205
Bellefaire General Rotary	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	283,102
Operating grants and contributions:										
Food services	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	2,123,327
Bellefaire general rotary	804,585	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Food services	-	-	-	-	-	-	116,347	-	-	-
Total business-type activities	6,819,115	5,617,751	5,591,100	4,796,214	4,382,691	5,680,726	5,675,611	3,431,649	4,867,956	3,448,406
program revenues	21,198,408	22,883,632	16,582,125	17,941,604	15,895,029	19,803,624	18,181,853	17,758,772	16,823,315	17,300,623
Total primary government program revenues	(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)	(105,608,387)
Net expense:	(71,865)	(170,308)	(255,221)	(1,162,086)	(1,896,911)	(548,538)	(900,361)	(3,126,137)	(1,531,633)	(3,000,018)
Governmental activities	(78,343,924)	(80,496,063)	(84,897,523)	(86,207,951)	(91,498,314)	(89,254,684)	(93,979,919)	(102,805,864)	(107,983,574)	(108,608,405)
Business-type activities										
Total primary government net expense										
General revenues and other changes										
in net position:										
<b>Governmental activities:</b>										
Property taxes levied for:										
General purpose	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	69,354,404
Debt service	894,502	929,117	535,005	741,683	648,181	622,174	590,518	604,768	671,452	631,509
Capital projects	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	3,059,156
Payments in lieu of property taxes	-	-	-	-	178,090	17,774	1,813	-	-	-
Grants and entitlements not restricted										
to specific programs	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	30,580,845
Investment earnings	587,741	462,659	1,432,840	2,322,959	1,900,552	1,200,992	489,176	306,230	273,286	230,870
Miscellaneous	-	392,785	955,098	856,666	1,199,550	1,146,055	1,116,647	652,057	493,226	1,276,706
Transfers	(267,455)	-	3,000	(2,585)	(144,976)	(350,372)	-	(169,318)	-	-
Total governmental activities	84,328,399	95,745,434	110,357,551	87,605,794	99,503,367	95,681,888	93,502,681	93,234,206	102,345,984	105,133,490

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Position (continued)

Last Ten Fiscal Years	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Transfers	267,455	-	(3,000)	2,585	144,976	350,372	-	169,318	-	-
Total primary government general revenues and other changes in net position	84,595,854	95,745,434	110,354,551	87,608,379	99,648,343	96,032,260	93,502,681	93,403,524	102,345,984	105,133,490
Change in net position:										
Governmental activities	6,056,340	15,419,679	25,715,249	2,559,929	9,901,964	6,975,742	423,123	(6,445,521)	(4,105,957)	(474,897)
Business-type activities	195,590	(170,308)	(258,221)	(1,159,501)	(1,751,935)	(198,166)	(900,361)	(2,956,819)	(1,531,633)	(3,000,018)
Total primary government change in net position	\$ 6,251,930	\$ 15,249,371	\$ 25,457,028	\$ 1,400,428	\$ 8,150,029	\$ 6,777,576	\$ (477,238)	\$ (9,402,340)	\$ (5,637,590)	\$ (3,474,915)

Source: School District financial records.

# Cleveland Heights-University Heights City School District

## Program Revenues by Function/Program

**Last Ten Fiscal Years** **Table 3**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
Regular instruction	\$ 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	\$ 3,458,296
Special instruction	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	7,082,302
Vocational instruction	15,476	2,923,729	383,656	283,458	276,605	286,667	291,276	293,148	194,247	731,130
Adult/continuing instruction	-	-	6,825	300,111	250,783	346,693	270,799	444,629	537,124	432,062
Other instruction	31,532	2,264	-	-	-	-	-	-	-	-
Pupil	32,558	162,778	-	249,832	217,074	190,688	93,679	93,459	112,257	90,267
Instructional staff	569,528	-	-	3,300	12,970	12,970	-	-	-	-
Administration	-	17,506	62,689	32,480	10,075	6,644	13,196	30,575	132,968	26,345
Operation and maintenance of plant	-	-	107,993	76,334	19,577	36,294	-	-	-	-
Pupil transportation	125,999	51,315	93,487	75,075	138,450	134,264	183,378	121,733	205,743	25,097
Central	-	21,752	64,400	42,000	42,000	36,185	-	27,300	-	-
Community services	1,774,311	4,130,225	1,883,275	1,932,606	1,962,731	2,023,367	1,914,708	1,562,377	1,784,599	1,851,027
Extracurricular activities	418,013	357,465	44,292	92,616	100,420	91,070	95,025	59,767	115,175	155,691
Total governmental activities	<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>	<u>13,852,217</u>
<b>Business-type activities:</b>										
Food services	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	2,482,384
Uniform school supplies	77,652	73,630	73,253	60,424	65,986	63,943	48,737	30,361	27,468	23,825
Customer services	18,245	20,032	35,038	3,359	2,240	17,980	18,430	1,000	-	11,890
Community services/early childhood	1,181,284	890,313	784,388	617,183	606,389	695,690	687,621	720,938	620,621	647,205
Bellefaine General Rotary	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	283,102
Total business-type activities	<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>	<u>3,448,406</u>
Total primary government program revenues	\$ <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>	\$ <u>17,300,623</u>

Source: School District financial records.

# Cleveland Heights-University Heights City School District

## Fund Balances, Governmental Funds

Last Ten Fiscal Years Table 4

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,185	\$ 388,565	\$ 421,946
Restricted	-	-	-	-	-	-	-	2,425,675	-	-
Committed	-	-	-	-	-	-	-	-	16,583	169,433
Assigned	-	-	-	-	-	-	-	1,587,479	3,008,658	2,855,580
Unassigned	-	-	-	-	-	-	-	49,220,502	42,156,930	39,137,025
Reserved	14,015,916	17,421,642	31,484,977	28,287,616	33,065,009	29,045,094	20,559,439	-	-	-
Unreserved	1,924,082	13,612,213	21,350,110	27,784,974	31,865,555	37,282,074	40,721,484	-	-	-
Total general fund	15,939,998	31,033,855	52,835,087	56,072,590	64,930,564	66,327,168	61,280,923	53,610,841	45,570,736	42,583,984
All other governmental funds:										
Restricted	-	-	-	-	-	-	-	6,242,013	6,146,770	6,472,636
Unassigned	-	-	-	-	-	-	-	(1,358,259)	(1,014,561)	(691,665)
Reserved	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	217,477	1,179,271	648,244	(719,527)	(144,420)	(325,719)	10,070	-	-	-
Debt service funds	98,444	211,488	-	-	-	-	-	-	-	-
Capital projects funds	1,433,228	265,668	2,415,169	2,957,383	3,430,357	3,641,857	3,912,946	-	-	-
Total all other governmental funds	11,516,595	9,297,234	7,767,810	5,197,308	6,254,470	6,905,784	6,705,860	4,883,754	5,132,209	5,780,971
Total governmental funds	\$ 27,456,593	\$ 40,331,089	\$ 60,602,897	\$ 61,269,898	\$ 71,185,034	\$ 73,232,952	\$ 67,986,783	\$ 58,494,595	\$ 50,702,945	\$ 48,364,955

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$ 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	\$ 72,593,187
Payments in lieu of property taxes	-	-	-	-	85,089	110,775	1,813	-	-	-
Intergovernmental	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	39,293,275
Tuition and fees	666,018	3,000,244	563,807	1,691,244	718,184	1,084,330	1,132,778	919,510	2,103,521	4,261,340
Transportation fees	76,823	51,315	-	-	-	-	-	-	-	-
Earnings on investments	169,792	462,659	1,432,840	2,322,959	1,900,552	1,200,992	489,176	306,230	229,786	269,926
Extracurricular activities	276,992	357,465	187,545	221,068	225,465	243,331	247,153	193,720	214,197	249,403
Classroom materials and fees	47,994	24,334	21,612	31,683	26,783	36,870	21,525	7,769	6,628	9,899
Miscellaneous	634,344	1,864,071	1,522,733	1,078,839	1,840,138	1,805,193	1,758,554	909,544	590,072	1,288,159
Total revenues	96,014,196	111,216,419	119,791,531	103,780,439	112,770,633	108,075,165	104,244,295	107,273,572	112,758,997	117,965,189
Expenditures:										
Current:										
Instruction:										
Regular	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	41,694,037
Special	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	12,550,247
Vocational	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	2,025,443
Adult/continuing	258,416	256,099	147,662	263,554	1,019,433	1,097,166	243,510	351,808	359,859	258,355
Other instruction	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	8,260,680
Support services:										
Pupil	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	9,471,275
Instructional staff	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	7,360,021
Board of education	543,274	620,020	530,377	484,231	545,385	460,684	482,582	590,673	586,707	584,645
Administration	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	5,921,173
Fiscal	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	2,992,173
Business	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	486,832
Operation and maintenance of plant	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	13,995,828
Pupil transportation	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	4,319,901
Central	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	4,421,726
Operations of non-instructional services:										
Food service	24	-	-	-	-	-	5,776	5,446	2,981	15,636
Community services	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	2,146,012
Other	50,795	-	94,520	96,664	105,715	115,736	120,946	123,112	117,942	120,356
Extracurricular activities	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	1,940,700
Capital outlay	124,678	-	4,268,101	4,132,268	2,091,645	1,809,386	-	-	-	-
Debt service:										
Principal	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	1,497,177
Interest and fiscal charges	733,060	596,144	571,259	676,318	709,119	744,720	503,908	532,226	474,274	328,040
Bond issuance costs	-	-	-	-	-	-	-	-	-	124,721
Total expenditures	100,422,651	98,919,415	99,513,863	103,110,853	103,506,824	106,355,603	112,091,430	116,993,788	120,550,647	120,514,978

Continued

# Cleveland Heights-University Heights City School District

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess of revenues over (under) expenditures	(4,408,455)	12,297,004	20,277,668	669,586	9,263,809	1,719,562	(7,847,135)	(9,720,216)	(7,791,650)	(2,549,789)
Other financing sources (uses):										
Refunding bonds issued	-	-	-	-	-	-	-	-	-	6,750,000
Premium on bonds issued	-	-	-	-	-	-	-	-	-	199,722
Inception of capital leases	835,560	577,492	-	-	796,303	678,728	2,600,966	397,346	-	87,077
Qualified zone academy bonds	5,500,000	-	-	-	-	-	-	-	-	-
Transfers-in	7,128,579	1,432,606	997,692	1,339,411	1,383,323	2,077,014	570,000	1,303,351	914,388	625,321
Refund of prior year expenditures	-	-	71,786	-	-	-	-	-	-	-
Transfers-out	(6,955,329)	(1,432,606)	(994,692)	(1,341,996)	(1,528,299)	(2,427,386)	(570,000)	(1,472,669)	(914,388)	(625,321)
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(6,825,000)
Refund of prior year receipts	-	-	(80,646)	-	-	-	-	-	-	-
Total other financing sources (uses)	6,508,810	577,492	(5,860)	(2,585)	651,327	328,356	2,600,966	228,028	-	211,799
Net change in fund balances	\$ 2,100,355	\$ 12,874,496	\$ 20,271,808	\$ 667,001	\$ 9,915,136	\$ 2,047,918	\$ (5,246,169)	\$ (9,492,188)	\$ (7,791,650)	\$ (2,337,990)
Debt service as a percentage of noncapital expenditures	1.98%	1.53%	1.51%	1.79%	1.83%	2.16%	2.52%	2.07%	1.86%	1.54%

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		
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
2013	1,068,405,140	3,052,586,114	15,110,130	17,170,602	-	-	1,083,515,270	3,069,756,716	143.70	35.3

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 2013 and Fiscal Year 2004

Table 7

Name of Taxpayer	December 31, 2012 (1)	
	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Co.	\$ 11,393,890	1.05%
Kaiser Foundation Health Plan of Ohio	11,348,150	1.05%
Severance SPE Lease Co, LLC	9,711,730	0.90%
Inland Cedar Center South, LLC	6,212,210	0.57%
University Heights Holdings, 4 LLC	5,443,380	0.50%
Severance SPC Lease Co, LLC	4,466,180	0.41%
Target Corp.	3,500,780	0.32%
The May Department Stores Co.	3,408,020	0.31%
East Ohio Gas Co.	2,889,350	0.27%
ARC Cleveland Heights, LLC	2,724,580	0.25%
Total	\$ 61,098,270	5.63%

Name of Taxpayer	December 31, 2003 (2)	
	Assessed Value (2)	Percent of Total Assessed Value
SCIT, Inc.	\$ 13,146,540	1.23%
AT&T Wireless PCS	11,680,030	1.10%
Kaiser Foundation Health Plan of Ohio	8,407,390	0.79%
Ohio Bell Telephone Company	6,141,950	0.58%
The Cleveland Electric Illuminating Company	6,067,950	0.57%
American Retirement Corporation	4,165,810	0.39%
Kensington Ltd. Partnership	2,401,070	0.23%
Concord Company	2,366,530	0.23%
Waldorf Partners, Ltd. Partnership	2,216,320	0.22%
SAA, Inc.	2,206,020	0.21%
Total	\$ 58,799,610	5.55%

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2013 collection year.

(2) Assessed values are for the 2004 collection year.

# Cleveland Heights-University Heights City School District

## Property Tax Rates – Direct and Overlapping Governments

Last Ten Years Table 8

<u>Tax Year</u>	<u>School Levy</u>	<u>County Levy</u>	<u>City Levy</u>	<u>Metro</u>		<u>Library Levy</u>	<u>Tri-C Levy</u>	<u>Cleveland Port</u>		<u>Debt Service Included in Total Levy</u>		
				<u>Parks Levy</u>	<u>Authority Levy</u>			<u>School</u>	<u>County</u>	<u>City</u>	<u>Total Levy</u>	
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 <sup>(1)</sup>	13.42	12.90	1.85	5.90	2.80	0.13	173.70	3.80	0.74	6.48	11.02
2008/2009	136.70 <sup>(1)</sup>	13.32	12.90	1.85	7.80	2.80	0.13	175.50	3.80	0.74	6.48	11.02
2009/2010	136.80 <sup>(2)</sup>	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02
2010/2011	136.80 <sup>(2)</sup>	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02
2011/2012	143.70 <sup>(3)</sup>	13.22	12.90	1.85	7.80	3.10	0.13	182.70	0.70	0.85	2.90	4.45
2012/3013	143.70 <sup>(3)</sup>	13.22	13.00	1.85	7.80	3.10	0.13	182.80	0.70	0.85	3.00	4.55

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 Fiscal Officer.

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

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

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

## Cleveland Heights-University Heights City School District

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

Last Ten Years Table 9

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Percent of Total Collections to Tax Levy
2002/2003	\$ 63,884,607	\$ 3,977,674	\$ 67,862,281	\$ 58,532,812	91.62%	\$ 3,179,666	\$ 61,712,478	90.94%
2003/2004	73,993,743	6,538,173	80,531,917	65,677,215	88.76	3,208,654	68,885,869	85.54
2004/2005	73,180,871	6,317,749	79,498,620	69,220,320	94.58	4,081,167	73,301,487	92.20
2005/2006	72,118,959	6,209,258	78,328,217	68,342,993	94.76	3,433,220	71,776,214	91.64
2006/2007	80,279,737	6,829,786	87,109,523	69,488,916	86.56	4,198,730	73,687,646	84.59
2007/2008	79,306,636	6,986,422	86,293,058	73,681,014	92.91	4,122,635	77,803,649	90.16
2008/2009	78,224,800	6,840,923	85,065,723	72,761,558	93.02	3,556,037	76,317,595	89.72
2009/2010	77,544,197	7,955,876	85,500,073	70,779,938	91.28	3,834,324	74,614,262	87.27
2010/2011	77,532,166	8,729,765	86,261,931	70,108,742	90.43	3,494,985	73,603,727	85.33
2011/2012	85,035,680	10,219,590	95,255,270	78,252,617	92.02	4,012,461	82,265,078	86.36

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

Delinquent collections are presented in the fiscal year collected, consistent with the County Fiscal Officer’s method of maintaining the information. District is working with the County to obtain the delinquent collection information by original levy year rather than collection year in future years. At this point the information is not available.

Levy information includes Homestead/Rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

# Cleveland Heights-University Heights City School District

## Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2012

Table 10

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District <sup>(1)</sup>	Amount Applicable to School District
<b>Direct:</b>			
Cleveland Heights-University Heights City School District	\$ 13,414,821	100.00%	\$ 13,414,821
Total direct	<u>13,414,821</u>		<u>13,414,821</u>
<b>Overlapping:</b>			
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	129,495,000	3.92	5,076,204
Total overlapping	<u>502,923,755</u>		<u>31,991,035</u>
<b>Grand total</b>	<b>\$ <u>516,338,576</u></b>		<b>\$ <u>45,405,856</u></b>

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 2012 collection year.

# Cleveland Heights-University Heights City School District

## Computation of Legal Debt Margin

	2004	2005	2006 <sup>(2)</sup>	2007 <sup>(2)</sup>	2008 <sup>(2)</sup>	2009 <sup>(2)</sup>	2010	2011	2012	2013
Assessed valuation	\$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	\$ 1,083,515,270
Debt limit - 9% of assessed value	\$ 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	\$ 97,516,374
Amount of debt applicable to debt limit:										
General obligation bonds	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	7,596,407
Less: amount available in debt service funds	(258,667)	(394,441)	(574,741)	(581,198)	(626,363)	(634,411)	(289,163)	(619,703)	(683,128)	(162,985)
Total	\$ 15,276,323	\$ 14,230,549	\$ 13,120,249	\$ 12,275,421	\$ 11,383,508	\$ 10,535,589	\$ 10,005,837	\$ 8,770,297	\$ 7,771,872	\$ 7,433,422
Amount of debt subject to the limit	\$ 15,276,323	\$ 14,230,549	\$ 13,120,249	\$ 12,275,421	\$ 11,383,508	\$ 10,535,589	\$ 10,005,837	\$ 8,770,297	\$ 7,771,872	\$ 7,433,422
Overall debt margin	\$ 85,834,418	\$ 92,727,083	\$ 84,033,969	\$ 98,385,587	\$ 100,420,199	\$ 99,823,595	\$ 93,025,769	\$ 94,430,377	\$ 94,323,128	\$ 90,082,952
Debt margin - .10% of assessed value (1)	\$ 1,123,453	\$ 1,188,418	\$ 1,079,491	\$ 1,229,567	\$ 1,242,263	\$ 1,226,213	\$ 1,144,796	\$ 1,146,674	\$ 1,134,389	\$ 1,083,515
Amount of debt applicable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unvoted debt margin	\$ 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	\$ 1,083,515
Total net debt applicable to the limit as a percentage of debt limit	15.11%	13.30%	13.50%	11.09%	10.18%	9.55%	9.71%	8.50%	7.61%	7.62%

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						
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		
2013	6,936,407	660,000	318,414	5,500,000		13,414,821	0.96	224.85		

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<sup>(1)</sup></u>	<u>Less Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value<sup>(2)</sup></u>	<u>Population<sup>(3)</sup></u>	<u>Ratio of Net Debt to Estimated Actual Value</u>	<u>Debt Per Capita</u>
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
2012/2013	7,596,407	162,985	7,433,422	3,069,756,716	59,660	0.24	125

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**

Year	County Population(1)	Cleveland Heights Population(1)	University Heights Population(1)	School Enrollment(2)	Unemployment Rate(3)	Cleveland Hts. Median Family Income(1)	University Hts. Median Family Income(1)	Total Personal Income(1)	Total Personal Per Capita
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
2013	1,280,122	46,121	13,539	5,301	8.00	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 2013

Table 15

	December 31, 2005	December 31, 2012
<u>Employer</u>	<u>Number of Employees</u>	<u>Number of Employees</u>
Cleveland Heights-University Heights Board of Education	1,164	2,271
Cleveland Heights City Hall	921	1,703
John Carroll University	585	1,249
Wal Mart	300	789
Kaiser Permanente	300	436
Heinen's	200	429
Kauffman's	200	336
Target	200	314
Tops	190	304
Home Depot	150	300
Total	<u>4,210</u>	<u>8,131</u>
Total Employment within the School District	<u>31,488</u>	<u>N/A</u>

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

# Cleveland Heights-University Heights City School District

## Building Statistics by Function/Program

### Last Eight Fiscal Years

Table 16

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Boulevard Elementary School</b>								
Constructed in 1975								
Total Building Square Footage	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437
Enrollment Grades K-5	283	283	392	398	338	340	332	296
Regular Instruction Teachers	13	13	25	23	21	24	22	24
Special Instruction Teachers	6	4	6	5	4	5	3	5
<b>Canterbury Elementary School</b>								
Constructed in 1927								
Total Building Square Footage	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800
Enrollment Grades K-5	384	383	401	395	391	391	354	374
Regular Instruction Teachers	18	20	23	23	23	26	24	25
Special Instruction Teachers	6	4	2	4	4	5	5	5
<b>Bellefaire School</b>								
Constructed in 1928								
Total Building Square Footage	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Enrollment Grades K-5	-	-	-	85	87	70	76	71
Regular Instruction Teachers	-	-	-	6	7	10	9	8
Special Instruction Teachers	-	-	-	13	15	15	13	12
<b>Coventry Elementary School</b>								
Constructed in 1975								
Total Building Square Footage	61,200	61,200	61,200	61,200	61,200	61,200	61,200	61,200
Enrollment Grades K-5	357	319	-	-	-	-	-	-
Regular Instruction Teachers	15	17	-	-	-	-	-	-
Special Instruction Teachers	7	6	-	-	-	-	-	-
<b>Fairfax Elementary School</b>								
Constructed in 1975								
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Enrollment Grades K-5	392	402	430	412	409	412	386	392
Regular Instruction Teachers	18	20	25	23	24	27	26	26
Special Instruction Teachers	14	8	6	6	6	6	6	6
<b>Gearity Professional Development School</b>								
Constructed in 1954								
Total Building Square Footage	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856
Enrollment Grades K-5	216	238	287	289	297	297	360	338
Regular Instruction Teachers	12	13	16	17	18	22	20	24
Special Instruction Teachers	7	10	8	10	10	12	11	10
<b>Noble Elementary School</b>								
Constructed in 1922								
Total Building Square Footage	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250
Enrollment Grades K-5	421	426	425	406	401	401	424	423
Regular Instruction Teachers	20	21	24	23	23	26	24	30
Special Instruction Teachers	6	6	5	5	4	4	4	7
<b>Deborah S. Delisle Educational Options Center</b>								
Constructed in 1923								
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Enrollment Grades K-5	-	-	-	-	-	-	-	116
Regular Instruction Teachers	-	-	-	-	-	-	-	11
Special Instruction Teachers	-	-	-	-	-	-	-	1
<b>Oxford Elementary School</b>								
Constructed in 1928								
Total Building Square Footage	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400
Enrollment Grades K-5	367	362	351	360	357	358	325	340
Regular Instruction Teachers	19	21	22	23	23	25	23	25
Special Instruction Teachers	5	6	4	3	3	3	3	4

Continued

# Cleveland Heights-University Heights City School District

## Building Statistics by Function/Program (continued)

Last Eight Fiscal Years

Table 16

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Roxboro Elementary School</b>								
Constructed in 1920								
Total Building Square Footage	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600
Enrollment Grades K-5	326	329	330	335	338	338	410	408
Regular Instruction Teachers	15	18	19	20	22	23	23	29
Special Instruction Teachers	7	4	6	5	4	5	4	3
<b>Monticello Middle School</b>								
Constructed in 1930								
Total Building Square Footage	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Enrollment Grades 6-8	524	504	486	468	455	462	367	400
Regular Instruction Teachers	36	33	34	30	34	36	34	31
Special Instruction Teachers	10	8	8	7	10	11	10	9
<b>Roxboro Middle School</b>								
Constructed in 1931								
Total Building Square Footage	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380
Enrollment Grades 6-8	552	550	508	523	527	534	517	436
Regular Instruction Teachers	36	37	36	35	42	44	41	39
Special Instruction Teachers	12	10	10	8	9	9	9	9
<b>Wiley Middle School</b>								
Constructed in 1954								
Total Building Square Footage	133,127	133,127	133,127	133,127	133,127	133,127	133,127	133,127
Enrollment Grades 6-8	470	439	405	412	423	425	387	403
Regular Instruction Teachers	34	34	33	30	33	35	35	30
Special Instruction Teachers	11	9	9	8	8	8	8	8
<b>Cleveland Heights High School</b>								
Constructed in 1925								
Total Building Square Footage	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400
Enrollment Grades 9-12	1,943	1,823	1,752	1,832	1,809	1,842	1,828	1,400
Regular Instruction Teachers	113	115	96	92	108	112	115	110
Special Instruction Teachers	51	50	38	40	25	27	24	24

Source: School District's appraisal reports and personnel records

Information prior to 2006 not available.

# 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>
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
2013	107,118,276	5,301	20,207	8.32	531	9.98	56.50

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

Table 18

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Degree</u>										
Bachelor's Degree	143	132	106	107	102	94	102	112	89	94
Master's Degree	433	338	382	374	350	362	373	403	402	431
PhD	5	3	3	3	3	3	5	5	5	6
Total	<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>	<u>531</u>
<u>Years of Experience</u>										
0-5	77	142	43	52	48	50	90	103	52	116
6-10	98	97	82	76	56	50	68	98	177	142
11 and over	406	234	366	356	351	359	322	319	267	273
Total	<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>	<u>531</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>
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	78.0*	81.3*
2013	94.6	94.2	(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 Nine Fiscal Years Table 20

Function:	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction:									
Regular	336	349	403	353	345	378	410	382	374
Special	114	118	124	102	114	102	110	148	161
Vocational	15	16	16	14	13	18	18	21	19
Adult/continuing	5	5	-	-	-	3	3	1	-
Other instruction	3	3	2	2	2	2	2	13	15
Support services:									
Pupil	158	160	189	196	196	164	158	113	125
Instructional staff	66	67	51	51	53	51	49	63	68
Administration	50	44	67	65	65	65	59	65	62
Fiscal	17	18	10	10	10	11	11	10	10
Business	24	25	5	4	4	4	4	4	3
Operations of maintenance of plant	86	87	109	102	102	96	96	96	93
Pupil transportation	81	82	48	49	49	43	32	42	34
Central	25	25	18	18	18	21	22	23	19
Operations of non-instructional services:									
Community services (1)	34	34	42	42	42	39	36	42	51
Other	1	1	1	1	1	1	1	1	1
Extracurricular activities	20	20	2	2	2	3	3	12	2
Total	<u>1,035</u>	<u>1,054</u>	<u>1,087</u>	<u>1,011</u>	<u>1,016</u>	<u>1,001</u>	<u>1,014</u>	<u>1,036</u>	<u>1,037</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.



**LILAH BEUKEMANN**  
*2nd grade, Fairfax Elementary*



**CALEB GREEN**  
*2nd grade, Fairfax Elementary*

# 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.



**ALEX HARPER**  
*11th grade, CHHS*



**JULIANNA CLARK**  
*11th grade, CHHS*

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Dave Yost • Auditor of State



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

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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, 2013**

<u>FEDERAL GRANTOR/ Pass Through Grantor Program Title</u>	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	2013	10.555	\$ -	\$ 124,326	\$ -	\$ 124,326
Cash Assistance:						
School Breakfast Program	2013	10.553	381,720	-	381,720	-
National School Lunch Program	2013	10.555	1,576,930	-	1,576,930	-
Total Cash Assistance			1,958,650	-	1,958,650	-
Total Child Nutrition Cluster			1,958,650	124,326	1,958,650	124,326
Farm to School Grant	2013	10.560	-	-	1,708	-
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>1,958,650</b>	<b>124,326</b>	<b>1,960,358</b>	<b>124,326</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster (IDEA):						
Special Education - Grants to States (IDEA, Part B)	2012	84.027	94,785	-	48,920	-
Special Education - Grants to States (IDEA, Part B)	2013	84.027	1,544,030	-	1,542,405	-
Total Special Education - Grants to States (IDEA, Part B)			1,638,815	-	1,591,325	-
Special Education - Preschool Grants (IDEA Preschool)	2013	84.173	32,050	-	34,603	-
Total Special Education Cluster (IDEA)			1,670,865	-	1,625,928	-
Title I, Part A Cluster:						
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2012	84.010	12,690	-	93,035	-
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2013	84.010	2,019,151	-	2,618,892	-
ARRA - Title I School Improvement Grant, Sub A	2012	84.389	14,580	-	8,029	-
Total Title I, Part A Cluster			2,046,421	-	2,719,956	-
Safe and Drug-Free Schools and Communities - State Grants	2012	84.186	25,773	-	25,773	-
Safe and Drug-Free Schools and Communities - State Grants	2013	84.186	24,158	-	24,158	-
Total Safe and Drug-Free Schools and Communities - State Grants			49,931	-	49,931	-
Career and Technical Education – Basic Grants to States (Perkins IV)	2012	84.048	83,211	-	22,250	-
Career and Technical Education – Basic Grants to States (Perkins IV)	2013	84.048	245,350	-	248,741	-
Total Career and Technical Education – Basic Grants to States (Perkins IV)			328,561	-	270,991	-
Twenty-First Century Community Learning Centers	2012	84.287	45,093	-	17,141	-
Twenty-First Century Community Learning Centers	2013	84.287	258,493	-	270,138	-
Total Twenty-First Century Community Learning Centers			303,586	-	287,279	-
Title II-D, Education Technology State Grants	2012	84.318	20,171	-	10,513	-
Improving Teacher Quality State Grants	2012	84.367	45,883	-	17,845	-
Improving Teacher Quality State Grants	2013	84.367	247,986	-	281,788	-
Total Improving Teacher Quality State Grants			293,869	-	299,633	-
Title III, English Language Acquisition Grant	2012	84.365	-	-	992	-
Title III, English Language Acquisition Grant	2013	84.365	10,497	-	21,463	-
Total Title III, English Language Acquisition Grant			10,497	-	22,455	-
School Improvement Grants	2013	84.377	301,129	-	544,202	-
ARRA - School Improvement Grants	2012	84.388	50,052	-	-	-
Total School Improvement Grants Cluster			351,181	-	544,202	-
ARRA - Race To The Top	2012	84.395	91,741	-	201,176	-
ARRA - Race To The Top	2013	84.395	676,461	-	594,409	-
Total Race To The Top			768,202	-	795,585	-
Adult Education - State Grant Program	2012	84.002	52,731	-	11,827	-
Adult Education - State Grant Program	2013	84.002	186,050	-	252,084	-
			238,781	-	263,911	-
<i>Passed Through Cuyahoga Community College</i>						
Adult Education - Rotary Program	2012	84.002	30,140	-	11,124	-
Adult Education - Rotary Program	2013	84.002	163,140	-	177,418	-
			193,280	-	188,542	-
<i>Direct Program:</i>						
Foreign Language Assistance Program	2013	84.293	55,046	-	137,628	-
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>6,330,391</b>	<b>-</b>	<b>7,216,554</b>	<b>-</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
<i>Direct Program:</i>						
Highway Training and Education	2012	20.215	-	-	24,562	-
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>-</b>	<b>-</b>	<b>24,562</b>	<b>-</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ 8,289,041</b>	<b>\$ 124,326</b>	<b>\$ 9,201,474</b>	<b>\$ 124,326</b>

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, 2013**

**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 disbursements. 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.



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 25, 2014.

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

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

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

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

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

***Entity's Response to Findings***

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



**Dave Yost**  
Auditor of State  
Columbus, Ohio

March 25, 2014



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S 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:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Cleveland Heights-University Heights City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *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, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

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

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

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

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on the Adult Basic Literacy Education, Race to the Top, Special Education Cluster and Title I Cluster major Federal Programs***

As described in Findings 2013-003 and 2013-004 in the accompanying schedule of findings, the District did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2013-003	84.002, 84.395, 84.027, 84.173, 84.010, 84.389	Adult Basic Literacy Education, Race to the Top, Special Education Cluster, Title I Cluster	Equipment and Real Property Management
2013-004	84.395, 84.027, 84.173, 84.010, 84.389	Race to the Top, Special Education Cluster, Title I Cluster	Procurement and Suspension and Debarment

Compliance with these requirements is necessary, in our opinion, for the District to comply with the requirements applicable to these programs.

***Qualified Opinion on the Adult Basic Literacy Education, Race to the Top, Special Education Cluster and Title I Cluster major Federal Programs***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on the Adult Basic Literacy Education, Race to the Top, Special Education Cluster and Title I Cluster major Federal Programs* paragraph, the District complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Adult Basic Literacy Education, Race to the Top, Special Education Cluster and Title I Cluster major Federal Programs* for the year ended June 30, 2013.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the District complied in all material respects with the requirements referred to above that could directly and materially affect each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings for the year ended June 30, 2013.

***Other Matters***

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

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

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

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 material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's 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 2013-002 through 2013-004 to be material weaknesses.

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

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133***

We have also audited the financial statements of [the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated March 25, 2014. We conducted our audit to opine on the Districts' basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

March 25, 2014

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2013**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified for Adult Basic Literacy Education, Race to the Top, Special Education Cluster and Title I Cluster  Unmodified for Improving Teacher Quality and School Improvement Grants Cluster
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Adult Basic Literacy Education, CFDA #84.002  Improving Teacher Quality, CFDA #84.367  Race to the Top, CFDA #84.395  School Improvement Grants Cluster, CFDA #84.388  Special Education Cluster, CFDA #84.027, 84.173  Title I Cluster, CFDA #84.010, 84.389
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2013

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

FINDING NUMBER 2013-001

**Approval of Transfers and Advances – Material Noncompliance**

Ohio Revised 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 Revised 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 Revised 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 Revised 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 \$625,321 in transfers and \$16,155,250 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, which could later result in deficit fund balances or improper spending.

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 had 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, 2013**

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

**Approval of Federal Disbursements – Material Weakness**

<b>Finding Number</b>	2013-002
<b>CFDA Title and Number</b>	Improving Teacher Quality, CFDA #84.367 Race to the Top, CFDA #84.395 School Improvement Grants Cluster, CFDA #84.377, 84.388 Title I Cluster, CFDA #84.010 and 84.389
<b>Federal Award Number / Year</b>	2013
<b>Federal Agency</b>	United States Department of Education
<b>Pass-Through Agency</b>	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 not contain the signatures of the appropriate personnel to certify the expenses or activities were allowable:

- Five out of 60 disbursements tested in the Improving Teacher Quality federal program;
- 17 out of 60 disbursements tested in the Race to the Top federal program;
- One out of 12 disbursements tested in the School Improvement federal program; and
- Nine out of 48 disbursements tested in the Title I Cluster 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.

**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, 2013**

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

(Continued)

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

<b>Finding Number</b>	2013-003
<b>CFDA Title and Number</b>	Adult Basic Literacy Education, CFDA #84.002 Race to the Top, CFDA #84.395 Special Education Cluster, CFDA #84.027 and 84.173 Title I Cluster, CFDA #84.010 and 84.389
<b>Federal Award Number / Year</b>	2013
<b>Federal Agency</b>	United States Department of Education
<b>Pass-Through Agency</b>	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, 2013**

**3. FINDINGS FOR FEDERAL AWARDS**

(Continued)

**FINDING NUMBER 2013-003**

(Continued)

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

During our testing of inventory policies and procedures for the Adult Basic Literacy Education, Race to the Top, 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. These practices have not been formally incorporated into the Board Policies. Furthermore, a review of the asset records found that the following elements are missing:

- The percentage of federal participation in the cost of the property; and
- Use and condition of the property; and
- Disposal information.

In addition, during a review of Federal inventory records we noted several items were unable to be located by the District, as follows:

<u>Federal Program</u>	<u>Missing Items</u>	<u>Total Assets</u>	<u>Percentage Missing</u>
Adult Basic Literacy Education	24	56	43%
Special Education Cluster	105	555	19%
Title I Cluster	232	521	45%

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 located and included on an inventory listing. We further recommend the District complete an inventory of all Federal assets by Federal program to properly track inventory as required by the above requirements.

**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, 2013**

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
<b>(Continued)</b>

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

<b>Finding Number</b>	2013-004
<b>CFDA Title and Number</b>	Race to the Top, CFDA #84.395 Special Education Cluster, CFDA #84.027 and 84.173 Title I Cluster, CFDA #84.010 and 84.389
<b>Federal Award Number / Year</b>	2013
<b>Federal Agency</b>	United States Department of Education
<b>Pass-Through Agency</b>	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 Race to the Top, 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 debarred 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>
Race to the Top	2
Special Education Cluster	1
Title I Cluster	2
<b>Total</b>	<u><u>5</u></u>

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.

CLEVELAND HEIGHTS-UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2013

**3. FINDINGS FOR FEDERAL AWARDS**

(Continued)

**FINDING NUMBER 2013-004**

(Continued)

**Excluded Parties List System – Procurement and Suspension and Debarment – Material Noncompliance and Material Weakness (Continued)**

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.

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

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
JUNE 30, 2013**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2013-001	The approval process for transfers and advances is being revised in an effort to comply as practicable.	Immediately	Treasurer
2013-002	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	Treasurer
2013-003	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	Treasurer
2013-004	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	Treasurer

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2012-001	Duplicate Check Cashing – Finding For Recovery Partially Repaid Under Audit	Yes	Finding No Longer Valid
2012-002	Unsupported Credit Card Purchases – Finding for Recovery	Yes	Finding No Longer Valid
2012-003	Unsupported Credit Card Purchases – Finding for Recovery Repaid Under Audit	Yes	Finding No Longer Valid
2012-004	Financial Reporting	Yes	Corrected
2012-005	Bank Reconciliations	No	Re-Issued as Management Letter Comment
2012-006	Approval of Transfers and Advances	No	Re-Issued as Finding 2013-001
2012-007	Approval of Federal Disbursements	No	Re-Issued as Finding 2013-002
2012-008	Maintenance and Level of Effort	Yes	Corrected
2012-009	Inventory Management	No	Re-Issued as Finding 2013-003
2012-010	Excluded Parties List System	No	Re-Issued as Finding 2013-004
2012-011	Schedule of Federal Awards Receipts and Expenditures	Yes	Corrected



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

1. We noted the Board amended its anti-harassment policy at its meeting on December 18, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

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".

**Dave Yost**  
Auditor of State

March 25, 2013

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801  
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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  
APRIL 10, 2014**