

City Of University Heights, Ohio

GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

City Of University Heights, Ohio

GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

CITY OF UNIVERSITY HEIGHTS, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

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STATE OF OHIO
OFFICE OF THE AUDITOR

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Mayor and Members of Council
City of University Heights

We have reviewed the Independent Auditor's Report of the City of University Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc. for the audit period January 1, 1998 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of University Heights is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

June 29, 2000

Independent Auditors' Report

Honorable Mayor and Members of City Council
City of University Heights, Ohio

We have audited the accompanying general purpose financial statements of the City of University Heights, Ohio as of and for the years ended December 31, 1999 and 1998, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of University Heights, Ohio as of December 31, 1999 and 1998 and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

As described in Note 2 to the accompanying financial statements, the City changed its method of accounting for investments during calendar year 1998. Additionally, the City changed its method of accounting for the deferred compensation plan during the calendar year 1998.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2000 on our consideration of the City of University Heights' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



Cleveland, Ohio
June 5, 2000

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CITY OF UNIVERSITY HEIGHTS, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements of the City include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position.

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1999

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<u>ASSETS AND OTHER DEBITS</u>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 332,254	\$ 411,231	\$ 43,765	\$ 254,912
Receivables:				
Taxes	2,515,292	107,372	-	380,721
Accounts	51,975	67,827	249,727	-
Special Assessments	-	675,315	-	-
Intergovernmental	350,692	82,371	-	-
Interfund	61,752	25,185	88,199	14,791
Prepaid Expenses	62,751	-	-	-
Inventory of Supplies	44,570	22,067	-	-
Fixed Assets	-	-	-	-
<u>Other Debits</u>				
Amount Available in the Debt Service Fund	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Obligations	-	-	-	-
Total Assets and Other Debits	<u>\$ 3,419,286</u>	<u>\$ 1,391,368</u>	<u>\$ 381,691</u>	<u>\$ 650,424</u>

The notes to the general purpose financial statements are an integral part of these financial statements

Fiduciary Fund Type	Accounts Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Dcbt	
Agency			
\$ 90,671	\$ -	\$ -	\$ 1,132,833
-	-	-	3,003,385
484	-	-	370,013
-	-	-	675,315
-	-	-	433,063
-	-	-	189,927
-	-	-	62,751
-	-	-	66,637
-	4,746,360	-	4,746,360
-	-	181,504	181,504
-	-	3,160,846	3,160,846
\$ <u>91,155</u>	\$ <u>4,746,360</u>	\$ <u>3,342,350</u>	\$ <u>14,022,634</u>

Continued

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS -
(CONTINUED)

DECEMBER 31, 1999

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 369,405	\$ 115,098	\$ 1,063	\$ -
Accrued Wages and Benefits	206,984	7,055	-	-
Interfund Payable	25,185	60,000	14,791	88,199
Refundable Deposits	-	-	-	-
Intergovernmental Payable	-	-	-	-
Deferred Revenues	1,956,993	782,687	-	380,721
Notes Payable	-	225,000	200,000	-
Capital Lease Commitment Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Compensated Absences Payable	63,916	13,257	-	-
Ohio Police and Fire Pension Liability	-	-	-	-
Total Liabilities	<u>2,522,483</u>	<u>1,203,097</u>	<u>215,854</u>	<u>468,920</u>
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	106,326	102,775	84,619	-
Reserved for Inventory of Supplies	44,570	22,067	-	-
Reserved for Prepaid Items	62,751	-	-	-
Reserved for Debt Service	-	-	-	181,504
Unreserved:				
Designated for Sick Leave Benefits	436	-	-	-
Undesignated	<u>682,720</u>	<u>63,429</u>	<u>81,218</u>	<u>-</u>
Total Fund Equity and Other Credits	<u>896,803</u>	<u>188,271</u>	<u>165,837</u>	<u>181,504</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 3,419,286</u>	<u>\$ 1,391,368</u>	<u>\$ 381,691</u>	<u>\$ 650,424</u>

The notes to the general purpose financial statements are an integral part of these financial statements

Fiduciary Fund Type	Accounts Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Agency			
\$ 8,047	\$ -	\$ -	\$ 393,613
-	-	-	214,039
1,752	-	-	189,927
81,356	-	-	81,356
-	-	249,727	249,727
-	-	-	3,120,401
-	-	-	425,000
-	-	4,301	4,301
-	-	2,070,000	2,070,000
-	-	416,606	493,779
-	-	601,716	601,716
<u>91,155</u>	<u>-</u>	<u>3,342,350</u>	<u>7,843,859</u>
-	4,746,360	-	4,746,360
-	-	-	293,720
-	-	-	66,637
-	-	-	62,751
-	-	-	181,504
-	-	-	436
-	-	-	827,367
<u>-</u>	<u>4,746,360</u>	<u>-</u>	<u>6,178,775</u>
\$ <u>91,155</u>	\$ <u>4,746,360</u>	\$ <u>3,342,350</u>	\$ <u>14,022,634</u>

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	
Revenues					
Taxes	\$ 6,192,243	\$ 152,392	\$ -	\$ 375,337	\$ 6,719,972
Intergovernmental	1,691,651	469,318	75,000	51,789	2,287,758
Charges for Services	97,714	21,200	-	-	118,914
Fines, Licenses and Permits	491,004	19,814	-	-	510,818
Special Assessments	1,005	540,777	-	89,065	630,847
Interest Earnings	77,598	209	-	-	77,807
Miscellaneous	128,927	104,934	-	-	233,861
Total Revenues	<u>8,680,142</u>	<u>1,308,644</u>	<u>75,000</u>	<u>516,191</u>	<u>10,579,977</u>
Expenditures					
Current Operations and Maintenance:					
Security of Persons and Property	4,518,182	728,003	-	-	5,246,185
Public Health and Welfare	40,673	-	-	-	40,673
Leisure Time Activities	252,857	-	26,575	-	279,432
Community Environment	535,864	207,913	-	-	743,777
Basic Utility Services	790,185	449,417	114,633	-	1,354,235
Transportation	434,578	503,305	-	-	937,883
General Government	1,237,425	-	-	866	1,238,291
Capital Outlay	-	-	318,847	-	318,847
Debt Service:					
Principal	-	-	-	160,000	160,000
Interest and Fiscal Charges	-	8,580	12,870	128,690	150,140
Total Expenditures	<u>7,809,764</u>	<u>1,897,218</u>	<u>472,925</u>	<u>289,556</u>	<u>10,469,463</u>
Excess of Revenues Over (Under) Expenditures	<u>870,378</u>	<u>(588,574)</u>	<u>(397,925)</u>	<u>226,635</u>	<u>110,514</u>
Other Financing Sources (Uses)					
Loan Proceeds	-	-	249,727	-	249,727
Operating Transfers - In	-	685,901	526,069	125,000	1,336,970
Operating Transfers - Out	(1,102,321)	-	-	(234,649)	(1,336,970)
Total Other Financing Sources (Uses)	<u>(1,102,321)</u>	<u>685,901</u>	<u>775,796</u>	<u>(109,649)</u>	<u>249,727</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(231,943)	97,327	377,871	116,986	360,241
Fund Balance (Deficit) - Beginning of Year	1,130,582	90,720	(212,034)	64,518	1,073,786
Increase (Decrease) in Reserve for Inventory	(1,836)	224	-	-	(1,612)
Fund Balance - End of Year	<u>\$ 896,803</u>	<u>\$ 188,271</u>	<u>\$ 165,837</u>	<u>\$ 181,504</u>	<u>\$ 1,432,415</u>

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL
GOVERNMENTAL FUND TYPES**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>General Fund</u>		
	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 6,247,281	\$ 6,253,554	\$ 6,273
Intergovernmental	1,478,900	1,484,845	5,945
Charges for Services	100,100	98,959	(1,141)
Fines, Licenses and Permits	454,220	465,628	11,408
Special Assessments	1,000	1,005	5
Interest Earnings	73,000	77,598	4,598
Miscellaneous	<u>128,025</u>	<u>131,265</u>	<u>3,240</u>
Total Revenues	<u>8,482,526</u>	<u>8,512,854</u>	<u>30,328</u>
<u>Expenditures</u>			
Current Operations and Maintenance:			
Security of Persons and Property	4,573,940	4,502,256	71,684
Public Health and Welfare	40,673	40,673	-
Leisure Time Activities	274,036	256,859	17,177
Community Environment	585,089	553,851	31,238
Basic Utility Services	787,526	821,960	(34,434)
Transportation	462,567	460,162	2,405
General Government	<u>1,242,189</u>	<u>1,257,944</u>	<u>(15,755)</u>
Total Expenditures	<u>7,966,020</u>	<u>7,893,705</u>	<u>72,315</u>
Excess of Revenues Over (Under) Expenditures	516,506	619,149	102,643
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – Out	<u>(1,076,000)</u>	<u>(1,077,136)</u>	<u>(1,136)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(559,494)	(457,987)	101,507
Fund Balance – Beginning of Year	339,588	339,588	-
Prior Year Encumbrances Appropriated	<u>225,749</u>	<u>225,749</u>	<u>-</u>
Fund Balance – End of Year	<u>\$ 5,843</u>	<u>\$ 107,350</u>	<u>\$ 101,507</u>

Continued

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1999

	Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 151,218	\$ 152,392	\$ 1,174
Intergovernmental	393,929	409,169	15,240
Charges for Services	20,000	20,137	137
Fines, Licenses and Permits	6,000	19,814	13,814
Special Assessments	539,113	540,777	1,664
Interest Earnings	200	209	9
Miscellaneous	<u>32,600</u>	<u>32,639</u>	<u>39</u>
Total Revenues	<u>1,143,060</u>	<u>1,175,137</u>	<u>32,077</u>
<u>Expenditures</u>			
Current Operations and Maintenance:			
Security of Persons and Property	732,840	728,200	4,640
Community Environment	136,273	207,389	(71,116)
Basic Utility Services	472,929	473,392	(463)
Transportation	<u>572,416</u>	<u>557,481</u>	<u>14,935</u>
Total Expenditures	<u>1,914,458</u>	<u>1,966,462</u>	<u>(52,004)</u>
Excess of Revenues Over (Under) Expenditures	<u>(771,398)</u>	<u>(791,325)</u>	<u>(19,927)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	225,000	225,000	-
Operating Transfers – In	654,393	652,136	(2,257)
Operating Transfers – Out	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>654,393</u>	<u>652,136</u>	<u>(2,257)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(117,005)	(139,189)	(22,184)
Fund Balance – Beginning of Year	285,412	285,412	-
Prior Year Encumbrances Appropriated	<u>97,251</u>	<u>97,251</u>	<u>-</u>
Fund Balance – End of Year	\$ <u>265,658</u>	\$ <u>243,474</u>	\$ <u>(22,184)</u>

Continued

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL
GOVERNMENTAL FUND TYPES (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Capital Projects Fund</u>		Variance Favorable (Unfavorable)
	<u>Revised Budget</u>	<u>Actual</u>	
<u>Revenues</u>			
Intergovernmental	\$ <u>75,000</u>	\$ <u>75,000</u>	\$ -
<u>Expenditures</u>			
Capital Outlay	<u>473,400</u>	<u>543,612</u>	<u>(70,212)</u>
Excess of Revenues Over (Under) Expenditures	<u>(398,400)</u>	<u>(468,612)</u>	<u>(70,212)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	200,000	200,000	-
Operating Transfers – In	300,000	300,000	-
Operating Transfers – Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(98,400)	(168,612)	(70,212)
Fund Balance – Beginning of Year	172,807	172,807	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance – End of Year	\$ <u>74,407</u>	\$ <u>4,195</u>	\$ <u>(70,212)</u>

Continued

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL
GOVERNMENTAL FUND TYPES (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Debt Service Fund</u>		Variance Favorable (Unfavorable)
	<u>Revised Budget</u>	<u>Actual</u>	
<u>Revenues</u>			
Taxes	\$ 358,900	\$ 375,337	\$ 16,437
Intergovernmental	46,300	51,789	5,489
Special Assessments	<u>89,000</u>	<u>89,065</u>	<u>65</u>
Total Revenues	<u>494,200</u>	<u>516,191</u>	<u>21,991</u>
<u>Expenditures</u>			
Current Operations and Maintenance:			
General Government	3,000	867	2,133
Debt Service:			
Principal	710,000	710,000	-
Interest and Fiscal Charges	<u>148,828</u>	<u>150,139</u>	<u>(1,311)</u>
Total Expenditures	<u>861,828</u>	<u>861,006</u>	<u>822</u>
Excess of Revenues Over (Under) Expenditures	(367,628)	(344,815)	22,813
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Financing Uses	182,372	205,185	22,813
Fund Balance – Beginning of Year	23,936	23,936	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance – End of Year	\$ <u>206,308</u>	\$ <u>229,121</u>	\$ <u>22,813</u>

Continued

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Total (Memorandum Only)</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 6,757,399	\$ 6,781,283	\$ 23,884
Intergovernmental	1,994,129	2,020,803	26,674
Charges for Services	120,100	119,096	(1,004)
Fines, Licenses and Permits	460,220	485,442	25,222
Special Assessments	629,113	630,847	1,734
Interest Earnings	73,200	77,807	4,607
Miscellaneous	<u>160,625</u>	<u>163,904</u>	<u>3,279</u>
Total Revenues	<u>10,194,786</u>	<u>10,279,182</u>	<u>84,396</u>
Expenditures			
Current Operations and Maintenance:			
Security of Persons and Property	\$ 5,306,780	\$ 5,230,456	\$ 76,324
Public Health and Welfare	40,673	40,673	-
Leisure Time Activities	274,036	256,859	17,177
Community Environment	721,362	761,240	(39,878)
Basic Utility Services	1,260,455	1,295,352	(34,897)
Transportation	1,034,983	1,017,643	17,340
General Government	1,245,189	1,258,811	(13,622)
Capital Outlay	473,400	543,612	(70,212)
Debt Service:			
Principal	710,000	710,000	-
Interest and Fiscal Charges	<u>148,828</u>	<u>150,139</u>	<u>(1,311)</u>
Total Expenditures	<u>11,215,706</u>	<u>11,264,785</u>	<u>(49,079)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,020,920)</u>	<u>(985,603)</u>	<u>35,317</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Notes	425,000	425,000	-
Operating Transfers – In	1,504,393	1,502,136	(2,257)
Operating Transfers – Out	<u>(1,501,000)</u>	<u>(1,502,136)</u>	<u>(1,136)</u>
Total Other Financing Sources (Uses)	<u>428,393</u>	<u>425,000</u>	<u>(3,393)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(592,527)	(560,603)	31,924
Fund Balance – Beginning of Year	821,743	821,743	-
Prior Year Encumbrances Appropriated	<u>323,000</u>	<u>323,000</u>	<u>-</u>
Fund Balance – End of Year	\$ <u>552,216</u>	\$ <u>584,140</u>	\$ <u>31,924</u>

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1998

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<u>ASSETS AND OTHER DEBITS</u>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 575,501	\$ 395,954	\$ 127,757	\$ 49,727
Receivables:				
Taxes	2,840,169	117,897	-	377,183
Accounts	27,317	-	-	-
Special Assessments	-	651,698	-	-
Intergovernmental	64,917	22,222	-	-
Interfund	61,752	-	-	14,791
Prepaid Expenses	45,467	-	-	-
Inventory of Supplies	46,406	21,843	-	-
Fixed Assets	-	-	-	-
<u>Other Debits</u>				
Amount Available in the Debt Service Fund	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Obligations	-	-	-	-
Total Assets and Other Debits	\$ <u>3,661,529</u>	\$ <u>1,209,614</u>	\$ <u>127,757</u>	\$ <u>441,701</u>

The notes to the general purpose financial statements are an integral part of these financial statements

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Agency			
\$ 76,233	\$ -	\$ -	\$ 1,225,172
-	-	-	3,335,249
-	-	-	27,317
-	-	-	651,698
-	-	-	87,139
-	-	-	76,543
-	-	-	45,467
-	-	-	68,249
-	4,305,809	-	4,305,809
-	-	64,518	64,518
-	-	<u>3,214,373</u>	<u>3,214,373</u>
<u>\$ 76,233</u>	<u>\$ 4,305,809</u>	<u>\$ 3,278,891</u>	<u>\$ 13,101,534</u>

Continued

CITY OF UNIVERSITY HEIGHTS, OHIO

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS -
(CONTINUED)**

DECEMBER 31, 1998

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 193,382	\$ 47,377	\$ -	\$ -
Accrued Wages and Benefits	163,447	13,133	-	-
Interfund Payable	-	60,000	14,791	-
Refundable Deposits	-	-	-	-
Intergovernmental Payable				
Deferred Revenues	2,138,724	769,595	--	377,183
Notes Payable	-	225,000	325,000	-
Capital Lease Commitment Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Compensated Absences Payable	35,394	3,789	-	-
Ohio Police and Fire Pension Liability	-	-	-	-
Total Liabilities	<u>2,530,947</u>	<u>1,118,894</u>	<u>339,791</u>	<u>377,183</u>
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	115,953	59,613	-	-
Reserved for Inventory of Supplies	46,406	21,843	-	-
Reserved for Prepaid Items	45,467	-	-	-
Reserved for Debt Service	-	-	-	64,518
Unreserved:				
Designated for Sick Leave Benefits	436	-	-	-
Undesignated (Deficit)	<u>922,320</u>	<u>9,264</u>	<u>(212,034)</u>	<u>-</u>
Total Fund Equity and Other Credits	<u>1,130,582</u>	<u>90,720</u>	<u>(212,034)</u>	<u>64,518</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 3,661,529</u>	<u>\$ 1,209,614</u>	<u>\$ 127,757</u>	<u>\$ 441,701</u>

The notes to the general purpose financial statements are an integral part of these financial statements

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Agency			
\$ -	\$ -	\$ -	\$ 240,759
-	-	-	176,580
1,752	-	-	76,543
74,481	-	-	74,481
-	-	-	3,285,502
-	-	-	550,000
-	-	13,548	13,548
-	-	2,230,000	2,230,000
-	-	436,132	475,315
-	-	599,211	599,211
<u>76,233</u>	<u>-</u>	<u>3,278,891</u>	<u>7,721,939</u>
-	4,305,809	-	4,305,809
-	-	-	175,566
-	-	-	68,249
-	-	-	45,467
-	-	-	64,518
-	-	-	436
-	-	-	719,550
<u>-</u>	<u>4,305,809</u>	<u>-</u>	<u>5,379,595</u>
\$ <u>76,233</u>	\$ <u>4,305,809</u>	\$ <u>3,278,891</u>	\$ <u>13,101,534</u>

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Debt Service	
Revenues					
Taxes	\$ 6,045,425	\$ 145,965	\$ -	\$ 331,342	\$ 6,522,732
Intergovernmental	1,848,975	413,845	-	46,663	2,309,483
Charges for Services	98,159	20,512	-	-	118,671
Fines, Licenses and Permits	505,758	8,270	-	-	514,028
Special Assessments	351	386,807	-	45,552	432,710
Interest Earnings	69,442	203	-	-	69,645
Reimbursements	219,828	42,788	-	-	262,616
Miscellaneous	<u>209,374</u>	<u>147</u>	<u>-</u>	<u>-</u>	<u>209,521</u>
Total Revenues	<u>8,997,312</u>	<u>1,018,537</u>	<u>-</u>	<u>423,557</u>	<u>10,439,406</u>
Expenditures					
Current Operations and Maintenance:					
Security of Persons and Property	4,423,642	526,675	-	-	4,950,317
Public Health and Welfare	38,158	-	-	-	38,158
Leisure Time Activities	224,533	-	-	-	224,533
Community Environment	515,424	216,644	-	-	732,068
Basic Utility Services	705,656	429,007	-	-	1,134,663
Transportation	350,290	294,410	-	-	644,700
General Government	1,083,487	8,142	-	2,465	1,094,094
Capital Outlay	-	289,441	141,119	-	430,560
Debt Service:					
Principal	-	-	-	150,000	150,000
Interest and Fiscal Charges	-	9,642	17,906	135,178	162,726
Total Expenditures	<u>7,341,190</u>	<u>1,773,961</u>	<u>159,025</u>	<u>287,643</u>	<u>9,561,819</u>
Excess of Revenues Over (Under) Expenditures	<u>1,656,122</u>	<u>(755,424)</u>	<u>(159,025)</u>	<u>135,914</u>	<u>877,587</u>
Other Financing Sources (Uses)					
Sale of Fixed Assets	9,980	-	-	-	9,980
Operating Transfers - In	-	926,174	398,261	-	1,324,435
Operating Transfers -Out	<u>(1,106,510)</u>	<u>-</u>	<u>-</u>	<u>(217,925)</u>	<u>(1,324,435)</u>
Total Other Financing Sources (Uses)	<u>(1,096,530)</u>	<u>926,174</u>	<u>398,261</u>	<u>(217,925)</u>	<u>9,980</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	559,592	170,750	239,236	(82,011)	887,567
Fund Balance (Deficit) - Beginning of Year, Restated	558,703	(91,492)	(451,270)	146,529	162,470
Increase in Reserve for Inventory	<u>12,287</u>	<u>11,462</u>	<u>-</u>	<u>-</u>	<u>23,749</u>
Fund Balance (Deficit) - End of Year	\$ <u>1,130,582</u>	\$ <u>90,720</u>	\$ <u>(212,034)</u>	\$ <u>64,518</u>	\$ <u>1,073,786</u>

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL
GOVERNMENTAL FUND TYPES**

FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>General Fund</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Taxes	\$ 5,942,842	\$ 5,972,042	\$ 29,200
Intergovernmental	1,757,108	1,804,693	47,585
Charges for Services	91,700	96,752	5,052
Fines, Licenses and Permits	461,820	501,124	39,304
Special Assessments	1,000	351	(649)
Interest Earnings	60,000	69,442	9,442
Reimbursements	214,628	215,779	1,151
Miscellaneous	<u>200,000</u>	<u>209,373</u>	<u>9,373</u>
Total Revenues	<u>8,729,098</u>	<u>8,869,556</u>	<u>140,458</u>
<u>Expenditures</u>			
Current Operations and Maintenance:			
Security of Persons and Property	4,570,557	4,527,424	43,133
Public Health and Welfare	38,158	38,158	-
Leisure Time Activities	255,121	236,131	18,990
Community Environment	581,567	551,969	29,598
Basic Utility Services	781,875	767,468	14,407
Transportation	391,927	384,172	7,755
General Government	<u>1,247,831</u>	<u>1,166,373</u>	<u>81,458</u>
Total Expenditures	<u>7,867,036</u>	<u>7,671,695</u>	<u>195,341</u>
Excess of Revenues Over (Under) Expenditures	<u>862,062</u>	<u>1,197,861</u>	<u>335,799</u>
<u>Other Financing Sources (Uses)</u>			
Sale of Fixed Assets	10,000	9,980	(20)
Operating Transfers – Out	<u>(1,107,413)</u>	<u>(1,106,510)</u>	<u>903</u>
Total Other Financing Sources (Uses)	<u>(1,097,413)</u>	<u>(1,096,530)</u>	<u>883</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(235,351)	101,331	336,682
Fund Balance – Beginning of Year	105,828	105,828	-
Prior Year Encumbrances Appropriated	<u>132,429</u>	<u>132,429</u>	<u>-</u>
Fund Balance – End of Year	\$ <u>2,906</u>	\$ <u>339,588</u>	\$ <u>336,682</u>

Continued

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1998

	Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 149,210	\$ 149,365	\$ 155
Intergovernmental	389,938	412,217	22,279
Charges for Services	20,500	20,512	12
Fines, Licenses and Permits	8,090	8,270	180
Special Assessments	386,163	386,807	644
Interest Earnings	200	203	3
Reimbursements	42,686	42,788	102
Miscellaneous	200	200	-
Total Revenues	996,987	1,020,362	23,375
<u>Expenditures</u>			
<i>Current Operations and Maintenance:</i>			
Security of Persons and Property	701,759	700,851	908
Community Environment	184,171	264,746	(80,575)
Basic Utility Services	444,165	447,311	(3,146)
Transportation	445,031	323,767	121,264
General Government	11,990	8,142	3,848
Capital Outlay	281,329	289,441	(8,112)
Total Expenditures	2,068,445	2,034,258	34,187
Excess of Revenues Over (Under) Expenditures	(1,071,458)	(1,013,896)	57,562
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	225,000	225,000	-
Operating Transfers – In	916,532	916,532	-
Operating Transfers – Out	(225,000)	(225,000)	-
Total Other Financing Sources (Uses)	916,532	916,532	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(154,926)	(97,364)	57,562
Fund Balance – Beginning of Year	338,094	338,094	-
Prior Year Encumbrances Appropriated	44,682	44,682	-
Fund Balance – End of Year	\$ 227,850	\$ 285,412	\$ 57,562

Continued

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL
GOVERNMENTAL FUND TYPES (CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Capital Projects Fund</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Miscellaneous	\$ <u>22,500</u>	\$ <u>22,500</u>	\$ <u>-</u>
<u>Expenditures</u>			
Capital Outlay	<u>326,000</u>	<u>164,733</u>	<u>161,267</u>
Excess of Revenues Over (Under) Expenditures	<u>(303,500)</u>	<u>(142,233)</u>	<u>161,267</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	325,000	325,000	-
Operating Transfers – In	280,350	280,355	5
Operating Transfers – Out	<u>(325,000)</u>	<u>(325,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>280,350</u>	<u>280,355</u>	<u>5</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(23,150)	138,122	161,272
Fund Balance – Beginning of Year	6,000	6,000	-
Prior Year Encumbrances Appropriated	<u>28,684</u>	<u>28,684</u>	<u>-</u>
Fund Balance – End of Year	\$ <u>11,534</u>	\$ <u>172,806</u>	\$ <u>161,272</u>

Continued

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1998

	Debt Service Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues</u>			
Taxes	\$ 331,228	\$ 331,342	\$ 114
Intergovernmental	46,737	46,663	(74)
Special Assessments	45,552	45,552	-
Total Revenues	423,517	423,557	40
<u>Expenditures</u>			
Current Operations and Maintenance:			
General Government	2,954	2,465	489
Debt Service:			
Principal	800,000	800,000	-
Interest and Fiscal Charges	162,802	162,726	76
Total Expenditures	965,756	965,191	565
Excess of Revenues Over (Under) Expenditures	(542,239)	(541,634)	605
<u>Other Financing Sources (Uses)</u>			
Operating Transfers – In	550,000	550,000	-
Operating Transfers – Out	(90,377)	(90,377)	-
Total Other Financing Sources (Uses)	459,623	459,623	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(82,616)	(82,011)	605
Fund Balance – Beginning of Year	105,947	105,947	-
Fund Balance – End of Year	\$ 23,331	\$ 23,936	\$ 605

Continued

The notes to the general purpose financial statements are an integral part of these financial statements

CITY OF UNIVERSITY HEIGHTS, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1998

	Total (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 6,423,280	\$ 6,452,749	\$ 29,469
Intergovernmental	2,193,783	2,263,573	69,790
Charges for Services	112,200	117,264	5,064
Fines, Licenses and Permits	469,910	509,394	39,484
Special Assessments	432,715	432,710	(5)
Interest Earnings	60,200	69,645	9,445
Miscellaneous	480,014	490,640	10,626
Total Revenues	10,172,102	10,335,975	163,873
<u>Expenditures</u>			
Current Operations and Maintenance:			
Security of Persons and Property	5,272,316	5,228,275	44,041
Public Health and Welfare	38,158	38,158	-
Leisure Time Activities	255,121	236,131	18,990
Community Environment	765,738	816,715	(50,977)
Basic Utility Services	1,226,040	1,214,779	11,261
Transportation	836,958	707,939	129,019
General Government	1,262,775	1,176,980	85,795
Capital Outlay	607,329	454,174	153,155
Debt Service:			
Principal	800,000	800,000	-
Interest and Fiscal Charges	162,802	162,726	76
Total Expenditures	11,227,237	10,835,877	391,360
Excess of Revenues Over (Under) Expenditures	(1,055,135)	(499,902)	555,233
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Notes	550,000	550,000	-
Sale of Fixed Assets	10,000	9,980	(20)
Operating Transfers – In	1,746,882	1,746,887	5
Operating Transfers – Out	(1,747,790)	(1,746,887)	903
Total Other Financing Sources (Uses)	559,092	559,980	888
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(496,043)	60,078	556,121
Fund Balance – Beginning of Year	555,869	555,869	-
Prior Year Encumbrances Appropriated	205,795	205,795	-
Fund Balance – End of Year	\$ 265,621	\$ 821,742	\$ 556,121

The notes to the general purpose financial statements are an integral part of these financial statements

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CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The City of University Heights, Ohio 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 City operates under a council-mayor form of government and provides the following services: public safety, public services, health, recreation and community development.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB Statement No. 14), the financial reporting entity consists of the City (the primary government), as well as its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based upon the foregoing criteria, these financial statements do not include any component units.

B. BASIS OF PRESENTATION

The financial reporting of the City conforms to generally accepted accounting principles as applicable to local governments.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Individual funds and account groups which are used by the City and are summarized in the accompanying combined financial statements are classified as follows:

Governmental Funds

Governmental funds are accounted for on a spending measurement focus. Only current assets and current liabilities are generally included on their balance sheet. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during a period.

General Fund – 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 in accordance with the Charter and legislation of the City of University Heights and or the general laws of the State of Ohio.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. BASIS OF PRESENTATION – CONTINUED

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund – To account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal and interest.

Capital Projects Funds – To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

Fiduciary Funds

Agency Funds – To account for assets held by the City as an agent for others, including payroll deductions withheld and awaiting payment. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups

General Fixed Assets Account Group – To account for all fixed assets of the City.

General Long-Term Obligations Account Group – To account for all unmatured long-term obligations of the City.

C. BASIS OF ACCOUNTING

All governmental fund types are accounted for on the modified accrual basis of accounting and the flow of financial resources measurement focus. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred, if measurable, with the exception of accumulated unpaid employee compensation which is not payable from expendable financial resources. Agency funds are purely custodial (assets equals liabilities), do not involve measurement of results of operations, and are accounted for on the modified accrual basis of accounting.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available, as they are collectible within the current period or soon enough thereafter to be used to pay obligations of the current period: investment earnings, special assessments due in the current year, income taxes paid by employees, and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditure is made.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. BASIS OF ACCOUNTING – CONTINUED

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related liability is incurred except for unmatured principal and interest on general long-term debt which are recognized when paid. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

D. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year.

All funds other than the agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made the ordinance of the City Council.

1. Budget

The Mayor submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. BUDGETARY PROCESS – CONTINUED

2. Estimated Resources

The County Budget Commission reviews estimated revenues and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 1999 and 1998.

3. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year to the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for expenditures are encumbered and recorded as reserve for encumbrances (budgetary basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. BUDGETARY PROCESS – CONTINUED

6. **Budgetary Basis of Accounting**

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded when paid in cash for budgetary basis as opposed to reservation of fund balances for GAAP purposes. Activity relating to the street construction, maintenance and repair fund, and the state highway fund is accounted for as special revenue fund activity for budgetary basis as opposed to capital projects fund activity for GAAP purposes. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis). The City repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

December 31, 1999
Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing (Uses)

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
GAAP Basis	\$ (231,943)	\$ 97,327	\$ 377,871	\$ 116,986
Increase/(Decrease):				
Revenue Accruals	(167,288)	(100,508)	(475,796)	425,000
Note Proceeds	-	225,000	200,000	-
Expenditure Accruals	165,587	(212,074)	(186,068)	213,199
Principal Retirements	-	-	-	(550,000)
Encumbrances	<u>(224,343)</u>	<u>(148,934)</u>	<u>(84,619)</u>	<u>-</u>
Budgetary Basis	\$ <u>(457,987)</u>	\$ <u>(139,189)</u>	\$ <u>(168,612)</u>	\$ <u>205,185</u>

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. BUDGETARY PROCESS – CONTINUED

6. Budgetary Basis of Accounting – Continued

	December 31, 1998			
	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
GAAP Basis	\$ 559,592	\$ 170,750	\$ 239,236	\$ (82,011)
Increase/(Decrease):				
Revenue Accruals	(127,756)	(7,817)	(95,406)	550,000
Note Proceeds	-	225,000	325,000	-
Expenditure Accruals	(104,756)	(163,046)	94,292	(400,000)
Principal Retirements	-	-	-	(800,000)
Encumbrances	(225,749)	(97,251)	-	-
Budgetary Basis	\$ <u>101,331</u>	\$ <u>(97,364)</u>	\$ <u>138,122</u>	\$ <u>(82,011)</u>

Section 5705.41(B), Ohio Revised Code, states that no subdivision shall make any expenditure of money unless it has been appropriated. Section 5705.41(D), Ohio Revised Code, states in part that encumbrances be charged against proper appropriations. Actual disbursements plus outstanding encumbrances should not be greater than total appropriations.

For 1999, the Street Lighting and Community Development Block Grant (CDBG) Special Revenue Funds and the Public Works Issue 2 Capital Projects Fund had disbursements plus outstanding encumbrances that were greater than total appropriations by \$14,443, \$71,581, and \$108,633, respectively.

For 1998, the Community Development Block Grant (CDBG) and the Sewer Maintenance "A" Special Revenue Funds had disbursements plus outstanding encumbrances that were greater than total appropriations by \$129,883 and \$47,783, respectively.

E. CASH AND INVESTMENTS

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the combined balance sheet.

During 1999 and 1998, the portfolio was limited to non-participating interest earning investment contracts and to the State Treasury Asset Reserve of Ohio (STAROhio). Non-participating investment contracts such as repurchase agreements are reported at cost.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. CASH AND INVESTMENTS – CONTINUED

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 1999 and 1998.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation is recognized within the General Fund to the extent its cash and investment balances exceeds the cumulative value of those investments.

The City's policy is to hold investments until maturity, or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 1999 amounted to \$77,598, which includes \$24,831 from other City funds. Interest revenue credited to the General Fund during fiscal year 1998 amounted to \$69,442, which includes \$36,709 from other City funds.

For purposes of the presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

For fiscal year 1998, the City has implemented GASB Statement No.31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." As a governmental entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at market value, except for interest earning investment contracts and external investment pools. The cumulative effect of applying GASB 31 had no effect on the beginning fund balance for the fiscal year ended December 31, 1998.

F. FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. General fixed assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental type funds and capitalized (recorded and accounted for) in the general fixed asset account group. Infrastructure fixed assets such as streets, storm sewers and drains, and traffic signals and signs are not capitalized and are not reported as part of the general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are recorded at fair market value at the date received.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

G. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers.

H. DEFERRED REVENUE

Deferred revenue consists of property taxes, estate taxes, and special assessments. Although property taxes and special assessment receivables are measurable, they are recorded and deferred until they become available because the revenue is not available soon enough in the subsequent year to finance current period obligations.

I. INVENTORY

Inventory is stated at the lower of cost (first-in, first-out) or market. The costs of inventory items are recorded as expenditures in the governmental funds when purchased (purchase method). In the governmental funds, reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available expendable resources" even though they are a component of net current assets.

J. PREPAID

Payments made to vendors for services that will benefit periods beyond December 31, 1999 and 1998 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 is reported in the year in which services are consumed. A portion of the relevant fund's balance equal to the prepaid items has been reserved in the governmental funds indicating that it does not constitute available spendable resources even though it is a component of net current assets.

K. COMPENSATED ABSENCES

In conformity with GASB Statement No. 16, the City accrues vacation, and sick leave benefits as earned by its employees if the leave is attributable to past service and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The City accrued these benefits who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future. These benefits are measured using the pay rates in effect at December 31, 1999 and 1998. For governmental funds, the City provides a liability for unpaid accumulated benefits for eligible employees in the period the employee becomes eligible to receive payment. The current portion is the amount to be paid using expendable available compensated absences and is reported as an accrued liability in the fund from which the individuals are paid. The balance is reported in the General Long-Term Debt Account Group.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

L. LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group.

Under Ohio law, a debt retirement fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the Capital Projects Funds, Special Revenue Funds, and the General Long-Term Debt Account Group, with principal and interest payments on matured general obligation long-term debt being reported in the Debt Service Fund. To comply with GAAP reporting requirements, the City's debt retirement fund has been split among the appropriate funds and account group. Debt Service Fund resources used to pay both principal and interest have also been allocated accordingly.

M. RESERVES OF FUND EQUITY

Reserves of fund equity in governmental funds indicate that a portion of fund balance is not available for expenditures or is legally segregated for a specific use. Fund balances are reserved for encumbrances, supplies inventory, and prepaids.

N. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the combined general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 2 – ACCOUNTABILITY AND COMPLIANCE

A. CHANGES IN ACCOUNTING PRINCIPLE

For December 31, 1998, the City has adopted two accounting provisions: GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE - CONTINUED

A. CHANGES IN ACCOUNTING PRINCIPLE - CONTINUED

Statement 31 was required for the current year, while Statement 32 was not required to be implemented until fiscal year 1999, but was implemented early. Under GASB No. 32, the City is not required to report its Section 457 Deferred Compensation Plan. As required by the Internal Revenue Code, the City established a trust for the assets and income of the Plan with an independent trustee for the exclusive benefit of participants and their beneficiaries and no longer holds the assets in a trustee capacity. Restatement of prior balances were required to remove the Deferred Compensation Plan for implementation of Statement 32. The Deferred Compensation restatement removed the assets and fund balance of the Plan from the City's financial statements. The restatements for the funds affected are as follows:

<u>Agency Funds</u>	<u>Fiduciary Fund Type</u>
Asset/Liability Balance - December 31, 1997 (as reported)	\$ 2,198,354
Adjustment Due to Change in Accounting Principle (GASB 32)	<u>(2,088,535)</u>
Asset/Liability Balance - December 31, 1997 (restated)	\$ <u>109,819</u>

B. RESTATEMENT

General Fund

The General Fund's December 31, 1998 beginning balance was restated due to an overstatement of intergovernmental revenues. The restatement is as follows:

Fund Balance, Beginning	\$ 693,415
Overstatement of Intergovernmental Revenues	<u>(134,712)</u>
Fund Balance, Restated	\$ <u>558,703</u>

General Fixed Asset Account Group

The General Fixed Asset Account Group's December 31, 1998 beginning balance was restated due to an appraisal of the City's fixed assets that was performed during 1999. The restatement is as follows:

Investment in General Fixed Assets, as of December 31, 1997	\$ 4,978,842
Adjustment due to Fixed Asset Inventory	<u>(854,771)</u>
Investment in General Fixed Assets, as of January 1, 1998, restated	\$ <u>4,124,071</u>

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 2 – ACCOUNTABILITY AND COMPLIANCE – CONTINUED

C. DEFICIT FUND BALANCE

The Capital Projects Fund has a deficit fund balance of \$212,034 at December 31, 1998. The deficit in the Capital Projects Fund arises from the retirement of short-term bond anticipation notes. A deficit does not exist under the cash basis of accounting for the capital projects fund. The General Fund provides operating transfers when cash is required, not when accruals occur.

NOTE 3 – PROPERTY TAXES

Real property taxes were levied on assessed values which equal 35% of appraised value. The County Auditor reappraises all real property every six years with a triennial update. The last appraisal was completed for tax year 1999, and the next update will be completed for tax year 2000.

Real property taxes become a lien on all non-exempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the fiscal year ended December 31, 1999 and 1998 was \$13.2 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$13.2 per \$1,000 of assessed valuation of real property classified as residential/agricultural and \$13.2 per \$1,000 of assessed evaluation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 1999 and 1998 was \$13.2 per \$1,000 of assessed valuation.

<u>Real Estate</u>	<u>1999</u>	<u>1998</u>
Residential/Agricultural	\$ 168,706,900	\$ 168,947,490
Commercial/Industrial	24,022,140	24,286,990
Public Utilities	4,839,900	4,838,530
General Tangible Personal Property	<u>5,122,598</u>	<u>4,997,400</u>
	\$ <u>202,691,538</u>	\$ <u>203,070,410</u>

The Cuyahoga County Treasurer collects property tax on behalf of all taxing districts within the County. The Cuyahoga County Auditor periodically remits to the taxing districts their portions of the taxes collected. Such collections are available only to pay current period liabilities.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 4 - INCOME TAXES

The City levies a municipal income tax of 1.5% on all salaries, wages, commissions, and other compensation, and net profits earned within the City, as well as incomes of residents earned outside the City. In the later case, the City allows a credit of 50% of the tax paid to another municipality to a maximum of one-half of one percent of income earned outside the City.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly. The Regional Income Tax Agency collects municipal income taxes for the City of University Heights.

NOTE 5 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS

The City maintains a separate cash and investment pool that is available for use by all funds and accounts. Each fund type's portion of this pool is displayed on the combined balance sheet as Cash and Cash Equivalents.

Legal Requirements - Statutes require the classifications of monies held by the City into three categories:

Category 1 consists of "active" monies, those monies required to be kept in a "cash" or a "near-cash" status for immediate use by the City. Such monies must be maintained either as cash in the City's treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" monies, those monies not required for use within the current two year period of designation of depositories. Inactive monies may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of depositories.

New legislation now permits interim monies to 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 principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the 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 directly issuances of federal government agencies or instrumentalities;

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 5 -- EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS -- CONTINUED

3. Written repurchase agreements in the 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 be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds or 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; and
6. The State Treasurer's investment pool (STAR Ohio).

Collateral is required for demand deposits and certificates of deposits in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states.

Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

Deposits

The Governmental Accounting Standards Board has established risk categories for deposits as follows:

Category 1 - Insured or collateralized with securities held by the City or by its agent in the City's name.

Category 2 - Collateralize with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 - Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging institution or its trust department or agent but not in the City's name.)

All deposits are carried at cost. At December 31, 1999, the carrying amount of the City's cash and deposits was \$(178,146) and the bank balance was \$264,232. Of the bank balance, \$158,386 was insured and \$105,846 was classified as Risk Category 3. At December 31, 1998, the carrying amount of the City's cash and deposits was \$(141,515) and the bank balance was \$249,622. Of the bank balance, \$156,794 was insured and \$92,828 was classified as Risk Category 3.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 5 – EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS – CONTINUED

Investments

The Governmental Accounting Standards Board has established risk categories for investments as follows:

Category 1 - Investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

Category 3 - Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

The City's investments (as defined by GASB 3) were as follows:

	<u>1999</u>		<u>1998</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
STAROhio (Uncategorized)	\$ 1,032,196	\$ 1,032,196	\$ 1,046,800	1,046,800
Repurchase Agreements (Category 1)	<u>278,783</u>	<u>278,783</u>	<u>319,887</u>	<u>319,887</u>
Total Investments	<u>\$ 1,310,979</u>	<u>\$ 1,310,979</u>	<u>\$ 1,366,687</u>	<u>\$ 1,366,687</u>

The classification of cash and cash equivalents and investments on the combined general purpose financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined general purpose financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>1999</u>		<u>1998</u>	
	<u>Cash and Cash Equivalent</u>	<u>Investment</u>	<u>Cash and Cash Equivalent</u>	<u>Investment</u>
GASB Statement No. 9	\$ 1,132,833	\$ -	\$ 1,225,172	\$ -
STAROhio	(1,032,196)	1,032,196	(1,046,800)	1,046,800
Repurchase Agreements	<u>(278,783)</u>	<u>278,783</u>	<u>(319,887)</u>	<u>319,887</u>
GASB Statement No. 3	<u>\$ (178,146)</u>	<u>\$ 1,310,979</u>	<u>\$ (141,515)</u>	<u>\$ 1,366,687</u>

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

The interfund balances consist of the following:

Fund	1999		1998	
	Interfund Receivables	Interfund Payables	Interfund Receivables	Interfund Payables
General Fund	\$ 61,752	\$ 25,185	\$ 61,752	\$ -
Special Revenue	25,185	60,000	-	60,000
Capital Projects	88,199	14,791	-	14,791
Debt Service	14,791	88,199	14,791	-
Agency	-	1,752	-	1,752
Totals	\$ <u>189,927</u>	\$ <u>189,927</u>	\$ <u>76,543</u>	\$ <u>76,543</u>

NOTE 7 – FIXED ASSETS

Changes in General Fixed Assets

The changes in general fixed assets during 1999 were as follows:

Description	January 1, 1999	Additions	Deletions	December 31, 1999
Land	\$ 88,697	\$ 130,942	\$ -	\$ 219,639
Buildings	340,824	-	-	340,824
Improvements	1,145,945	77,595	-	1,223,540
Equipment	744,217	89,230	-	833,447
Vehicle	1,986,126	142,784	-	2,128,910
Totals	\$ <u>4,305,809</u>	\$ <u>440,551</u>	\$ <u>-</u>	\$ <u>4,746,360</u>

The changes in general fixed assets during 1998 were as follows:

Description	December 31, 1997	Adjustment due to Appraisal	Restated Balance January 1, 1998	Additions	Deletions	December 31, 1998
Land	\$ 66,411	\$ (30,329)	\$ 36,082	\$ 85,115	\$ 32,500	\$ 88,697
Buildings	370,948	(30,124)	340,824	-	-	340,824
Improvements	1,957,228	(811,283)	1,145,945	-	-	1,145,945
Equipment	727,608	(32,896)	694,712	49,505	-	744,217
Vehicle	1,856,647	49,861	1,906,508	79,618	-	1,986,126
Totals	\$ <u>4,978,842</u>	\$ <u>(854,771)</u>	\$ <u>4,124,071</u>	\$ <u>214,238</u>	\$ <u>32,500</u>	\$ <u>4,305,809</u>

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 8 - PENSION AND RETIREMENT

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (THE PERS OF OHIO)

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

1. Pension Benefit Obligations

All employees of the City, except non-administrative full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50%. The 1999 and 1998 employer rate for local government employer units was 13.55% of covered payroll, 9.35% to fund pension benefit obligation and 4.20% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$193,984, \$179,998, and \$160,613, respectively, which were equal to the required contributions for each year. The full amount has been contributed for 1998 and 1997, 73.00% has been contributed for 1999 with the remainder being reported in the general long-term debt account group.

2. Other Postemployment Benefits

In addition to the pension benefit obligation described above, the PERS of Ohio provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contributions to PERS is set aside for the funding of postretirement health care based on authority granted by state statute. The 1999 and 1998 employer contribution rate was 13.55 percent of covered payroll not engaged in law enforcement; 4.20 percent, which amounts to \$87,137 and \$80,854 of covered payroll, was the portion that was used to fund health care for 1999 and 1998, respectively. The Ohio Revised Code provides statutory authority for employer contributions and requires employers to fund postemployment health care through the contributions to the PERS of Ohio.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 8 – PENSION AND RETIREMENT – CONTINUED

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (THE PERS OF OHIO) – CONTINUED

Other postemployment benefits are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

For 1999:

Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future other postemployment benefit payments were \$9,870,285,641. The number of benefit recipients eligible for other postemployment benefits at December 31, 1999 was 118,063.

For 1998:

Expenditures for other postemployment benefits during 1998 were \$440,596,663. As of December 31, 1998, the unaudited estimated net assets available for future other postemployment benefit payments were \$9,447,325,318. The number of benefit recipients eligible for other postemployment benefits at December 31, 1998 was 115,579.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to other postemployment benefits. Under the new method, effective January 1, 1998, employer contributions, equal to 4.20 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. OHIO POLICE AND FIRE PENSION FUND (OP&F)

1. Pension Benefit Obligations

All City full-time police officers and full-time firefighters participate in the Ohio Police and Fire Pension Fund (the "Fund"), a cost-sharing multiple employer deferred benefit pension plan. The Fund provides retirement and disability benefits, annual cost-of-living adjustments, and death benefit to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Fund issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 8 - PENSION AND RETIREMENT - CONTINUED

B. OHIO POLICE AND FIRE PENSION FUND (OP&F)

Plan members are required to contribute 10.00% of their annual covered salary, while employers are required to contribute 19.50% and 24.00% respectively for police officers and firefighters. The City of University Heights' contributions to the Fund for the years ending December 31, 1999, 1998, and 1997, were \$306,627, \$303,991, and \$280,806, for police and \$349,192, \$335,587, and \$323,993, for firefighters, respectively, which were equal to the required contributions for each year. The full amount has been contributed for 1998 and 1997, 73.00% has been contributed for 1999 with the remainder being reported in the general long-term debt account group.

2. Other Postemployment Benefits

The Fund provides postemployment health care coverage to any person who receives a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18, whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. The total police employer contribution rate is 19.50% of covered payroll and the total firefighter employer contribution rate is 24.00% of covered payroll.

The Ohio Revised Code provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board-defined allocation was 7.0% and 6.5% of covered payroll in 1999 and 1998, respectively. The allocation is 7.25% in 2000. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a payroll deduction from their monthly benefit payment.

1999

The number of participants eligible to receive health care benefits as of December 31, 1998 (the latest information available), was 11,424 for police and 9,186 for fire. The portion of the City's contributions that was used to pay postemployment benefits was \$102,209 for police and \$94,573 for fire. The Fund's total health care expenses for the year ended December 31, 1998 (the latest information available) were \$78,596,790 which was net of member contributions of \$5,331,515.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 8 – PENSION AND RETIREMENT – CONTINUED

B. POLICE AND FIREMEN'S DISABILITY AND PENSION FUND (THE FUND) – CONTINUED

2. Other Postemployment Benefits - Continued

1998

The number of participants eligible to receive health care benefits as of December 31, 1997, was 11,239 for police and 9,025 for fire. The portion of the City's contributions that was used to pay postemployment benefits was \$101,525 for police and \$90,885 for fire. The Fund's total health care expenses for the year ended December 31, 1997 were \$76,459,832.

NOTE 9 – COMPENSATED ABSENCES

In accordance with Government Accounting Standards Board (GASB) Statement 16, the City of University Heights, Ohio has accrued a liability for vacation and sick leave at December 31, 1999 and 1998.

Sick leave for City employees is accrued at rates of 4.6 for every 80 hours. Employees who retire or terminate service after 10 years may convert 25 percent of accumulated sick leave days into a lump-sum payment within certain limitations. For governmental funds, the City recognized the current portion of this liability at December 31, 1999 and 1998 that is expected to be liquidated with expendable available financial resources.

City employees generally earn vacation leave ranging from 5 to 25 days per year based on length of service. No more than the amount of vacation accrued in the previous twelve-month period can be carried forward into the next calendar year without written consent of the City Mayor. For governmental fund types, accumulated vacation leave is recorded as a liability within the respective fund types since it has to be used in the following year or be forfeited.

The following is a summary of compensated absences payable by funds and groups:

	<u>1999</u>			<u>1998</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>General Long-Term Account Group</u>	<u>General</u>	<u>Special Revenue</u>	<u>General Long-Term Account Group</u>
Sick Leave	\$ 49,547	\$ 11,629	\$ 416,606	\$ 23,641	\$ 2,477	\$ 436,132
Vacation Leave	<u>14,369</u>	<u>1,628</u>	<u>-</u>	<u>11,753</u>	<u>1,312</u>	<u>-</u>
Totals	\$ <u>63,916</u>	\$ <u>13,257</u>	\$ <u>416,606</u>	\$ <u>35,394</u>	\$ <u>3,789</u>	\$ <u>436,132</u>

NOTE 10 – CONSTRUCTION COMMITMENT

At December 31, 1999 and 1998, the City of University Heights had no material contracts pending.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 11 – SHORT-TERM DEBT

Short-term debt outstanding at December 31, 1999 consisted of the following:

<u>Description</u>	<u>January 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 1999</u>
<i>Special Revenue Fund:</i>				
Bond Anticipation Note – Various Purpose General Obligations	\$ <u>225,000</u>	\$ <u>225,000</u>	\$ <u>225,000</u>	\$ <u>225,000</u>
<i>Capital Projects Fund:</i>				
Bond Anticipation Note – Various Purpose General Obligations	<u>325,000</u>	<u>200,000</u>	<u>325,000</u>	<u>200,000</u>
Total	\$ <u>550,000</u>	\$ <u>425,000</u>	\$ <u>550,000</u>	\$ <u>425,000</u>

Short-term debt outstanding at December 31, 1998 consisted of the following:

<u>Description</u>	<u>January 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 1998</u>
<i>Special Revenue Fund:</i>				
Bond Anticipation Note – Various Purpose General Obligations	\$ <u>225,000</u>	\$ <u>225,000</u>	\$ <u>225,000</u>	\$ <u>225,000</u>
<i>Capital Projects Fund:</i>				
Bond Anticipation Note – Various Purpose General Obligations	<u>425,000</u>	<u>325,000</u>	<u>425,000</u>	<u>325,000</u>
Total	\$ <u>650,000</u>	\$ <u>550,000</u>	\$ <u>650,000</u>	\$ <u>550,000</u>

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 12 – LONG-TERM DEBT

Long-term obligations of the City at December 31, 1999 are as follows:

<u>Description</u>	<u>January 1, 1999</u>	<u>Additions (Reductions)</u>	<u>December 31, 1999</u>
<i>General Obligation Bonds:</i>			
1994 Fire Equipment	\$ 260,000	\$ (60,000)	\$ 200,000
1998 Street Resurfacing	460,000	(40,000)	420,000
1995 Purvis Park Improvement – Series A and B	<u>1,510,000</u>	<u>(60,000)</u>	<u>1,450,000</u>
Total Bond Indebtedness	<u>2,230,000</u>	<u>(160,000)</u>	<u>2,070,000</u>
<i>Other Long-Term Obligations:</i>			
OWDA Loan	-	249,727	249,727
Accrued Police and Fire Pension	599,211	2,505	601,716
Capital Lease	13,548	(9,247)	4,301
Accrued Sick Leave Benefit	<u>436,132</u>	<u>(19,526)</u>	<u>416,606</u>
Total Other Long-Term Obligations	<u>1,048,891</u>	<u>223,459</u>	<u>1,272,350</u>
Total Long-Term Debt	\$ <u>3,278,891</u>	\$ <u>63,459</u>	\$ <u>3,342,350</u>

Long-term obligations of the City at December 31, 1998 are as follows:

<u>Description</u>	<u>January 1, 1998</u>	<u>Additions (Reductions)</u>	<u>December 31, 1998</u>
<i>General Obligation Bonds:</i>			
1994 Fire Equipment	\$ 315,000	\$ (55,000)	\$ 260,000
1998 Street Resurfacing	500,000	(40,000)	460,000
1995 Purvis Park Improvement – Series A and B	<u>1,565,000</u>	<u>(55,000)</u>	<u>1,510,000</u>
Total Bond Indebtedness	<u>2,380,000</u>	<u>(150,000)</u>	<u>2,230,000</u>
<i>Other Long-Term Obligations:</i>			
Accrued Police and Fire Pension	\$ 359,329	\$ 239,882	\$ 599,211
Capital Lease	22,795	(9,247)	13,548
Accrued Sick Leave Benefit	<u>490,409</u>	<u>(54,277)</u>	<u>436,132</u>
Total Other Long-Term Obligations	<u>872,533</u>	<u>176,358</u>	<u>1,048,891</u>
Total Long-Term Debt	\$ <u>3,252,533</u>	\$ <u>26,358</u>	\$ <u>3,278,891</u>

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 12 – LONG-TERM DEBT – CONTINUED

Principal and interest requirements to retire long-term obligations outstanding at December 31, 1998 are:

	<u>OWDA Loan</u>	<u>Capital Lease Obligation</u>	<u>General Obligation Bond</u>	<u>Accrual Police & Fire Pension</u>	<u>Total</u>
1999	\$ -	\$ 9,247	\$ 287,378	\$ 19,257	\$ 315,882
2000	32,216	6,934	293,820	19,257	352,227
2001	32,216	-	284,420	19,257	335,893
2002	32,216	-	289,708	19,257	341,181
2003	32,216	-	216,133	19,257	267,606
2004-2035	<u>203,286</u>	<u>-</u>	<u>1,914,577</u>	<u>621,291</u>	<u>2,739,154</u>
Total	\$ <u>332,150</u>	\$ <u>16,181</u>	\$ <u>3,286,036</u>	\$ <u>717,576</u>	\$ <u>4,351,943</u>

Long-Term obligations are repaid from the following funds:

<u>TYPE</u>	<u>REPAID FROM</u>
General Obligation Notes	General Obligation Bond Retirement Fund
Special Assessment Bonds	General Obligation Bond Retirement Fund
General Obligation Bonds	General Obligation Bond Retirement Fund
Police Pension Liability	Police Pension Fund
Fire Pension Liability	Fire Pension Fund
Accrued Sick Leave	Sick Leave Benefit Fund

NOTE 13 – CLAIMS AND JUDGMENTS

The City is currently a defendant in lawsuits. It is the opinion of legal counsel that none of this litigation will have a material adverse effect on the financial condition of the City. In addition, there are a few unasserted claims, the results of which, if asserted, would not have a material effect on the financial statements at December 31, 1999 and 1998.

The City has received federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon experience, the City's management believes such disallowances, if any, will be immaterial.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 14 - LEASE COMMITMENT

Capital Leases

The City is obligated under certain leases, of which one is accounted for as a capital lease. The leased asset and related obligation are accounted for in the general fixed assets account group and the general long-term debt account group, respectively. The asset acquired under capital lease totaled \$46,232. The following is a schedule by years of the future minimum lease payments for capital leases together with the present value of the net minimum lease payments as of December 31, 1998:

Year Ending	
<u>December 31:</u>	
1999	\$ 9,247
2000	<u>6,934</u>
Minimum Lease Payments for All Capital Leases	16,181
Less: Amount Representing Interest	<u>(2,633)</u>
Present Value of Net Minimum Lease Payment	\$ <u>13,548</u>

NOTE 15 - RISK MANAGEMENT

The City 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 1999 and 1998, the City contracted with several companies for various types of insurance as follows:

		<u>Deductible</u>
Ohio Casualty Ins. Co.	Bond-Public Employees	\$ -
National Casualty Co.	Public Officials Liability	\$ 10,000
National Casualty Co.	Law Enforcement Liability	\$ 10,000
St. Paul Ins. Co.	Commercial Property	\$ 1,000
St. Paul Ins. Co.	Boiler & Machinery	\$ 1,000
St. Paul Ins. Co.	Inland Marine	\$ 1,000
St. Paul Ins. Co.	Automobile Liability	\$ 1,000
St. Paul Ins. Co.	Automobile Collision	\$ 1,000
Scottsdale Ins. Co.	General Liability	\$ 2,500
Coregis Group	Umbrella Liability	\$ 10,000
VFIS	Fire Department/Paramedic Liability	\$ -
Ohio Casualty Ins. Co.	Bond-Finance Director	\$ -

The contracts listed above reflect no significant reduction in insurance coverage as compared to prior year.

The City 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.

CITY OF UNIVERSITY HEIGHTS, OHIO

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999 AND 1998

NOTE 15 – RISK MANAGEMENT – CONTINUED

The City also purchases insurance coverage to provide employee health benefits and pays unemployment claims to the State of Ohio as incurred.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. Settled claims, resulting from these risks, have not exceeded commercial insurance coverages in any of the past three fiscal years.

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**Report On Compliance And On Internal Control
Required by *Government Auditing Standards***

Honorable Mayor and Members of City Council
City of University Heights, Ohio

We have audited the general purpose financial statements of the City of University Heights, Ohio as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 5, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of University Heights, Ohio's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as Item 99-01.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of University Heights, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the City of University Heights, Ohio in a separate letter dated June 5, 2000.

This report is intended for the information and use of City Council, City Management and the Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Ccinn & Partners, Inc.

Cleveland, Ohio
June 5, 2000

CITY OF UNIVERSITY HEIGHTS, OHIO

SCHEDULE OF FINDINGS

DECEMBER 31, 1999 AND 1998

1. SUMMARY OF AUDITORS' RESULTS

(d)(I)(i)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes

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

99-01 Section 5705.41(B) Ohio Revised Code, states that no subdivision shall make any expenditure of money unless it has been appropriated. Section 5705.41(D), Ohio Revised Code, states in part that encumbrances be charged against proper appropriations. Actual disbursement plus outstanding encumbrances should not be greater than the total appropriation.

In 1998, the community development block grant (CDBG) special revenue fund and the sewer maintenance "A" special revenue fund had disbursements plus outstanding encumbrances that were greater than total appropriations by \$129,883 and \$47,783, respectively.

In 1999, the street lighting special revenue fund, community development block grant (CDBG) special revenue fund, and the public works - issue 2 capital projects fund had disbursements plus outstanding encumbrances that were greater than total appropriations by \$14,443, \$71,581, and \$108,633, respectively.

3. OTHER FINDINGS

None.

CITY OF UNIVERSITY HEIGHTS, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 1999 AND 1998

There were no prior audit findings.

**CITY OF UNIVERSITY HEIGHTS, OHIO
 2300 WARRENSVILLE CENTER ROAD
 UNIVERSITY HEIGHTS, OHIO 44118-3895
 (216) 932-7800**

RESPONSE TO FINDINGS ASSOCIATED WITH
 AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
99-01	The City will monitor expenditures and encumbrances to ensure that they do not exceed budgeted appropriations.	N/A	Arman Ochoa, Director of Finance



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
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800-282-0370
Facsimile 614-466-4490

CITY OF UNIVERSITY HEIGHTS

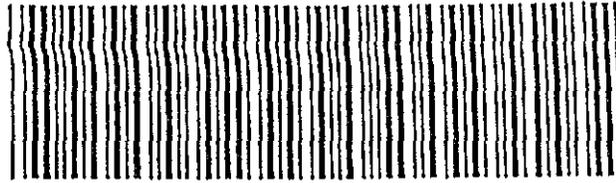
CUYAHOGA COUNTY

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.

By: Susan Babbitt

Date: JULY 20, 2000



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