



# Comprehensive Annual Financial Report

**For the Fiscal Year Ended June 30, 2010**

Cleveland Heights–University Heights City School District • University Heights, Ohio







# Dave Yost • Auditor of State

Board of Education  
Cleveland Heights-University Heights City School District  
2155 Miramar Blvd.  
University Heights, Ohio 44118-3397

We have reviewed the *Independent Auditors' Report* of the Cleveland Heights-University Heights City School District, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2009 through June 30, 2010. 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 Cleveland Heights-University Heights City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 24, 2011

**This Page is Intentionally Left Blank.**

# Introductory Section



**MY'KOHL RIVERS**

*Grade 5*

*Noble Elementary*



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

*University Heights, Ohio*



# Comprehensive Annual Financial Report

**DYLAN KUNTZ**  
*Grade 5*  
*Canterbury Elementary*

for the fiscal year ended  
June 30, 2010

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



**LONDON LEVERETTE**  
*Grade 3*  
*Roxboro Elementary*



# Mission Statement

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

Cleveland  
University  
**Heights**



City School District

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

# Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

## Table of Contents Page

---

### I. Introductory Section:

Title Page .....	i
Table of Contents .....	iii
Letter of Transmittal .....	vii
GFOA Certificate of Achievement .....	xiii
ASBO Certificate .....	xiv
Principal Officers .....	xv
Organizational Chart .....	xvi
Map of the District .....	xvii

### II. Financial Section:

Independent Auditors' Report.....	1
Management's Discussion & Analysis .....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities .....	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund .....	23
Statement of Fund Net Assets – Proprietary Funds.....	25
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	26
Statement of Cash Flows – Proprietary Funds.....	27



# Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

Table of Contents	Page
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds .....	28
Notes to the Basic Financial Statements .....	29
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds – Fund Descriptions.....	60
Combining Balance Sheet – Nonmajor Governmental Funds.....	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	64
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	72
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:	
General Fund .....	79
Special Trust Fund.....	84
Public School Support Fund .....	85
Other Grants Fund .....	86
Venture Capital - Boulevard Fund.....	89
District Managed Activity Fund .....	90
Auxiliary Services Fund .....	91
Educational Management Information System Fund .....	92
Public School Preschool Grant Fund.....	93
School Net Professional Development Fund.....	94
Career Technical/Adult Education Fund .....	95
Poverty Aid Fund.....	96
Alternative School Grant Fund.....	97
Miscellaneous State Grants Fund .....	98
Adult Basic Education Fund .....	100
IDEA (Flo-Thru) Fund .....	101
Vocational Education Fund .....	103
State Fiscal Stabilization Fund .....	104
Title II-D Technology Fund.....	105
Title I Improvement Fund.....	106
Title III Fund .....	107

# Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

Table of Contents	Page
Title I Fund .....	108
Title V Innovative Program Fund.....	110
Drug Free Schools Fund .....	111
Preschool Disabilities Grant Fund .....	112
Title IIA - Improving Teacher Quality Fund.....	113
Miscellaneous Federal Grants Fund .....	114
Debt Service Fund .....	116
Permanent Improvement Fund .....	117
Combining Statements – Nonmajor Proprietary Funds – Fund Descriptions.....	118
Combining Statement of Fund Net Assets – Nonmajor Enterprise Funds .....	119
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds.....	120
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	121
Combining Statement of Fund Net Assets – Nonmajor Internal Service Funds .....	123
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Internal Service Funds.....	124
Combining Statement of Cash Flows – Nonmajor Internal Service Funds.....	125
Individual Fund Schedules of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual:	
Bellefaire General Rotary Fund .....	127
Food Services Fund .....	128
Uniform School Supplies Fund .....	129
Customer Services Fund .....	130
Community Services/Early Childhood Fund .....	131
Self-Insurance Fund.....	132
Workers' Compensation Fund .....	133
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	134
<b>III. Statistical Section:</b>	
Statistical Section.....	135
Net Assets by Component – Last Eight Fiscal Years.....	136
Changes in Net Assets – Last Eight Fiscal Years .....	137
Program Revenues by Function/Program – Last Eight Fiscal Years .....	141

# Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

<u>Table of Contents</u>	<u>Page</u>
Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	142
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	143
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years .....	145
Principal Taxpayers – Real Estate Tax – Fiscal Year 2010 and Fiscal Year 2001 .....	146
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years .....	147
Property Tax Levies and Collections – Real and Tangible Personal Property – Last Ten Years .....	148
Computation of Direct and Overlapping General Obligation Bonded Debt – As of December 31, 2009.....	149
Computation of Legal Debt Margin – Last Ten Fiscal Years .....	150
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita – Last Ten Fiscal Years .....	151
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Debt Per Capita – Last Ten Fiscal Years .....	152
Demographic and Economic Statistics – Last Ten Fiscal Years.....	153
Principal Employers – Fiscal Year 2006 and Fiscal Year 2010.....	154
Building Statistics by Function/Program – Current Fiscal Year .....	155
Per Pupil Cost – Last Ten Fiscal Years .....	156
Teacher Education and Experience – Last Eight Fiscal Years.....	157
Attendance and Graduation Rates – Last Ten Fiscal Years .....	158
Full-time School Employees by Function – Last Four Fiscal Years .....	159



**A. Scott Gainer**  
Chief Financial Officer

December 29, 2010

Members of the Board of Education and Residents of the  
Cleveland Heights-University Heights City School District

Dear Board Members and Residents:

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all school districts file annual audited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2010.

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

Ciuni & Panichi, Inc. (CPAs and Business Advisors), have issued an unqualified (“clean”) opinion on the Cleveland Heights-University Heights City School District’s financial statements for the year ended June 30, 2010. The Independent Auditors’ Report is located at the front of the financial section of this report.

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

## **Profile of the School District**

The Cleveland Heights-University Heights City School District is one of 610 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 5,832 students in grades kindergarten through twelve. Additionally, the District provides preschool, after school, and adult education services. The District covers approximately 9.6 square miles, serving the cities of Cleveland Heights, University Heights and a small portion of South Euclid, and is located approximately ten miles southeast of downtown Cleveland. Highlights of the history of the Cleveland Heights-University Heights City School District are as follows:

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

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

## **Local Economy**

The District serves approximately 45,000 residents of the City of Cleveland Heights and approximately 12,600 residents of the City of University Heights, both inner-ring suburbs of the City of Cleveland. Both communities are primarily residential in nature, with a diverse base of residents. The proximity and easy access of the cities to major cultural, educational, and medical facilities in northeast Ohio typically contributes to climbing property values, a key indicator of a community's economic health and stability where the primary "industry" is housing, although both communities have experienced a significant number of home foreclosures and flat or decreasing property values consistent with the overall trend in Ohio and nationally.

State funding of schools has changed dramatically based upon the passage of HB 1. Although the District will continue to rely primarily on local property taxes generated through periodic operating levies, HB 1 introduced a new evidence based model of state support shifting the focus from per pupil funding to units based upon numbers of staff. Unfortunately with the economy as it is, the state does not have the means to provide resources to fund the new model, and is phasing implementation in over the next 10 years. In the short-term, the District received 1% less in state funding in 2009-2010 and 2% less in 2010-2011. In response to decreases in property tax revenue due to foreclosures and diminishing state funding, the District reduced the budget over \$3 million for the 2009-2010 school year, and anticipates ongoing reductions to manage the timing and amount of the next levy request.

## **Economic Condition and Outlook**

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

Student enrollment for the 2001 school year was 6,891. Enrollment for the 2010 school year was 5,832. Based upon enrollment projections by Dejong Healy, enrollment will continue to decline, bottoming out in 2015 at 5,514.

## **Long-Term Financial Planning**

Financial Highlights - Internal Service Funds - The only internal service funds carried on the financial records of the District are related to self-insurance and the workers' compensation fund. These funds account for the revenues and expenses related to the provision of medical and workers' compensation program. The internal service funds had net assets of \$2,659,266 at June 30, 2010 compared with net assets of \$1,922,014 at June 30, 2009. The District is meeting its claim liability.

The most recent District five year forecast indicates a positive cash balance through 2013, with a \$22 million deficit beginning in 2014. To compensate for declining property tax revenue, reduced interest income, and reductions in state revenue as discussed above, the District reduced the 2009-2010 budget by over \$3 million. In addition, the District is continuing to pursue various cost-containment and cost-savings strategies in an effort to extend the current levy cycle one year, resulting in the District being on the ballot for new operating millage in calendar 2011. Additionally, the District entered into the Expedited Local Partnership Program with the Ohio School Facilities Commission to have a complete evaluation of facilities done in an effort to streamline operations and enhance delivery of instruction.

## **Relevant Financial Policies**

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational services prescribed by State and/or Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer. A complete organizational chart is included in this Introductory Section.

In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. Excluded from the reporting entity, because they are fiscally independent of the District, are the City of Cleveland Heights, the City of University Heights, the Parent-teacher Organization, and the parochial and private schools operating within the boundaries of the District.

The District is associated with two organizations, the Ohio Schools' Council and the Cleveland Heights-University Heights Public Library. The Ohio Schools' Council is a jointly governed organization whose relationship to the District is described in Note 17 to the accompanying financial statements. The Cleveland Heights-University Heights Public Library is a related organization and is described in Note 21 to the accompanying financial statements.

A complete discussion of the District's reporting entity is provided in Note 1 of the accompanying financial statements.

The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports from governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The District adopts the permanent appropriation measure in September.

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

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

The District has a comprehensive cash management program, which consists of expediting receipt of revenues and prudently depositing and investing available cash balances. The available cash of the District's individual funds is combined into a single cash pool and invested according to cash flow projections. The District invests in Certificates of Deposit, U.S. Treasury Notes, authorized Federal agency securities, and STAROhio, an investment pool operated by the Treasurer of the State of Ohio. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2010, the District earned \$489,176 in interest income of which \$330,185 was credited to the General Fund.

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

## **Major Initiatives**

The District continues innovative programs such as implementation of the Apple 1-1 laptop initiative, by which all students in the middle schools and high school will ultimately have a laptop to allow for 21<sup>st</sup> century learning and eliminate access barriers to technology for our students. The middle schools students all received laptops in the 2009-2010 school year, and the high school students will be phased-in over subsequent years. Additionally the District continues the model of the Ohio High School Transformation Initiative, which transformed Heights High - a high school serving some 1,700 students - into five small learning communities. Three of the "small schools" opened in the 2004-2005 school year and the remaining two schools opened in the 2005-2006 school year. This initiative is based on research that demonstrates that smaller schools benefit all students, from high-performing to marginally achieving. Students graduate from small schools at higher rates than from traditional high schools, they earn higher grade point averages, and participate in extracurricular activities in greater numbers. All students receive more personalized attention than in traditional, large high schools.

The Board and administration continue to be committed to ongoing fiscal responsibility and accountability. As indicated previously, the District reduced the 2009-2010 operating budget by over \$3 million and is reviewing various cost-savings initiatives in an effort to delay the anticipated 2010 operating levy to calendar 2011.



## **Awards and Acknowledgements**

### *Awards*

The Government Finance Officers Association in the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the year ended June 30, 2009. This was the ninth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials International also awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the year ended June 30, 2009. The Association's Panel of Review judged that the District's report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. This certificate is awarded upon recommendation of the Association's Panel of Review and is valid for a period of one year only.

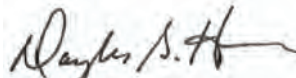
### *Acknowledgements*

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

Respectfully submitted,



A. Scott Gainer  
Chief Financial Officer



Douglas G. Heuer  
Superintendent

# GFOA CERTIFICATE OF ACHIEVEMENT FOR 2009

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland Heights-University  
Heights City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**CLEVELAND HEIGHTS-UNIVERSITY CITY SCHOOL DISTRICT**  
**For its Comprehensive Annual Financial Report (CAFR)**  
For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Evin Green*

President

*John D. Mason*

Executive Director



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

*University Heights, Ohio*

# Principal Officials

as of June 30, 2010

**BOARD OF EDUCATION**

Ms. Nancy Pepler, President

Mr. Kal Zucker, Vice-President

Mr. Eric Coble, Board Member

Ms. Karen Jones, Board Member

Mr. Ron Register, Board Member

**CHIEF FINANCIAL OFFICER**

Mr. A. Scott Gainer

**SUPERINTENDENT**

Mr. Douglas G. Heuer



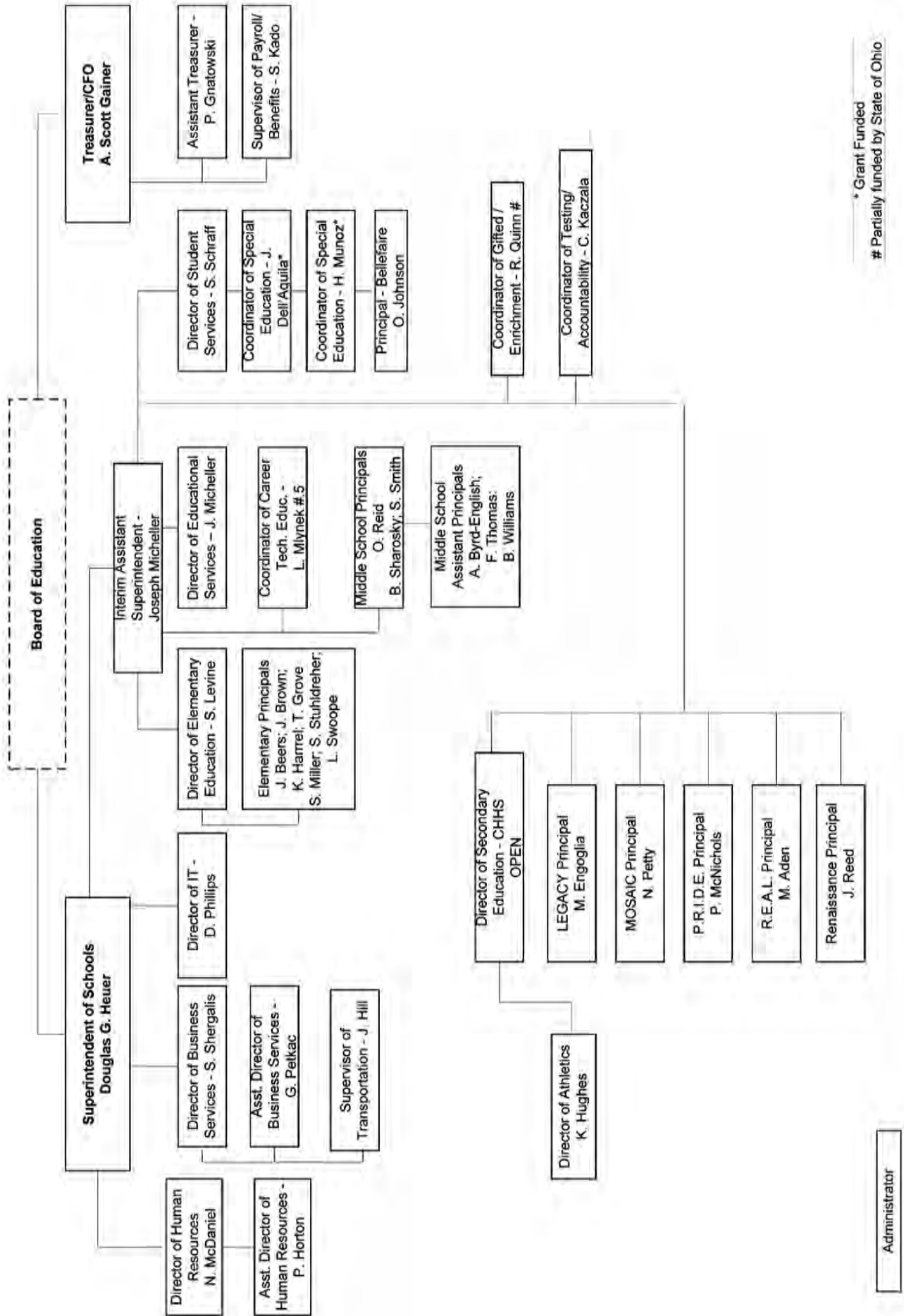
**ANABEL PEDERSON**

*Grade 5*

*Roxboro Elementary*

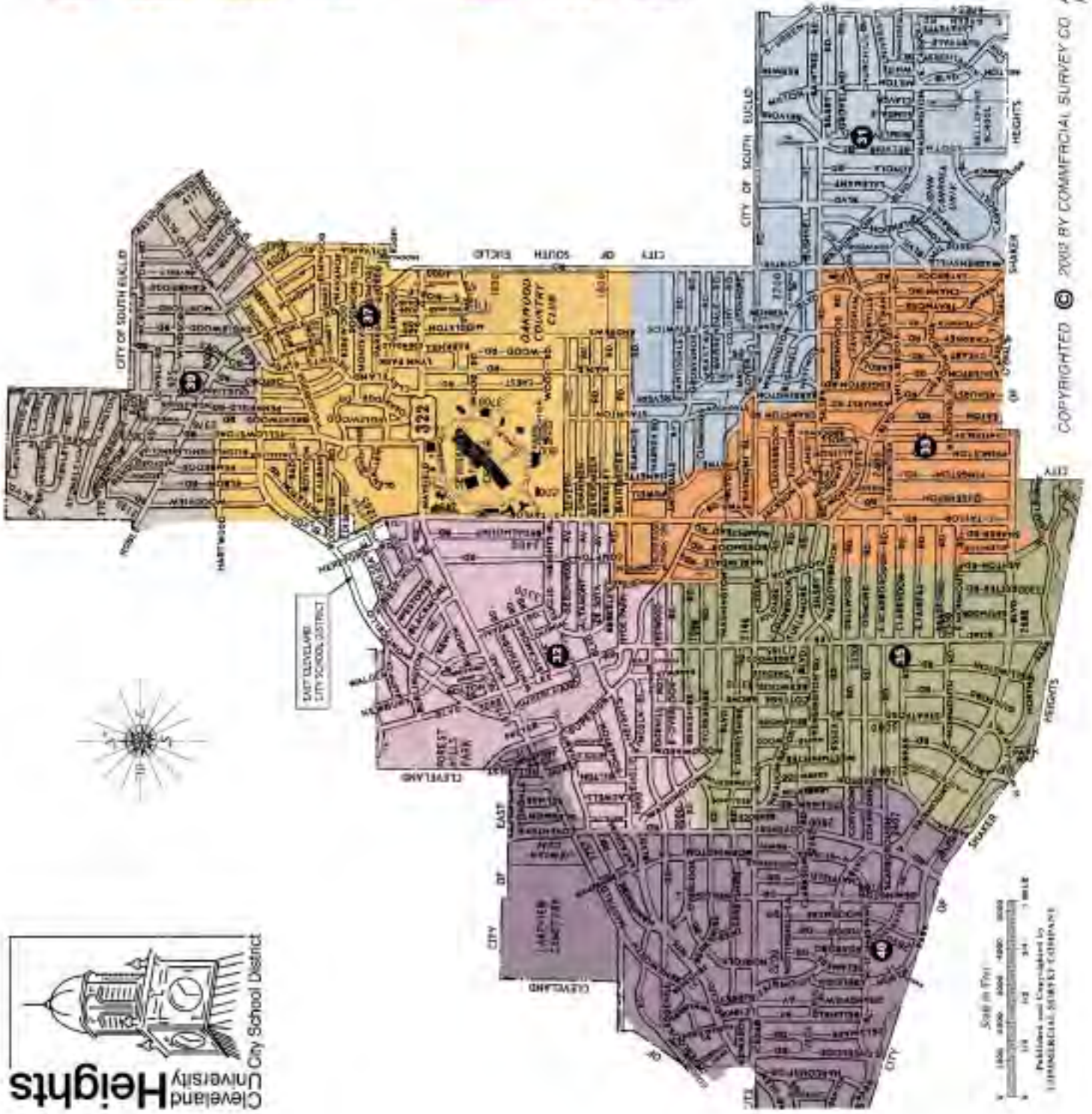


Cleveland Heights-University Heights  
Board of Education  
Organizational Chart for Administrators  
2009-2010



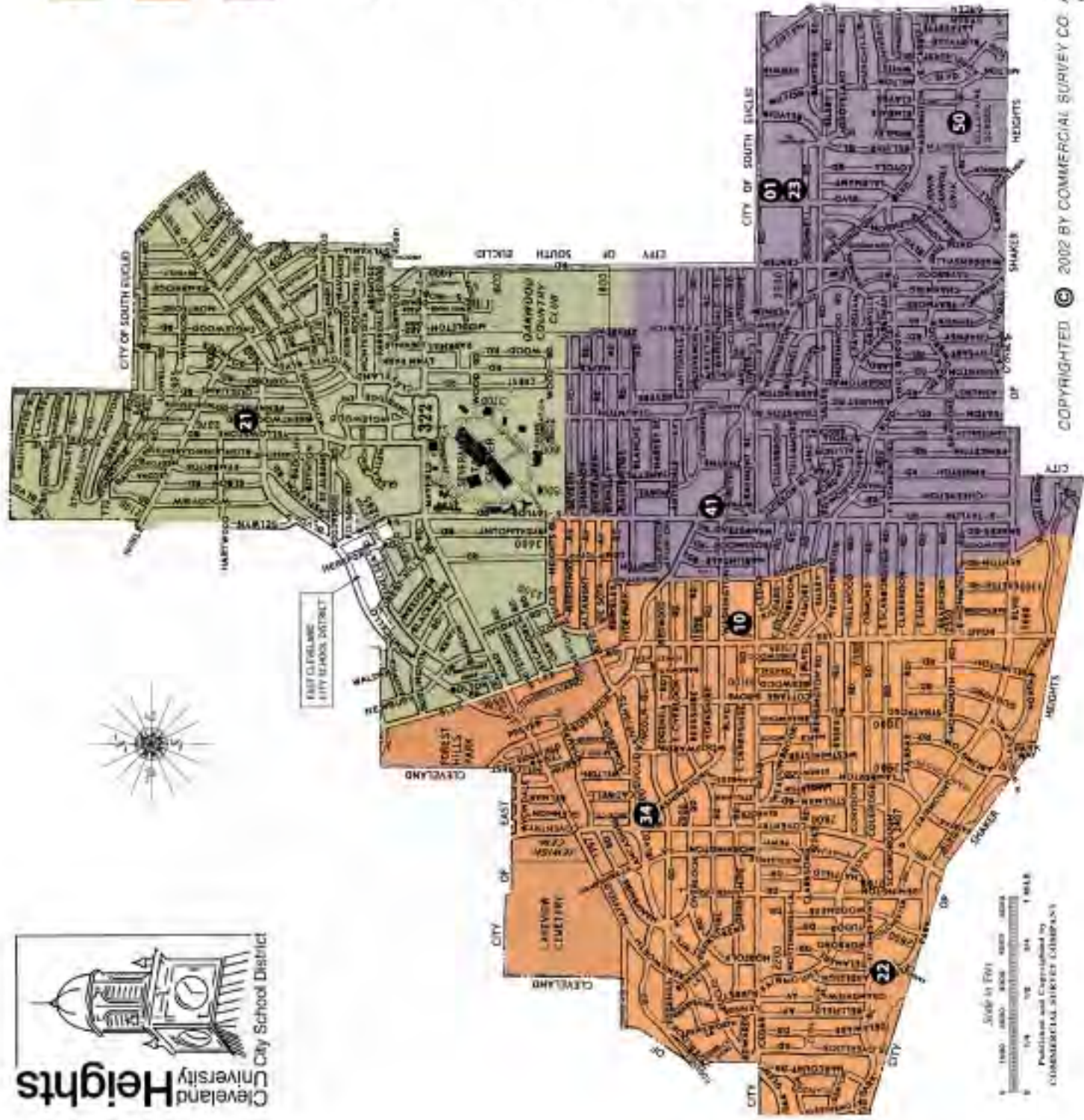
\* Grant Funded  
# Partially funded by State of Ohio

Administrator



- ELEMENTARY SCHOOLS**
- 32** Boulevard Elementary School  
1749 Lee Road  
Cleveland Hts, OH 44118-1700  
216-371-7140
  - 33** Canterbury Elementary School  
2530 Canterbury Road  
Cleveland Hts, OH 44118-4396  
216-371-7470
  - 35** Fairfax Elementary School  
3150 Fairfax Road  
Cleveland Hts, OH 44118-4097  
216-371-7480
  - 31** Gearity Professional Development School  
2323 Wrenford Road  
University Hts, OH 44118-3998  
216-371-6515
  - Early Childhood Center  
216-371-7356
  - 37** Noble Elementary School  
1293 Ardoun Street  
Cleveland Hts, OH 44121-1600  
216-371-6535
  - 39** Oxford Elementary School  
939 Quinlams Road  
Cleveland Hts, OH 44121-1900  
216-371-6525
  - 40** Roxboro Elementary School  
2405 Roxboro Road  
Cleveland Hts, OH 44106-3699  
216-371-7115

Scale in Feet  
 1 1000 2000 3000 4000 5000  
 0 1/4 1/2 3/4 1 MILE  
 Published and Copyrighted by  
 COMMERCIAL SURVEY COMPANY



**MIDDLE SCHOOLS**

- 21** Monticello Middle School  
3665 Monticello Boulevard  
Cleveland Hts., OH 44121-1599  
216-371-6520
- 22** Roxboro Middle School  
2400 Roxboro Road  
Cleveland Hts., OH 44106-3698  
216-371-7440
- 23** Wiley Middle School  
2181 Miramar Boulevard  
University Hts., OH 44118-3394  
216-371-7270

**HIGH SCHOOL**

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

**OTHER SITES**

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

# Financial Section



**DYMOND MOORE**  
Grade 6  
Wiley Middle School



**JENNA DENT**  
Grade 5  
Fairfax Elementary



**JONAH MAY**  
Grade 3  
Boulevard Elementary



## Independent Auditors' Report

Board of Education  
Cleveland Heights – University Heights  
City School District  
University Heights, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District (the "District"), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, during the year ended June 30, 2010, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 51, *Accounting and Reporting for Intangible Assets*; GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

Board of Education  
Cleveland Heights – University Heights  
City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2010 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Cioni & Panichi, Inc.*

Cleveland, Ohio  
December 29, 2010

# Cleveland Heights-University Heights City School District

## Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2010

---

Our discussion and analysis of the Cleveland Heights-University Heights City School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the District's financial performance.

### Financial Highlights

Key financial highlights for 2010 are as follows:

In total, net assets decreased \$477,238 which represents a less than one percent decrease from the prior year. Net assets of governmental activities increased \$423,123 from 2009. Net assets of business-type activities decreased \$900,361 or 25.36% from 2009.

For governmental activities, general revenues accounted for \$93,502,681 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$12,506,242 or 12% of total revenues of \$106,008,923.

The District had \$105,585,800 in expenses related to governmental activities; only \$12,506,242 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$93,502,681 were able to provide for these programs resulting in an increase of net assets from \$99,239,818 to \$99,662,941.

Governmental activities expenses, excluding transfers-out, increased 2.68 percent from the prior year. Instructional expenses made up 53 percent of total governmental activities expenses while support services account for 43 percent. Other expenses rounded out the remaining 4 percent.

The District had \$6,575,972 in expenses related to business-type activities; a total of \$5,675,611 was offset by program specific charges for services, grants and contributions which were not adequate to provide for these programs by \$(900,361) resulting in a decrease of net assets from \$(3,549,769) to \$(4,450,130).

The District's major governmental fund is the General Fund. The General Fund had \$89,276,842 in revenues and \$94,323,087 in expenditures and other financing uses. The General Fund balance decreased \$5,046,245, from \$66,327,168 to \$61,280,923.

### Using this Comprehensive Annual Financial Report (CAFR)

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

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

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

## **Reporting the School District as a Whole**

### *The Statement of Net Assets and Statement of Activities*

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors. In the Statement of Net Assets and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

## **Reporting the School District's Most Significant Funds**

### *Fund Financial Statements*

The analysis of the District's major governmental funds begins on page 9 of the financial statements. The governmental fund financial statements begin on page 18 and provide detailed information about the major governmental funds and non-major governmental funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements. The District's major governmental fund is the General Fund. The Bellefaire General Rotary Fund is the District's only major enterprise fund.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

## *Governmental Funds*

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

## *Proprietary Funds*

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

## *Fiduciary Funds*

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

## **The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2010 and 2009.

	<b>Net Assets</b>			
	Governmental Activities <u>2010</u>	Business-Type Activities <u>2010</u>	Governmental Activities <u>2009</u>	Business-Type Activities <u>2009</u>
<b>Assets:</b>				
Current and other assets	\$ 134,275,531	\$ (4,564,973)	\$ 128,455,655	\$ (3,740,047)
Capital assets	<u>42,861,750</u>	<u>770,730</u>	<u>39,209,161</u>	<u>655,529</u>
Total assets	<u>177,137,281</u>	<u>(3,794,243)</u>	<u>167,664,816</u>	<u>(3,084,518)</u>
<b>Liabilities:</b>				
Current and other liabilities	53,312,590	340,669	44,727,258	205,737
Long-term liabilities	<u>24,161,750</u>	<u>315,218</u>	<u>23,697,740</u>	<u>259,514</u>
Total liabilities	<u>77,474,340</u>	<u>655,887</u>	<u>68,424,998</u>	<u>465,251</u>
<b>Net assets</b>				
Invested in capital assets, net of debt	32,798,348	770,730	30,310,942	655,529
Restricted	8,340,149	-	7,877,299	-
Unrestricted (deficit)	<u>58,524,444</u>	<u>(5,220,860)</u>	<u>61,051,577</u>	<u>(4,205,298)</u>
Total net assets (deficit)	<u>\$ 99,662,941</u>	<u>\$ (4,450,130)</u>	<u>\$ 99,239,818</u>	<u>\$ (3,549,769)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$95,212,811.

Total assets increased by \$8,762,740 mainly due to increases in cash, intergovernmental receivable and capital assets.

Cash increased by \$4,009,231. Last year's cash balance of \$49,798,266 included restricted assets of \$4,558,530. This year's cash balance of \$53,807,497 includes restricted assets of \$5,476,042. Increase in cash is mainly due to the \$7.2 mill operating levy passed in November 2007. The District has also taken advantage of improved cash flow by maintaining an active investment plan, and management continues to focus on efforts to reduce expenditures. The increase in intergovernmental receivable of \$1,159,658 is mainly due to an increase federal funding. Total capital assets increased by \$3,767,790 mainly due to the purchase of computers and related equipment for the District's laptop initiative, school buses and other renovations and improvements.

Capital assets, net of related debt reported on the government-wide statements represent 35.26 percent of total net assets for fiscal year 2010. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's total net assets, \$8,340,149, or 8.76 percent, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$4,046,136 is restricted for debt service payments, including the Qualified Zone Academy Bonds, \$2,568,283 is restricted for capital projects, and \$1,725,730 is restricted for other purposes. The remaining balance of net assets \$53,303,584 is an unrestricted amount available to meet the government's ongoing obligations to students and staff.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	<b>Changes in Net Assets</b>			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
Revenues:				
Program revenues:				
Charges for services	\$ 2,196,809	\$ 3,754,548	\$ 3,164,442	\$ 4,048,658
Operating grants	10,309,433	1,804,716	10,886,162	1,632,068
Capital grants	-	116,347	72,294	-
Total program revenues	<u>12,506,242</u>	<u>5,675,611</u>	<u>14,122,898</u>	<u>5,680,726</u>
General revenues:				
Property taxes	59,106,439	-	66,011,147	-
Payments in lieu of property taxes	1,813	-	17,774	-
Grants and entitlements	32,788,606	-	27,656,292	-
Investment earnings	489,176	-	1,200,992	-
Miscellaneous	1,116,647	-	1,146,055	-
Total general revenues	<u>93,502,681</u>	<u>-</u>	<u>96,032,260</u>	<u>-</u>
Total revenues	<u>106,008,923</u>	<u>5,675,611</u>	<u>110,155,158</u>	<u>5,680,726</u>
Program expenses:				
Instruction:				
Regular	37,442,211	-	35,816,557	-
Special	12,357,959	-	10,463,382	-
Vocational	1,917,084	-	2,033,266	-
Adult/continuing	233,715	-	620,287	-
Other instruction	4,424,806	-	4,018,831	-
Support services:				
Pupil	9,001,406	-	8,651,483	-
Instructional staff	5,149,498	-	6,464,766	-
Board of education	482,582	-	460,684	-
Administration	6,183,059	-	6,557,021	-
Fiscal	3,028,623	-	2,185,544	-
Business	1,344,500	-	1,533,645	-
Operation and maintenance of plant	11,722,180	-	11,392,037	-
Pupil transportation	4,550,353	-	4,269,391	-
Central	3,522,237	-	3,318,696	-
Operations of non-instructional services	2,215,880	-	2,664,776	-
Food service operations	5,776	-	-	-
Extracurricular activities	1,478,856	-	1,641,907	-
Interest and fiscal charges	525,075	-	736,771	-
Food service	-	2,354,293	-	2,352,105
Uniform school supplies	-	74,610	-	61,717
Customer services	-	20,356	-	10,805
Community services/early childhood	-	731,703	-	635,218
Bellefaire general rotary	-	3,395,010	-	3,169,419
Total program expenses	<u>105,585,800</u>	<u>6,575,972</u>	<u>102,829,044</u>	<u>6,229,264</u>
Increase (decrease) in net assets before transfers	423,123	(900,361)	7,326,114	(548,538)
Transfers	-	-	(350,372)	350,372
Increase (decrease) in net assets	423,123	(900,361)	6,975,742	(198,166)
Net assets (deficit) at beginning of year	99,239,818	(3,549,769)	92,264,076	(3,351,603)
Net assets (deficit) at end of year	<u>\$ 99,662,941</u>	<u>\$ (4,450,130)</u>	<u>\$ 99,239,818</u>	<u>\$ (3,549,769)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

## ***Governmental Activities***

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

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value was increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 56 percent of total governmental activities revenues for the District in fiscal year 2010.

Instruction and support services comprise 53 percent and 43 percent of governmental program expenses, respectively. Interest expense was less than 1 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects. Overall, governmental program expenses increased approximately \$2.8 million, mainly due to an increase in regular and special instruction off-set by decreases in other program expenses. Step-increases in employee wages and benefits and increases in professional service fees contributed significantly to the overall increases.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2010 and 2009. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>
Program expenses:				
Instruction	\$ 56,375,775	\$ 46,169,519	\$ 52,952,323	\$ 41,360,907
Pupil and instructional staff	14,150,904	14,057,225	15,116,249	14,912,591
Board of education, administration, fiscal and business	11,038,764	11,025,568	10,736,894	10,730,250
Operation and maintenance - plant	11,722,180	11,722,180	11,392,037	11,355,743
Pupil transportation	4,550,353	4,366,975	4,269,391	4,135,127
Central services	3,522,237	3,522,237	3,318,696	3,282,511
Operation of non-instructional services	2,215,880	301,172	2,664,776	641,409
Food service operations	5,776	5,776		
Extracurricular activities	1,478,856	1,383,831	1,641,907	1,550,837
Interest and fiscal charges	525,075	525,075	736,771	736,771
Total program expenses	\$ <u>105,585,800</u>	\$ <u>93,079,558</u>	\$ <u>102,829,044</u>	\$ <u>88,706,146</u>

The dependence upon tax revenues during fiscal year 2010 for governmental activities is apparent.



# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

## ***Business-Type Activities***

Business-type activities include Bellefaire, food service operation, uniform supplies, customer services and community services/early childhood. These programs had revenues, including capital contributions of \$5,675,611 and expenses of \$6,575,972 for fiscal year 2010. The Bellefaire General Rotary Fund had expenses of \$3,395,010 and revenues of \$2,515,584. This resulted in a decrease of net assets for the fiscal year of \$879,426, mainly due to an increase in operating expenses. The other enterprise funds had expenses of \$3,180,962 and revenues, including capital contributions of \$3,160,027. This resulted in a decrease to net assets for the fiscal year of \$900,361, mainly due to an increase in operating expenses. Management assesses the performance of each of these funds to ensure that they are run efficiently.

## **The School District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## ***Governmental Funds***

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$67,986,783, a decrease of \$5,246,169 in comparison with the prior year. Approximately 66 percent of this total amount, \$44,644,500 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders \$3,690,440, 2) to pay debt service \$99,138, 3) for property tax advances that do not represent available financial resources \$17,426,001 or 4) for inventory and textbooks \$2,126,704.

The General Fund is the chief operating fund of the District. The District's General Fund balance decreased by \$5,046,245, mainly due to an effort to reduce expenditures with the decrease in property taxes and interest earnings during 2010. The table that follows assists in illustrating the revenues of the General Fund.

<u>Revenues</u>	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Percentage Change</u>
Taxes	\$ 54,876,690	\$ 61,730,211	(11)%
Interest earnings	330,185	1,001,933	(67)%
Intergovernmental	31,897,041	27,530,111	16%
Other revenue	<u>2,172,926</u>	<u>1,955,518</u>	11%
Total	\$ <u>89,276,842</u>	\$ <u>92,217,773</u>	

The property tax revenue decreased \$6,853,521. This decrease is directly related to the County estimate of collections due to the overall state of the economy.

Interest earnings decreased \$671,748 which is directly related to lower interest rates due to the state of the economy.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

Intergovernmental revenue increased \$4,366,930. This increase is mainly due to an increase in Federal and State grant monies.

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

<u>Expenditures by Function</u>	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Percentage Change</u>
Instruction	\$ 52,561,466	\$ 46,860,985	12%
Support services	39,872,028	41,089,725	(3)%
Other non-instructional services	121,462	124,508	(2)%
Food service operations	5,776	-	100%
Extracurricular activities	1,171,438	1,269,041	(8)%
Debt service	370,917	549,998	33%
Total	\$ <u>94,103,087</u>	\$ <u>89,894,257</u>	

Overall, increase in instruction due to a step-increase in employee wages. Debt service payments decreased due to capital lease payments made from other funds in fiscal year 2010.

## ***Proprietary Funds***

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

## ***General Fund Budget Information***

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2010, the District amended its budget to reflect the fluctuations of actual revenues received/collected. The District uses a modified site-based budgeting technique which is designed to tightly control site budgets but provide flexibility for site management.

The District's General Fund budget was prepared and approved at the fund level for fiscal year 2010. During the course of fiscal year 2010, the total budget was changed several times. For the General Fund, final budgeted revenues and other financing sources were \$94,253,001. Actual revenues and other financing sources for fiscal year 2010 were \$99,954,921. Actual differed from final budget mainly due to higher than anticipated collection of property tax revenue and miscellaneous receipts. General Fund original appropriations and other financing uses of \$100,876,493 increased to \$104,592,541 in the final budget. The actual expenditures and other financing uses for fiscal year 2010 totaled \$99,658,821, which was \$4,933,720 less than the final budget appropriations. Actual differed from final budget mainly due to lower than anticipated salaries and wages expenses for regular and special instruction as well as prudent spending overall by the District in fiscal year 2010.

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

## Capital Assets

The District had \$43,632,480 invested in capital assets net of depreciation, with \$42,861,750 attributed to government activities. Net acquisition for government activities totaled \$4,878,203, and depreciation was \$1,218,607. As mentioned before, the majority of the additions were for purchase of computers and related equipment for the District's laptop initiative, school buses and other renovations and improvements. Detailed information regarding capital asset activities is included in the notes to the basic financial statements (Note 10).

## Debt

At June 30, 2010, the District had \$15,795,000 in outstanding long-term bond debt and of this amount \$905,000 was due within one year. The District paid \$875,000 in principal on bonds outstanding. The District had capital leases of \$2,058,402 outstanding at June 30, 2010, with \$786,470 due within one year. The District paid \$1,318,347 on capital leases outstanding. Detailed information regarding long-term debt activity and capital lease obligations activity is included in the notes to the basic financial statements (Notes 15 and 16, respectively).

## Economic Factors

The Board of Education and the administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the District is not without its challenges. These challenges stem from issues that are local and at the State level. At the local level, the taxpayers must approve additional levies to pay for unfunded mandates as well as continue the programs they have come to expect as normal operations. The state and local economy is stressed after experiencing a recession. Recovery is anticipated to be slow and drawn out.

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

Although the District will continue to rely primarily on local property taxes generated through periodic operating levies, HB 1 introduced a new evidence based model of state support shifting the focus from per pupil funding to units based upon numbers of staff. Unfortunately with the economy as it is, the State does not have the means to provide resources to fund the new model, and is phasing implementation in over the next 10 years. In the short-term, the District received 1% less in State funding in 2009-2010 than in the prior fiscal year and will receive 2% less in 2010-2011. In response to decreases in property tax revenue due to foreclosures and diminishing state funding, the District reduced the budget over \$3 million for the 2009-2010 school year and is reviewing various cost-savings initiatives.

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

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

For the Fiscal Year Ended June 30, 2010

---

## **Contacting the School District's Financial Management**

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



**SABRINA ZELLE**  
*Kindergarten*  
*Canterbury Elementary*



**AUSTIN WOODS**  
*Grade 3*  
*Fairfax Elementary*



**EMMA VAIL**  
*Grade 1*  
*Canterbury Elementary*





# Basic Financial Statements



**THALIA LISOWSKI**  
*Grade 1*  
*Fairfax Elementary*



**AMELIA GLADDING**  
*Kindergarten*  
*Fairfax Elementary*



**MAUREEN RYNES**  
*Grade 5*  
*Roxboro Elementary*



**SENNA PERELMAN**  
**XAVIER PELLIGREE**  
**MICHAEL IAMMARINO**  
*Grade 4*  
*Roxboro Elementary*



# Cleveland Heights-University Heights City School District

## Statement of Net Assets

June 30, 2010

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 48,203,246	\$ 128,209	\$ 48,331,455
Accounts receivable	133,993	13,606	147,599
Prepaid items	129,443	-	129,443
Intergovernmental receivable	3,248,097	1,962,698	5,210,795
Internal balances	6,698,128	(6,698,128)	-
Materials and supplies inventory	391,876	4,269	396,145
Inventory held for resale	-	24,373	24,373
Taxes receivable	69,994,706	-	69,994,706
Restricted cash and investments	5,476,042	-	5,476,042
Nondepreciable capital assets	2,834,802	-	2,834,802
Depreciable capital assets, net	<u>40,026,948</u>	<u>770,730</u>	<u>40,797,678</u>
Total assets	<u>177,137,281</u>	<u>(3,794,243)</u>	<u>173,343,038</u>
<b>Liabilities:</b>			
Accounts payable	2,252,630	134,477	2,387,107
Accrued wages and benefits	519,127	43,907	563,034
Matured compensated absences	153,460	-	153,460
Intergovernmental payable	3,220,486	162,285	3,382,771
Unearned revenue	45,268,153	-	45,268,153
Claims payable	1,835,700	-	1,835,700
Accrued interest payable	63,034	-	63,034
Long-term liabilities:			
Due within one year	2,117,935	48,957	2,166,892
Due in more than one year	<u>22,043,815</u>	<u>266,261</u>	<u>22,310,076</u>
Total liabilities	<u>77,474,340</u>	<u>655,887</u>	<u>78,130,227</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	32,798,348	770,730	33,569,078
Restricted for:			
Capital projects	2,568,283	-	2,568,283
Debt service	304,922	-	304,922
Federal programs	1,725,730	-	1,725,730
Qualified zone academy bond retirement	3,741,214	-	3,741,214
Unrestricted (deficit)	<u>58,524,444</u>	<u>(5,220,860)</u>	<u>53,303,584</u>
Total net assets (deficit)	\$ <u>99,662,941</u>	\$ <u>(4,450,130)</u>	\$ <u>95,212,811</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

## Statement of Activities

For the Fiscal Year Ended June 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 37,442,211	\$ 304,805	\$ 861,906	\$ -
Special	12,357,959	1,596,975	6,880,495	-
Vocational	1,917,084	2,500	288,776	-
Adult/continuing	233,715	930	269,869	-
Other instruction	4,424,806	-	-	-
Support services:				
Pupil	9,001,406	-	93,679	-
Instructional staff	5,149,498	-	-	-
Board of education	482,582	-	-	-
Administration	6,183,059	13,196	-	-
Fiscal	3,028,623	-	-	-
Business	1,344,500	-	-	-
Operations and maintenance of plant	11,722,180	-	-	-
Pupil transportation	4,550,353	183,378	-	-
Central	3,522,237	-	-	-
Operation of non-instructional services:				
Community services	2,215,880	-	1,914,708	-
Food service operations	5,776	-	-	-
Extracurricular activities	1,478,856	95,025	-	-
Interest and fiscal charges	<u>525,075</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>105,585,800</u>	<u>2,196,809</u>	<u>10,309,433</u>	<u>-</u>
<b>Business-type activities:</b>				
Food services	2,354,293	484,176	1,804,716	116,347
Uniform school supplies	74,610	48,737	-	-
Customer services	20,356	18,430	-	-
Community services/early childhood	731,703	687,621	-	-
Bellefaire general rotary	<u>3,395,010</u>	<u>2,515,584</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>6,575,972</u>	<u>3,754,548</u>	<u>1,804,716</u>	<u>116,347</u>
Totals	\$ <u>112,161,772</u>	\$ <u>5,951,357</u>	\$ <u>12,114,149</u>	\$ <u>116,347</u>

General revenues:  
 Property taxes levies for:  
   General purpose  
   Debt service  
   Capital projects  
 Payments in lieu of property taxes  
 Grant and entitlements not restricted to specific programs  
 Investment earnings  
 Miscellaneous  
 Total general revenues

Change in net assets  
 Net assets (deficit) at beginning of year  
 Net assets (deficit) at end of year

The Notes to the Basic Financial Statements are an Integral Part of this Statement



<u>Primary Government</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business -</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (36,275,500)	\$ -	\$ (36,275,500)
(3,880,489)	-	(3,880,489)
(1,625,808)	-	(1,625,808)
37,084	-	37,084
(4,424,806)	-	(4,424,806)
(8,907,727)	-	(8,907,727)
(5,149,498)	-	(5,149,498)
(482,582)	-	(482,582)
(6,169,863)	-	(6,169,863)
(3,028,623)	-	(3,028,623)
(1,344,500)	-	(1,344,500)
(11,722,180)	-	(11,722,180)
(4,366,975)	-	(4,366,975)
(3,522,237)	-	(3,522,237)
(301,172)	-	(301,172)
(5,776)	-	(5,776)
(1,383,831)	-	(1,383,831)
<u>(525,075)</u>	<u>-</u>	<u>(525,075)</u>
<u>(93,079,558)</u>	<u>-</u>	<u>(93,079,558)</u>
-	50,946	50,946
-	(25,873)	(25,873)
-	(1,926)	(1,926)
-	(44,082)	(44,082)
-	<u>(879,426)</u>	<u>(879,426)</u>
-	<u>(900,361)</u>	<u>(900,361)</u>
<u>(93,079,558)</u>	<u>(900,361)</u>	<u>(93,979,919)</u>
55,807,544	-	55,807,544
590,518	-	590,518
2,708,377	-	2,708,377
1,813	-	1,813
32,788,606	-	32,788,606
489,176	-	489,176
<u>1,116,647</u>	<u>-</u>	<u>1,116,647</u>
<u>93,502,681</u>	<u>-</u>	<u>93,502,681</u>
423,123	(900,361)	(477,238)
<u>99,239,818</u>	<u>(3,549,769)</u>	<u>95,690,049</u>
\$ <u>99,662,941</u>	\$ <u>(4,450,130)</u>	\$ <u>95,212,811</u>

# Cleveland Heights-University Heights City School District

## Balance Sheet – Governmental Funds

June 30, 2010

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 38,911,479	\$ 4,111,297	\$ 43,022,776
Accounts receivable	90,913	38,368	129,281
Intergovernmental receivable	597,639	2,650,458	3,248,097
Interfund receivable	7,941,438	-	7,941,438
Materials and supplies inventory	391,876	-	391,876
Taxes receivable	65,926,790	4,067,916	69,994,706
Restricted cash and investments	<u>1,734,828</u>	<u>3,741,214</u>	<u>5,476,042</u>
Total assets	<u>\$ 115,594,963</u>	<u>\$ 14,609,253</u>	<u>\$ 130,204,216</u>
<b>Liabilities and fund balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,337,938	\$ 907,273	\$ 2,245,211
Accrued wages and benefits	455,934	63,193	519,127
Interfund payable	-	1,243,310	1,243,310
Matured compensated absences	153,460	-	153,460
Intergovernmental payable	2,261,254	146,992	2,408,246
Deferred revenue	<u>50,105,454</u>	<u>5,542,625</u>	<u>55,648,079</u>
Total liabilities	<u>54,314,040</u>	<u>7,903,393</u>	<u>62,217,433</u>
<b>Fund balances:</b>			
Reserved for encumbrances	2,049,784	1,640,656	3,690,440
Reserved for inventory	391,876	-	391,876
Reserved for property taxes	16,382,951	1,043,050	17,426,001
Reserved for debt	-	99,138	99,138
Reserved for textbooks	1,734,828	-	1,734,828
Unreserved; undesignated for:			
General fund	40,721,484	-	40,721,484
Special revenue funds	-	10,070	10,070
Capital projects fund	<u>-</u>	<u>3,912,946</u>	<u>3,912,946</u>
Total fund balances	<u>61,280,923</u>	<u>6,705,860</u>	<u>67,986,783</u>
Total liabilities and fund balances	<u>\$ 115,594,963</u>	<u>\$ 14,609,253</u>	<u>\$ 130,204,216</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

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

June 30, 2010

---

Total governmental funds balances \$ 67,986,783

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 42,861,750

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

Property and other taxes	\$ 7,322,692	
Tuition	573,231	
Grants	<u>2,484,003</u>	
Total		10,379,926

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 2,659,266

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

Energy Conservation Bonds	(2,505,000)	
Library Improvement Bonds	(7,790,000)	
Qualified Zone Academy Bonds	(5,500,000)	
Capital leases	(2,058,402)	
Accrued interest payable	(63,034)	
Early retirement incentive	(216,000)	
Compensated absences	<u>(6,092,348)</u>	
Total		<u>(24,224,784)</u>

Net assets of governmental activities \$ 99,662,941

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

## Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Fiscal Year Ended June 30, 2010

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 54,876,690	\$ 3,234,759	\$ 58,111,449
Payments in lieu of property taxes	1,813	-	1,813
Intergovernmental	31,897,041	10,584,806	42,481,847
Tuition and fees	1,132,778	-	1,132,778
Earnings on investments	330,185	158,991	489,176
Extracurricular activities	-	247,153	247,153
Classroom materials and fees	-	21,525	21,525
Miscellaneous	<u>1,038,335</u>	<u>720,219</u>	<u>1,758,554</u>
Total revenues	<u>89,276,842</u>	<u>14,967,453</u>	<u>104,244,295</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	36,752,661	685,952	37,438,613
Special	9,598,567	2,752,259	12,350,826
Vocational	1,710,661	207,288	1,917,949
Adult/continuing	75,267	168,243	243,510
Other instruction	4,424,310	-	4,424,310
<b>Support services:</b>			
Pupil	8,165,892	874,376	9,040,268
Instructional staff	3,030,371	4,767,829	7,798,200
Board of education	482,582	-	482,582
Administration	5,660,924	511,967	6,172,891
Fiscal	2,918,483	110,710	3,029,193
Business	1,367,110	-	1,367,110
Operations and maintenance of plant	10,503,513	2,700,589	13,204,102
Pupil transportation	4,334,502	126,993	4,461,495
Central	3,408,651	319,092	3,727,743
<b>Operation of non-instructional services:</b>			
Community services	516	2,125,812	2,126,328
Other non-instructional services	120,946	-	120,946
Food service operations	5,776	-	5,776
Extracurricular activities	1,171,438	310,895	1,482,333
<b>Debt services:</b>			
Principal	362,375	1,830,972	2,193,347
Interest and fiscal charges	<u>8,542</u>	<u>495,366</u>	<u>503,908</u>
Total expenditures	<u>94,103,087</u>	<u>17,988,343</u>	<u>112,091,430</u>
Excess of revenues over (under) expenditures	<u>(4,826,245)</u>	<u>(3,020,890)</u>	<u>(7,847,135)</u>

Continued

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

## Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (continued)

For the Fiscal Year Ended June 30, 2010

---

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses):			
Inception of capital leases	-	2,600,966	2,600,966
Transfers - in	-	570,000	570,000
Transfers - out	<u>(220,000)</u>	<u>(350,000)</u>	<u>(570,000)</u>
Total other financing sources (uses)	<u>(220,000)</u>	<u>2,820,966</u>	<u>2,600,966</u>
Net change in fund balance	(5,046,245)	(199,924)	(5,246,169)
Fund balance at beginning of year	<u>66,327,168</u>	<u>6,905,784</u>	<u>73,232,952</u>
Fund balance at end of year	\$ <u>61,280,923</u>	\$ <u>6,705,860</u>	\$ <u>67,986,783</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

Net change in fund balances - total governmental funds \$ (5,246,169)

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

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

Capital outlay	\$ 4,878,203	
Depreciation	<u>(1,218,607)</u>	
Total		3,659,596

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal (7,007)

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

Delinquent property and other taxes	994,990	
Tuition	(794,461)	
Intergovernmental	<u>1,564,099</u>	
Total		1,764,628

Internal service funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities. 737,252

Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the inception of capital leases. (2,600,966)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets 2,193,347

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Early retirement incentive	(24,000)	
Compensated absences	(32,391)	
Accrued interest	<u>(21,167)</u>	
Total		<u>(77,558)</u>

Change in net assets of governmental activities \$ 423,123

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 62,000,000	\$ 62,000,000	\$ 64,382,199	\$ 2,382,199
Intergovernmental	29,435,000	29,435,000	31,888,873	2,453,873
Tuition and fees	1,000,000	1,000,000	1,142,550	142,550
Earnings on investments	375,000	375,000	361,970	(13,030)
Miscellaneous	32,500	414,351	1,150,679	736,328
Total revenues	<u>92,842,500</u>	<u>93,224,351</u>	<u>98,926,271</u>	<u>5,701,920</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	36,688,921	38,168,918	37,138,540	1,030,378
Special	10,142,098	10,590,577	9,570,833	1,019,744
Vocational	1,768,998	1,788,826	1,787,522	1,304
Adult/continuing	7,992	76,923	76,723	200
Other instruction	4,239,358	4,960,597	4,760,597	200,000
<b>Support services:</b>				
Pupil	8,456,580	8,293,764	8,136,289	157,475
Instructional staff	4,503,872	3,569,863	3,569,129	734
Board of education	653,472	520,930	510,232	10,698
Administration	5,971,285	5,805,889	5,721,963	83,926
Fiscal	2,218,678	2,996,022	2,919,300	76,722
Business	1,694,067	1,592,838	1,557,982	34,856
Operation and maintenance of plant	12,783,950	13,520,968	11,979,569	1,541,399
Pupil transportation	4,566,949	4,459,535	4,370,714	88,821
Central	3,987,103	3,866,872	3,815,922	50,950
<b>Operation of non-instructional services:</b>				
Community services	10,344	12,344	11,967	377
Other non-instructional services	129,151	129,151	119,052	10,099
Food service operations	-	5,900	5,500	400
<b>Extracurricular activities:</b>				
Academic and subject oriented	592,547	257,000	253,141	3,859
Occupation oriented	1,481	1,481	-	1,481
Sports oriented	665,834	956,192	874,124	82,068
Co-curricular activities	43,813	88,551	80,322	8,229
Total expenditures	<u>99,126,493</u>	<u>101,663,141</u>	<u>97,259,421</u>	<u>4,403,720</u>
Excess of revenues over (under) expenditures	<u>(6,283,993)</u>	<u>(8,438,790)</u>	<u>1,666,850</u>	<u>10,105,640</u>

Continued

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers - out	(750,000)	(750,000)	(220,000)	530,000
Advances - in	1,000,000	1,028,650	1,028,650	-
Advances - out	<u>(1,000,000)</u>	<u>(2,179,400)</u>	<u>(2,179,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>(750,000)</u>	<u>(1,900,750)</u>	<u>(1,370,750)</u>	<u>530,000</u>
Net change in fund balance	(7,033,993)	(10,339,540)	296,100	10,635,640
Fund balance beginning of year	34,910,518	34,910,518	34,910,518	-
Prior year encumbrances appropriated	<u>2,843,715</u>	<u>2,843,715</u>	<u>2,843,715</u>	<u>-</u>
Fund balance end of year	\$ <u>30,720,240</u>	\$ <u>27,414,693</u>	\$ <u>38,050,333</u>	\$ <u>10,635,640</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement



# Cleveland Heights-University Heights City School District

## Statement of Fund Net Assets – Proprietary Funds

June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Activities
	General	Enterprise		Internal
	Rotary			Service
				Funds
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and investments	\$ 78,987	\$ 49,222	\$ 128,209	\$ 5,180,470
Accounts receivable	-	13,606	13,606	4,712
Prepaid items	-	-	-	129,443
Intergovernmental receivable	1,734,838	227,860	1,962,698	-
Materials and supplies inventories	-	4,269	4,269	-
Inventory held for resale	-	24,373	24,373	-
Total current assets	<u>1,813,825</u>	<u>319,330</u>	<u>2,133,155</u>	<u>5,314,625</u>
Non-current assets:				
Capital assets, net of depreciation	<u>14,279</u>	<u>756,451</u>	<u>770,730</u>	<u>-</u>
Total assets	<u>1,828,104</u>	<u>1,075,781</u>	<u>2,903,885</u>	<u>5,314,625</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	83,534	50,943	134,477	7,419
Accrued wages and benefits	11,600	32,307	43,907	-
Interfund payable	5,417,960	1,280,168	6,698,128	-
Intergovernmental payable	76,330	85,955	162,285	812,240
Claims payable	-	-	-	1,835,700
Current portion of accrued compensated absences	<u>42,902</u>	<u>6,055</u>	<u>48,957</u>	<u>-</u>
Total current liabilities	<u>5,632,326</u>	<u>1,455,428</u>	<u>7,087,754</u>	<u>2,655,359</u>
Non-current liabilities:				
Accrued compensated absences	<u>185,818</u>	<u>80,443</u>	<u>266,261</u>	<u>-</u>
Total liabilities	<u>5,818,144</u>	<u>1,535,871</u>	<u>7,354,015</u>	<u>2,655,359</u>
<b>Net assets:</b>				
Invested in capital assets	14,279	756,451	770,730	-
Unrestricted (deficit)	<u>(4,004,319)</u>	<u>(1,216,541)</u>	<u>(5,220,860)</u>	<u>2,659,266</u>
Total net assets (deficit)	\$ <u>(3,990,040)</u>	\$ <u>(460,090)</u>	\$ <u>(4,450,130)</u>	\$ <u>2,659,266</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire General Rotary	Nonmajor Enterprise	Total	Internal Service Funds
Operating revenues:				
Tuition and fees	\$ 2,515,534	\$ 687,519	\$ 3,203,053	\$ -
Charges for services	-	-	-	754,050
Classroom materials and fees	-	27,569	27,569	-
Food services	-	468,275	468,275	-
Claims	-	-	-	21,702,261
Miscellaneous	50	55,601	55,651	-
Total operating revenues	<u>2,515,584</u>	<u>1,238,964</u>	<u>3,754,548</u>	<u>22,456,311</u>
Operating expenses:				
Salaries and wages	2,063,545	1,081,655	3,145,200	19,000
Fringe benefits	773,226	441,980	1,215,206	21,588,794
Purchased services	527,877	1,354,197	1,882,074	111,265
Supplies and materials	27,549	270,797	298,346	-
Depreciation	2,813	32,333	35,146	-
Total operating expenses	<u>3,395,010</u>	<u>3,180,962</u>	<u>6,575,972</u>	<u>21,719,059</u>
Operating income (loss)	<u>(879,426)</u>	<u>(1,941,998)</u>	<u>(2,821,424)</u>	<u>737,252</u>
Non-operating revenues:				
Federal donated commodities	-	171,440	171,440	-
Intergovernmental grants	-	1,633,276	1,633,276	-
Total non-operating revenues	<u>-</u>	<u>1,804,716</u>	<u>1,804,716</u>	<u>-</u>
Net income (loss) before capital contributions	(879,426)	(137,282)	(1,016,708)	737,252
Contributed capital	-	116,347	116,347	-
Net income (loss)	(879,426)	(20,935)	(900,361)	737,252
Total net assets (deficit) at beginning of year	<u>(3,110,614)</u>	<u>(439,155)</u>	<u>(3,549,769)</u>	<u>1,922,014</u>
Total net assets (deficit) at end of year	\$ <u>(3,990,040)</u>	\$ <u>(460,090)</u>	\$ <u>(4,450,130)</u>	\$ <u>2,659,266</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

## Statement of Cash Flows – Proprietary Funds

For the Fiscal Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental
	Bellefaire	Nonmajor	Total	Internal
	General	Enterprise		Service
	Rotary			Funds
<b>Increase (decrease) in cash and cash equivalents:</b>				
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 2,515,180	\$ 1,177,333	\$ 3,692,513	\$ 21,697,549
Cash received from claims	-	-	-	754,050
Cash received from other operating sources	50	55,601	55,651	-
Cash payments for materials and supplies	(27,549)	(93,914)	(121,463)	-
Cash payments for goods and services	(444,374)	(1,339,375)	(1,783,749)	(10,149,352)
Cash payments to employees for services	(2,058,922)	(1,065,939)	(3,124,861)	(19,000)
Cash payments for employee benefits	(722,129)	(421,105)	(1,143,234)	-
Cash payments for claims	-	-	-	(11,550,016)
Net cash provided by (used for) operating activities	<u>(737,744)</u>	<u>(1,687,399)</u>	<u>(2,425,143)</u>	<u>733,231</u>
<b>Cash flows from noncapital financing activities:</b>				
Intergovernmental grants received	-	1,405,416	1,405,416	-
Advances - in	790,000	197,000	987,000	-
Advances - out	-	(27,200)	(27,200)	-
Net cash provided by noncapital financing activities	<u>790,000</u>	<u>1,575,216</u>	<u>2,365,216</u>	<u>-</u>
<b>Cash flows from capital financing activities:</b>				
Capital acquisitions	-	(34,000)	(34,000)	-
Net increase (decrease) in cash and cash equivalents	52,256	(146,183)	(93,927)	733,231
Cash and cash equivalents at beginning of year	<u>26,731</u>	<u>195,405</u>	<u>222,136</u>	<u>4,447,239</u>
Cash and cash equivalents at end of year	<u>\$ 78,987</u>	<u>\$ 49,222</u>	<u>\$ 128,209</u>	<u>\$ 5,180,470</u>
<b>Non-cash capital and noncapital financing activities:</b>				
Federal donated commodities	\$ -	\$ 171,440	\$ 171,440	\$ -
Capital contributions	-	116,347	116,347	-
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (879,426)	\$ (1,941,998)	\$ (2,821,424)	\$ 737,252
Adjustments:				
Depreciation	2,813	32,333	35,146	-
Federal donated commodities	-	171,440	171,440	-
Changes in assets/liabilities:				
Increase in accounts receivable	-	(6,030)	(6,030)	(4,712)
Decrease in prepaid items	-	-	-	27,599
Increase in intergovernmental receivable	(354)	-	(354)	-
Increase in materials and supplies inventories	-	(338)	(338)	-
Decrease in inventory held for resale	-	5,781	5,781	-
Increase in accounts payable	83,503	14,822	98,325	7,419
Increase in accrued wages and benefits	4,623	15,716	20,339	-
Increase (decrease) in intergovernmental payable	8,399	7,869	16,268	(1,627)
Increase in accrued compensated absences	42,698	13,006	55,704	-
Decrease in claims payable	-	-	-	(32,700)
Total adjustments	<u>141,682</u>	<u>254,599</u>	<u>396,281</u>	<u>(4,021)</u>
Net cash provided by (used for) operating activities	<u>\$ (737,744)</u>	<u>\$ (1,687,399)</u>	<u>\$ (2,425,143)</u>	<u>\$ 733,231</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

## Statement of Fiduciary Assets and Liabilities – Fiduciary Funds

June 30, 2010

---

	<u>Student Managed Activity Agency Fund</u>
Assets:	
Equity in pooled cash and investments	\$ <u>29,623</u>
Liabilities:	
Accounts payable	\$ 1,372
Due to students	<u>28,251</u>
Total liabilities	\$ <u>29,623</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

June 30, 2010

---

## **Note 1: Description of the School District**

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education controls the District's twelve instructional/support facilities staffed by 455 classified employees, 480 certificated full-time teaching personnel and approximately 40 administrators who provide services to 5,832 students and other community members.

### **Reporting Entity**

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

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

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

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

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

The District is associated with two organizations which are defined as a jointly governed organization and a related organization. The Ohio School Council Association is a jointly governed organization and the Cleveland Heights-University Heights Library is a related organization. The jointly governed organization is presented in Note 17 and the related organization is presented in Note 21 to the basic financial statements.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 2: Summary of Significant Accounting Policies**

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

### **A. Fund Accounting**

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

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

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

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

**Proprietary Funds** Proprietary funds focus on the determination of operating income/loss, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

*Enterprise Funds* - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District's major enterprise fund is:

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

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 2: Summary of Significant Accounting Policies (continued)**

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

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

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

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

### **B. Basis of Presentation**

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

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

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

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 2: Summary of Significant Accounting Policies (continued)**

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

### **C. Basis of Accounting**

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

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the exchange on which the tax is imposed takes place and revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7).



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 2: Summary of Significant Accounting Policies (continued)**

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

### **D. Budgets**

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

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 2: Summary of Significant Accounting Policies (continued)**

### **D. Budgets (continued)**

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control for the fund.

### **E. Cash and Cash Equivalents**

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements. During fiscal year 2010, investments were limited to United States government securities and State Treasury Asset Reserve of Ohio (STAROhio).

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

The District has invested funds in STAROhio during fiscal year 2010. 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 June 30, 2010.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2010 amounted to \$330,185. The amount allocated from the other funds during fiscal year 2010 amounted to \$78,023.

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

### **F. Restricted Assets**

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set-aside for the purchase of textbooks and to account for the future repayments of the Qualified Zone Academy Bond (“QZAB”) held with a fiscal agent until the debt becomes due. See Note 18 for additional information regarding set asides and Note 15 for additional information regarding the QZAB.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 2: Summary of Significant Accounting Policies (continued)

### G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

### H. Inventory

On the government-wide financial statements inventories are presented at the lower of cost or market cost on a first-in, first-out basis and are valued using the purchasing method. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets.

On fund financial statements, inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and recorded as inventories using the consumption method. Inventories consist of donated food, purchased food and materials and supplies held for consumption.

### I. Capital Assets

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

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

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	30 years	30 years
Buildings and improvements	30 - 99 years	30 - 99 years
Furniture and equipment	5 - 10 years	5 - 10 years
Vehicles	10 years	N/A

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 2: Summary of Significant Accounting Policies (continued)**

### **J. Interfund Transactions**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

### **K. Compensated Absences**

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

### **L. Accrued Liabilities and Long-term Obligations**

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

### **M. Fund Balance Reserves**

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates this portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, debt, property taxes and set-asides. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for set-asides represents money set-aside by statute for the purchase of textbooks.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 2: Summary of Significant Accounting Policies (continued)**

### **N. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2010, the District did not have net assets restricted by enabling legislation.

### **O. Operating Revenues and Expenses**

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

### **P. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the Food Services Enterprise Fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

### **Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. During fiscal year 2010, the District had neither extraordinary items nor special items.

### **R. Estimates**

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 2: Summary of Significant Accounting Policies (continued)**

### **S. Subsequent Events**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 29, 2010, the date the financial statements were available to be issued.

## **Note 3: Change in Accounting Principles**

For 2010, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 establishes guidance on accounting and financial reporting requirements for intangible assets. The District does not own any intangible assets that qualify for recognition under the policy. The implementation of this Statement did not result in any change to District's financial statements.

GASB Statement No. 53 establishes standards for accounting and financial reporting for derivative instruments entered into by the District and addresses the recognition, measurement, and disclosure of information regarding the derivative instruments. The District does not own any derivative instruments. The implementation of this Statement did not result in any change to District's financial statements.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The District did not file for Chapter 9 bankruptcy. The implementation of this Statement did not result in any change to District's financial statements.

## **Note 4: Accountability and Compliance**

### **A. Accountability**

The following funds had deficit fund balances/net assets at June 30, 2010:

#### Special Revenue Funds:

Educational Management Information System	\$ 193,074
Public School Preschool Grant	9,217
Ohio Reads	12,158
Summer School Subsidy	19,312
Alternative School Grant	628
Adult Basic Education	31,075
Idea (Flo-Thru)	429,619
Vocational Education	29,522

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 4: Accountability and Compliance (continued)

### A. Accountability (continued)

Special Revenue Funds (continued):

Title II-D Technology Grants	34,543
Title I Improvement	1,834
Title III	7,682
Title I	152,998
Title V Innovative Program	2,698
Drug Free Schools	3,676
Preschool Disabilities Grant	6,466
Title II-A Improving Teacher Quality	5,830
Miscellaneous Federal Grants	84,142

Enterprise Funds:

Bellefaire General Rotary	3,990,040
Food Services	871,474
Uniform School Supplies	31,026

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

### B. Compliance

Contrary to Section 5705.41(B), Ohio Revised Code, the following funds had expenditures plus encumbrances in excess of final appropriations:

	<u>Final Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
Major Fund:			
Bellefaire General Rotary	\$ 2,987,498	\$ 3,323,333	\$ 335,835
Special Revenue Fund:			
Special Trust Fund	32,283	126,232	93,949
Enterprise Fund:			
Community Services/Early Childhood	669,492	726,875	57,383

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 5: Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

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

	<u>General</u>
GAAP Basis	\$ (5,046,245)
Revenue Accruals	9,649,429
Advances - in	1,028,650
Expenditure Accruals	(560,360)
Advances - out	(2,179,400)
Encumbrances	(2,595,974)
Budget Basis	<u>\$ 296,100</u>

## Note 6: Deposits and Investments

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

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

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

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



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 6: Deposits and Investments (continued)**

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

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

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 6: Deposits and Investments (continued)

### Deposits

**Custodial Credit Risk** is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has no deposit policy for custodial risk beyond the requirements of State statute. Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of District funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the District's deposits was \$47,541,671 and the bank balance was \$48,095,048. Of the bank balance, \$16,123,277 was covered by Federal depository insurance and \$31,971,771 was uninsured and was collateralized with securities held by the pledging institution's trust department, not in the District's name. At fiscal year-end, the District had \$3,381 undeposited cash on hand, which is included on the balance sheet of the District as part of "equity in pooled cash and investments".

### Investments

Investments are reported as fair value. As of June 30, 2010, the District had the following investments:

	<u>Fair Value</u>	<u>Maturity Date</u>
STAROhio	\$ 2,553,564	July 2010
Federal Home Loan Mortgage Corporation	<u>3,738,504</u>	October 8, 2010
Total portfolio	<u>\$ 6,292,068</u>	

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

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

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 6: Deposits and Investments (continued)

### Investments (continued)

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires that no more than twenty-five percent of the District's interim monies shall be invested in either commercial paper notes or bankers' acceptances. The following is the District's allocation as of June 30, 2010:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal Home Loan Mortgage Corporation	59.4%
STAROhio	40.6%

## Note 7: Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2010 (other than public utility property) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after April 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30; however this year the settlement was late.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 7: Property Taxes (continued)

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable include the late settlement of personal property, real property, public utility property, and tangible personal property taxes which are measurable as of June 30, 2010, and for which there is an enforceable legal claim.

Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30th was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue. The amount available as an advance at June 30, 2010, was \$16,382,951 in the General Fund, \$190,025 in the Debt Service Fund, and \$853,025 was available to the Permanent Improvement Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred. The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009		2010	
	<u>Second-Half Collections</u>		<u>First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,217,296,300	98.63%	\$ 1,131,890,150	98.87%
Public utility	12,095,890	0.98%	12,905,470	1.13%
Tangible personal property	<u>4,791,945</u>	<u>0.39%</u>	<u>-</u>	<u>0.00%</u>
	<u>\$ 1,234,184,135</u>	<u>100.00%</u>	<u>\$ 1,144,795,620</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 136.70		\$ 136.80

## Note 8: Interfund Transactions

Interfund transactions for the year ended June 30, 2010 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,243,310
General Fund	Bellefaire General Rotary Fund	5,417,960
General Fund	Nonmajor Enterprise Funds	<u>1,280,168</u>
		<u>\$ 7,941,438</u>

All balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2010, all interfund loans outstanding are anticipated to be repaid in the fiscal year 2011. Interfund balances of \$6,698,128 on the government-wide financial statements are a result of advances for reimbursements due from operations and intrafund balances of \$1,243,310 being eliminated.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 8: Interfund Transactions (continued)

Interfund transfers for the year ended June 30, 2010, consisted of the following:

	<u>Amount</u>
Transfers from General Fund to:	
Nonmajor Governmental Funds	\$ 220,000
Transfer from Permanent Improvement Fund to:	
Debt Service Fund	<u>350,000</u>
	<u>\$ 570,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## Note 9: Receivables

Receivables at June 30, 2010, consisted of taxes, accounts (rent and student fees), tuition, and intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>	
Governmental activities:		
Special education - tuition	\$ 573,231	
E-Rate reimbursement	8,841	
Transportation reimbursement	4,459	
Fuel reimbursements	11,108	
Auxiliary	166,455	
Adult basic-education grant	34,064	
Idea (flo thru) grant	1,044,921	
Carl D. Perkins grant	22,648	
Title II-D Technology grant	18,769	
Title I-School Improvement grant	41,605	
Title III grant	9,143	
Title I grant	1,103,169	
Title IV-A grant	14,933	
Title II-A grant	97,024	
Foreign Language Assistance Program grant	65,064	
21 <sup>st</sup> Century grant	<u>32,663</u>	
Total governmental activities		\$ 3,248,097
Business-type activities:		
State lunch program	186,016	
Federal breakfast program	41,844	
Bellefaire general rotary - tuition	<u>1,734,838</u>	
Total intergovernmental receivable		<u>\$ 1,962,698</u>
		<u>\$ 5,210,795</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

## Note 10: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance at 6/30/09	Additions	Disposals	Balance at 6/30/10
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>1,069,243</u>	<u>1,701,260</u>	<u>(1,917,324)</u>	<u>853,179</u>
Total capital assets, not being depreciated	<u>3,050,866</u>	<u>1,701,260</u>	<u>(1,917,324)</u>	<u>2,834,802</u>
Capital assets, being depreciated:				
Land improvements	3,922,907	561,418	-	4,484,325
Buildings and improvements	44,301,186	1,057,708	-	45,358,894
Vehicles	3,625,309	442,147	(160,076)	3,907,380
Furniture and equipment	<u>4,092,694</u>	<u>3,032,994</u>	<u>(27,276)</u>	<u>7,098,412</u>
Total capital assets, being depreciated	<u>55,942,096</u>	<u>5,094,267</u>	<u>(187,352)</u>	<u>60,849,011</u>
Less accumulated depreciation:				
Land improvements	(1,222,954)	(75,694)	-	(1,298,648)
Buildings and improvements	(14,406,822)	(686,544)	-	(15,093,366)
Vehicles	(1,794,657)	(246,312)	156,478	(1,884,491)
Furniture and equipment	<u>(2,359,368)</u>	<u>(210,057)</u>	<u>23,867</u>	<u>(2,545,558)</u>
Total accumulated depreciation	<u>(19,783,801)</u>	<u>(1,218,607)</u>	<u>180,345</u>	<u>(20,822,063)</u>
Total capital assets being depreciated, net	<u>36,158,295</u>	<u>3,875,660</u>	<u>(7,007)</u>	<u>40,026,948</u>
Governmental activities capital assets, net	\$ <u>39,209,161</u>	\$ <u>5,576,920</u>	\$ <u>(1,924,331)</u>	\$ <u>42,861,750</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

## Note 10: Capital Assets (continued)

	Balance at 6/30/09	Additions	Disposals	Balance at 6/30/10
Business-type activities:				
Capital assets, being depreciated:				
Land improvements	\$ 6,274	\$ -	\$ -	\$ 6,274
Buildings and improvements	1,250,810	-	-	1,250,810
Furniture and equipment	479,288	150,347	-	629,635
Vehicles	<u>23,937</u>	<u>-</u>	<u>-</u>	<u>23,937</u>
Total capital assets, being depreciated	<u>1,760,309</u>	<u>150,347</u>	<u>-</u>	<u>1,910,656</u>
Less: accumulated depreciation:				
Land improvements	(6,031)	(125)	-	(6,156)
Buildings and improvements	(707,391)	(13,390)	-	(720,781)
Furniture and equipment	(382,718)	(20,036)	-	(402,754)
Vehicles	<u>(8,640)</u>	<u>(1,595)</u>	<u>-</u>	<u>(10,235)</u>
Total accumulated depreciation	<u>(1,104,780)</u>	<u>(35,146)</u>	<u>-</u>	<u>(1,139,926)</u>
Business-type activities capital assets, net	\$ <u>655,529</u>	\$ <u>115,201</u>	\$ <u>-</u>	\$ <u>770,730</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 380,142
Special	632
Vocational	14,348
Support services:	
Instructional staff	19,667
Administration	1,675
Fiscal	2,400
Business	73,194
Operations and maintenance of plant	542,243
Pupil transportation	121,160
Central	41,005
Community services	12,194
Extracurricular activities	<u>9,947</u>
	<u>\$ 1,218,607</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 11: Risk Management

### A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2010, the District contracted with several companies for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible/Limit of Coverage</u>
Property Liability	\$10,000 deductible \$206,495,321 limit
Inland Marine	\$250 deductible \$11,130,157 limit
Flood and Earthquake Limit	\$50,000 deductible (and 5%) \$1,000,000 limit (each)
Crime	\$150,000 limit
General Liability/Employer's Liability	\$1,000,000 limit \$2,000,000 aggregate
Employee Benefits Liability	\$1,000 deductible \$1,000,000 limit \$3,000,000 aggregate
School Leaders Professional Liability	\$10,000 deductible \$1,000,000 limit/aggregate
Fleet	\$250 comprehensive \$500 collision \$1,000,000 limit
Umbrella	\$6,000,000 limit
Property and Inland Marine	\$1,000 deductible-boilers
Boiler and Machinery	\$1,000 deductible \$50,000,000 limit
Public Official Bonds	\$20,000-\$100,000 limit

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

### B. Workers Compensation

The State of Ohio provides workers' compensation coverage. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 11: Risk Management (continued)

### C. Employee Medical Benefits

The District is self insured for medical, dental, vision and prescription of District employees and their covered dependents. Under the program, the District is obligated for claim payments. Incurred but not reported claims of \$1,835,700 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2010, based on an estimate from a third party administrator. Individual funds are charged for medical expenses based on an estimate of total cost for the District as prepared by the plan administrator, and are recorded as revenues of the Self-Insurance Internal Service Fund.

The claims liability of \$1,835,700 reported in the Self-Insurance Internal Service Fund at June 30, 2010, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2008, 2009, and 2010 are as follows:

	Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2008	\$ 1,687,400	\$ 9,759,126	\$ 9,666,326	\$ 1,780,200
June 30, 2009	1,780,200	10,147,424	10,059,224	1,868,400
June 30, 2010	1,868,400	10,762,789	10,795,489	1,835,700

## Note 12: Defined Benefit Pension Plans

### A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853 or by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

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

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

For fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78 percent. The District's required contributions for pension obligations to SERS for the years ended June 30, 2010, 2009 and 2008 were \$2,027,138, \$2,000,822, and \$1,957,305, respectively; 88.88 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

### **B. State Teachers Retirement System**

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report. Copies of the report can be requested by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the combined plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

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

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008, were \$6,724,117, \$6,507,159, and \$6,414,150 respectively; 93.91 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2009 were \$206,130 made by the District and \$147,236 made by the plan members.

## **Note 13: Post-Employment Benefits**

### **A. School Employees Retirement System**

The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by SERS for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853 or by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, 0.46 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800. During fiscal year 2010, the District paid \$225,402.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$292,008, \$815,326, and \$795,266, respectively; 88.88 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## **Note 13: Post-Employment Benefits (continued)**

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

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$110,045, \$111,474, and \$92,273, respectively; 88.88 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

### **B. State Teachers Retirement System**

The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by STRS Ohio for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888)227-7877.

Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$480,294, \$464,797, and \$458,154, respectively; 93.91 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

## **Note 14: Employee Benefits**

### **A. Compensated Absences**

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

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

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 14: Employee Benefits (continued)

### B. Early Retirement Incentive

The District offers employees participating in a Retirement Incentive program beginning after the 2000-2001 school year. Participation is open to teachers who have been employed by the District for at least ten years and who opt to retire at the end of any school year and have been approved by STRS to receive retirement benefits other than disability retirement with thirty years or fewer of service credit and who notify the Board of their intention to retire in writing, no later than March 1 of the year they intend to retire will receive two equal lump sums of \$12,000, one on or before July 1 of the calendar year of retirement and the second on the following July 1 or before. Certain classified employees are also eligible to receive a retirement incentive.

The last installment of the 2008-2009 and the first installment of the 2009-2010 Retirement Incentive programs were paid prior to June 30, 2010. These payments of \$192,000 and \$12,000 were made from the General Fund and Bellefaire General Rotary Fund, respectively.

The last installment of the 2009-2010 Retirement Incentive Program will be paid on July 1, 2011. These payments of \$216,000 and \$12,000 will be made from the General Fund and Bellefaire General Rotary Fund, respectively, and are reported on the government-wide financial statements.

## Note 15: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2010 were as follows:

	Principal Outstanding 6/30/09	Additions	Deletions	Principal Outstanding at 6/30/10	Amounts Due in One Year
Governmental activities:					
2003 \$5,800,000 Energy Conservation Bonds - variable	\$ 3,085,000	\$ -	\$ 580,000	\$ 2,505,000	\$ 595,000
2002 \$9,499,990 Library Improvement Bonds - variable interest rate	8,085,000	-	295,000	7,790,000	310,000
Qualified Zone Academy Bonds	5,500,000	-	-	5,500,000	-
Capital lease obligations	775,783	2,600,966	1,318,347	2,058,402	786,470
Early retirement incentive	192,000	216,000	192,000	216,000	-
Compensated absences	<u>6,059,957</u>	<u>1,250,863</u>	<u>1,218,472</u>	<u>6,092,348</u>	<u>426,465</u>
Total governmental long-term liabilities	\$ <u>23,697,740</u>	\$ <u>4,067,829</u>	\$ <u>3,603,819</u>	\$ <u>24,161,750</u>	\$ <u>2,117,935</u>
Business-type activities:					
Early retirement incentive	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Compensated absences	<u>247,514</u>	<u>85,029</u>	<u>29,325</u>	<u>303,218</u>	<u>48,957</u>
Total business-type activities	\$ <u>259,514</u>	\$ <u>97,029</u>	\$ <u>41,325</u>	\$ <u>315,218</u>	\$ <u>48,957</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

**Note 15: Long - Term Liabilities (continued)**

Energy conservation bonds will be paid from property taxes. The 1998 and 2003 bonds have maturities of 2009 and 2014, respectively. Compensated absences will be paid from the General Fund, various other governmental and enterprise funds as they are paid.

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

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

The legal debt margin of the District as of June 30, 2010, was \$93,025,769 with an unvoted debt margin of \$1,144,796.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2010, are as follows:

	Energy Conservation Bonds			Library Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2011	\$ 595,000	\$ 79,819	\$ 674,819	\$ 310,000	\$ 376,457	\$ 686,457	\$ 1,361,276
2012	615,000	59,388	674,388	320,000	362,752	682,752	1,357,140
2013	635,000	37,513	672,513	335,000	348,174	683,174	1,355,687
2014	660,000	13,200	673,200	350,000	332,586	682,586	1,355,786
2015	-	-	-	365,000	315,959	680,959	680,959
2016-2020	-	-	-	2,120,000	1,286,788	3,406,788	3,406,788
2021-2025	-	-	-	2,705,000	686,224	3,391,224	3,391,224
2026-2030	-	-	-	<u>1,285,000</u>	<u>66,754</u>	<u>1,351,754</u>	<u>1,351,754</u>
Total	\$ <u>2,505,000</u>	\$ <u>189,920</u>	\$ <u>2,694,920</u>	\$ <u>7,790,000</u>	\$ <u>3,775,694</u>	\$ <u>11,565,694</u>	\$ <u>14,260,614</u>

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 16: Lease Obligations

The District has entered into capital leases for copier equipment and computers. These leases meet the criteria of a capital lease. Governmental activities capital assets consisting of copier equipment and computers have capital lease balances at June 30, 2010 in the amounts of \$1,850,585 and \$207,817, respectively. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$403,797 less accumulated depreciation, \$107,764. The present value of the future minimum lease payments at the time of acquisition for the computer equipment was \$2,600,966 less accumulated depreciation of \$285,491. Principal payments for all of capital leases in the 2010 fiscal year totaled \$1,318,347. These amounts are reported as program/function expenditures of the General Fund, Permanent Improvement Fund and State Fiscal Stabilization Fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2010:

	Capital Leases
2011	\$ 858,464
2012	860,001
2013	<u>470,984</u>
Total minimum lease payments	2,189,449
Less: amounts representing interest	<u>(131,047)</u>
Present value minimum capital lease payments	\$ <u>2,058,402</u>

## Note 17: Jointly Governed Organization

The Ohio Schools' Council Association (the Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints the Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2010, the District paid \$5,980 to the Council. Financial information can be obtained by contacting David A. Cottrell, Executive Director, at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 17: Jointly Governed Organization (continued)

Energy Acquisition Corporation, a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to prepurchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the school district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corporation.

The District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2004. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for their participants. If a participating school district terminates its agreement, the school district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

## Note 18: Set-Aside Requirements

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

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

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set-aside reserve balance as of June 30, 2009	\$ 966,022	\$ -
Current year set-aside requirements	1,021,221	1,021,221
Qualifying disbursements	<u>(252,415)</u>	<u>(3,124,091)</u>
Total	\$ <u>1,734,828</u>	\$ <u>(2,102,870)</u>
Set-aside balances carried forward to future years	\$ <u>1,734,828</u>	\$ <u>-</u>
Set-aside reserve balance as of June 30, 2010	\$ <u>1,734,828</u>	\$ <u>-</u>

Although the District had qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, these extra amounts may not be used to reduce the set-aside requirement in future years.



# Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

June 30, 2010

---

## Note 19: Contractual Commitments

At June 30, 2010, the District's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Emergency lighting upgrades	\$ 248,380	\$ 59,973	\$ 188,407
District-wide paving	336,632	123,800	212,832
Heights High locker room renovation	143,233	23,767	119,466
Heights High North entrance up-grade	79,000	18,738	60,262
Heights High snack shop	145,864	50,860	95,004
Board of Education restroom	111,070	39,231	71,839
Board of Education HVAC	108,467	36,011	72,456
Board of Education second floor renovation	41,226	-	41,226
District smart board power up-grade	138,300	20,538	117,762
Wiley bus parking expansion	171,120	-	171,120
Total	\$ <u>1,523,292</u>	\$ <u>372,918</u>	\$ <u>1,150,374</u>

## Note 20: Contingencies

### A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2010.

### B. Litigation

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

## Note 21: Related Organization

The Cleveland Heights-University Heights Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Cleveland Heights-University Heights Public Library at 2345 Lee Road, Cleveland Heights, Ohio 44118.



**MAYSON KALKE**  
*Grade 1*  
*Oxford Elementary*



**KELLY MOORE**  
*Grade 7*  
*Wiley Middle School*



**ETHAN QUILL**  
*Grade 2*  
*Boulevard Elementary*





# Combining Statements and Individual Fund Schedules



**REINA BAILEY**  
*Grade 5*  
*Boulevard Elementary*



**HANNAH THELLIAN**  
*Grade 5*  
*Fairfax Elementary*



**SARAI TRUITT**  
*Grade 3*  
*Boulevard Elementary*



# Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds

Fund Descriptions

June 30, 2010

---

## Nonmajor Special Revenue Funds

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

**Special Trust** This fund is used to account for monies used for purposes that are beneficial to the overall operation of the District.

**Public School Support** This fund is used for the general support of the school building, staff, and students.

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

**Venture Capital - Boulevard** This fund is used for government subsidy to improve achievement.

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

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

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

**Public School Preschool Grant** This fund accounts for the state revenues which address the educational needs of 4 year olds who are at risk of being poor achievers.

**School Net Professional Development** This fund was established to provide training for teachers to become practitioners. They will develop lesson labs related to proficiency outcomes.

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

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

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

# Cleveland Heights-University Heights City School District

## Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2010

---

### Nonmajor Special Revenue Funds (continued)

**Poverty Aid** This fund accounts for monies appropriated for poverty based assistance as part of the state foundation system. Programs included are academic intervention, all-day kindergarten, class-size reduction, Limited English Proficient students, professional development, dropout prevention and community outreach.

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

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

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

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

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

**State Fiscal Stabilization** The purpose of this fund accounts for federal monies that are part of the American Recovery and Reinvestment Act (the Stimulus Act) that were passed to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

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

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

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

# Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds  
Fund Descriptions

June 30, 2010

---

## Nonmajor Special Revenue Funds (continued)

***Title I*** The purpose of this federal program is to provide financial assistance to state and local education agencies to meet the special needs of educationally deprived children.

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

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

***Preschool Disabilities Grant*** The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

***Title IIA - Improving Teacher Quality*** This fund is used to account for various monies received through state agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

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

## Nonmajor Debt Service Fund

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

## Nonmajor Capital Projects Fund

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

# Cleveland Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2010

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 2,088,956	\$ 99,138	\$ 1,923,203	\$ 4,111,297
Accounts receivable	38,368	-	-	38,368
Intergovernmental receivable	2,650,458	-	-	2,650,458
Taxes receivable	-	756,060	3,311,856	4,067,916
Restricted cash	-	-	3,741,214	3,741,214
Total assets	<u>\$ 4,777,782</u>	<u>\$ 855,198</u>	<u>\$ 8,976,273</u>	<u>\$ 14,609,253</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 351,693	\$ -	\$ 555,580	\$ 907,273
Accrued wages and benefits	63,193	-	-	63,193
Interfund payable	1,243,310	-	-	1,243,310
Intergovernmental payable	146,992	-	-	146,992
Deferred revenue	<u>2,517,759</u>	<u>566,035</u>	<u>2,458,831</u>	<u>5,542,625</u>
Total liabilities	<u>4,322,947</u>	<u>566,035</u>	<u>3,014,411</u>	<u>7,903,393</u>
<b>Fund balances:</b>				
Reserved for encumbrances	444,765	-	1,195,891	1,640,656
Reserved for property taxes	-	190,025	853,025	1,043,050
Reserved for debt	-	99,138	-	99,138
Unreserved; undesignated	<u>10,070</u>	<u>-</u>	<u>3,912,946</u>	<u>3,923,016</u>
Total fund balances	<u>454,835</u>	<u>289,163</u>	<u>5,961,862</u>	<u>6,705,860</u>
Total liabilities and fund balances	<u>\$ 4,777,782</u>	<u>\$ 855,198</u>	<u>\$ 8,976,273</u>	<u>\$ 14,609,253</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ -	\$ 576,576	\$ 2,658,183	\$ 3,234,759
Intergovernmental	10,040,725	90,680	453,401	10,584,806
Earnings on investments	10,285	-	148,706	158,991
Extracurricular activities	247,153	-	-	247,153
Classroom materials and fees	21,525	-	-	21,525
Miscellaneous	720,219	-	-	720,219
Total revenues	<u>11,039,907</u>	<u>667,256</u>	<u>3,260,290</u>	<u>14,967,453</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	685,952	-	-	685,952
Special	2,752,259	-	-	2,752,259
Vocational	207,288	-	-	207,288
Adult/continuing	168,243	-	-	168,243
<b>Support services:</b>				
Pupil	874,376	-	-	874,376
Instructional staff	4,767,829	-	-	4,767,829
Administration	511,967	-	-	511,967
Fiscal	110,710	-	-	110,710
Operations and maintenance of plant	-	-	2,700,589	2,700,589
Pupil transportation	126,993	-	-	126,993
Central	319,092	-	-	319,092
<b>Operation of non-instructional services:</b>				
Community services	2,125,812	-	-	2,125,812
Extracurricular activities	310,895	-	-	310,895
<b>Debt services:</b>				
Principal	945,360	875,000	10,612	1,830,972
Interest and fiscal charges	7,826	487,504	36	495,366
Total expenditures	<u>13,914,602</u>	<u>1,362,504</u>	<u>2,711,237</u>	<u>17,988,343</u>
Excess of revenues over (under) expenditures	<u>(2,874,695)</u>	<u>(695,248)</u>	<u>549,053</u>	<u>(3,020,890)</u>

Continued



# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
Other financing sources (uses):				
Inception of capital leases	2,600,966	-	-	2,600,966
Transfers - in	220,000	350,000	-	570,000
Transfers - out	-	-	(350,000)	(350,000)
Total other financing sources (uses)	<u>2,820,966</u>	<u>350,000</u>	<u>(350,000)</u>	<u>2,820,966</u>
Net change in fund balance	(53,729)	(345,248)	199,053	(199,924)
Fund balance at beginning of year	<u>508,564</u>	<u>634,411</u>	<u>5,762,809</u>	<u>6,905,784</u>
Fund balance at end of year	\$ <u>454,835</u>	\$ <u>289,163</u>	\$ <u>5,961,862</u>	\$ <u>6,705,860</u>

# Cleveland Heights-University Heights City School District

## Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2010

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Venture Capital - Boulevard</u>	<u>District Managed Activity</u>
Assets:					
Equity in pooled cash and investments	\$ 377,107	\$ 69,146	\$ 573,006	\$ 58	\$ 39,326
Accounts receivable	-	-	34,615	-	-
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ 377,107</u>	<u>\$ 69,146</u>	<u>\$ 607,621</u>	<u>\$ 58</u>	<u>\$ 39,326</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 82,630	\$ -	\$ 6,469
Accrued wages and benefits	-	-	26,880	-	340
Interfund payable	-	-	-	-	-
Intergovernmental payable	-	-	575	-	1,436
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>110,085</u>	<u>-</u>	<u>8,245</u>
Fund balances:					
Reserved for encumbrances	-	5,988	111,774	-	24,297
Unreserved; undesignated (deficit)	<u>377,107</u>	<u>63,158</u>	<u>385,762</u>	<u>58</u>	<u>6,784</u>
Total fund balances (deficit)	<u>377,107</u>	<u>69,146</u>	<u>497,536</u>	<u>58</u>	<u>31,081</u>
Total liabilities and fund balances	<u>\$ 377,107</u>	<u>\$ 69,146</u>	<u>\$ 607,621</u>	<u>\$ 58</u>	<u>\$ 39,326</u>

---

<u>Auxiliary Services</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>	<u>School Net Professional Development</u>
\$ 385,032	\$ 3,356	\$ -	\$ -
-	-	-	-
<u>166,455</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>551,487</u>	\$ <u>3,356</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 80,521	\$ -	\$ -	\$ -
527	-	4,069	-
-	190,000	-	-
-	6,430	5,148	-
-	-	-	-
<u>81,048</u>	<u>196,430</u>	<u>9,217</u>	<u>-</u>
62,659	-	-	-
<u>407,780</u>	<u>(193,074)</u>	<u>(9,217)</u>	<u>-</u>
<u>470,439</u>	<u>(193,074)</u>	<u>(9,217)</u>	<u>-</u>
\$ <u>551,487</u>	\$ <u>3,356</u>	\$ <u>-</u>	\$ <u>-</u>

Continued

# Cleveland Heights-University Heights City School District

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

June 30, 2010

	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Poverty Aid</u>	<u>Alternative School Grant</u>
Assets:					
Equity in pooled cash and investments	\$ -	\$ -	\$ 1,771	\$ -	\$ 372
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 372</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-	-
Interfund payable	12,158	19,312	-	-	1,000
Intergovernmental payable	-	-	1,167	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>12,158</u>	<u>19,312</u>	<u>1,167</u>	<u>-</u>	<u>1,000</u>
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Unreserved; undesignated (deficit)	<u>(12,158)</u>	<u>(19,312)</u>	<u>604</u>	<u>-</u>	<u>(628)</u>
Total fund balances (deficit)	<u>(12,158)</u>	<u>(19,312)</u>	<u>604</u>	<u>-</u>	<u>(628)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 372</u>

---

<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>	<u>State Fiscal Stabilization</u>
\$ 33,487	\$ 6,816	\$ 172,869	\$ 9,256	\$ -
-	-	3,753	-	-
-	34,064	1,044,921	22,648	-
<u>\$ 33,487</u>	<u>\$ 40,880</u>	<u>\$ 1,221,543</u>	<u>\$ 31,904</u>	<u>\$ -</u>
\$ -	\$ 622	\$ 99,325	\$ 6,250	\$ -
-	197	18,368	3,966	-
-	35,000	425,000	22,000	-
149	2,072	63,548	6,562	-
-	34,064	1,044,921	22,648	-
<u>149</u>	<u>71,955</u>	<u>1,651,162</u>	<u>61,426</u>	<u>-</u>
9,137	5,823	75,557	2,173	-
24,201	(36,898)	(505,176)	(31,695)	-
<u>33,338</u>	<u>(31,075)</u>	<u>(429,619)</u>	<u>(29,522)</u>	<u>-</u>
<u>\$ 33,487</u>	<u>\$ 40,880</u>	<u>\$ 1,221,543</u>	<u>\$ 31,904</u>	<u>\$ -</u>

Continued

# Cleveland Heights-University Heights City School District

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

June 30, 2010

	Title II-D Technology <u>Grants</u>	Title 1 <u>Improvement</u>	<u>Title III</u>	<u>Title I</u>	Title V Innovative <u>Program</u>
Assets:					
Equity in pooled cash and investments	\$ 321	\$ 42	\$ 99	\$ 382,674	\$ 611
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	<u>18,769</u>	<u>41,605</u>	<u>9,143</u>	<u>1,103,169</u>	<u>-</u>
Total assets	<u>\$ 19,090</u>	<u>\$ 41,647</u>	<u>\$ 9,242</u>	<u>\$ 1,485,843</u>	<u>\$ 611</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 75,190	\$ -
Accrued wages and benefits	-	-	1,020	6,029	-
Interfund payable	2,800	1,800	5,314	413,500	3,309
Intergovernmental payable	939	76	1,447	40,953	-
Deferred revenue	<u>49,894</u>	<u>41,605</u>	<u>9,143</u>	<u>1,103,169</u>	<u>-</u>
Total liabilities	<u>53,633</u>	<u>43,481</u>	<u>16,924</u>	<u>1,638,841</u>	<u>3,309</u>
Fund balances:					
Reserved for encumbrances	244	-	-	123,380	-
Unreserved; undesignated (deficit)	<u>(34,787)</u>	<u>(1,834)</u>	<u>(7,682)</u>	<u>(276,378)</u>	<u>(2,698)</u>
Total fund balances (deficit)	<u>(34,543)</u>	<u>(1,834)</u>	<u>(7,682)</u>	<u>(152,998)</u>	<u>(2,698)</u>
Total liabilities and fund balances	<u>\$ 19,090</u>	<u>\$ 41,647</u>	<u>\$ 9,242</u>	<u>\$ 1,485,843</u>	<u>\$ 611</u>

<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 437	\$ 15	\$ 15,177	\$ 17,978	\$ 2,088,956
-	-	-	-	38,368
<u>14,933</u>	<u>-</u>	<u>97,024</u>	<u>97,727</u>	<u>2,650,458</u>
<u>\$ 15,370</u>	<u>\$ 15</u>	<u>\$ 112,201</u>	<u>\$ 115,705</u>	<u>\$ 4,777,782</u>
\$ -	\$ -	\$ 134	\$ 552	\$ 351,693
-	-	-	1,797	63,193
3,800	2,700	16,932	88,685	1,243,310
313	1,150	3,941	11,086	146,992
<u>14,933</u>	<u>2,631</u>	<u>97,024</u>	<u>97,727</u>	<u>2,517,759</u>
<u>19,046</u>	<u>6,481</u>	<u>118,031</u>	<u>199,847</u>	<u>4,322,947</u>
410	-	5,494	17,829	444,765
<u>(4,086)</u>	<u>(6,466)</u>	<u>(11,324)</u>	<u>(101,971)</u>	<u>10,070</u>
<u>(3,676)</u>	<u>(6,466)</u>	<u>(5,830)</u>	<u>(84,142)</u>	<u>454,835</u>
<u>\$ 15,370</u>	<u>\$ 15</u>	<u>\$ 112,201</u>	<u>\$ 115,705</u>	<u>\$ 4,777,782</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	Special Trust	Public School Support	Other Grants	Venture Capital - Boulevard	District Managed Activity
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 5,240	\$ -	\$ -
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	152,128	-	-	95,025
Classroom materials and fees	-	21,525	-	-	-
Miscellaneous	<u>128,508</u>	<u>18,238</u>	<u>489,172</u>	<u>-</u>	<u>13,115</u>
Total revenues	<u>128,508</u>	<u>191,891</u>	<u>494,412</u>	<u>-</u>	<u>108,140</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	176,312	90,620	-	-
Special	-	-	3,646	-	-
Vocational	-	-	8,371	-	-
Adult/continuing	-	-	3,158	-	-
Support services:					
Pupil	-	-	4,330	-	-
Instructional staff	-	662	234,764	-	-
Administration	-	-	6,219	-	-
Fiscal	-	-	-	-	-
Pupil transportation	-	-	8,542	-	-
Central	121,882	-	-	-	-
Operation of non-instructional services:					
Community services	-	-	54,133	-	6,523
Extracurricular activities	4,350	-	3,500	-	303,045
Debt services:					
Principal	-	-	-	-	-
Interest and fiscal services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>126,232</u>	<u>176,974</u>	<u>417,283</u>	<u>-</u>	<u>309,568</u>
Excess of revenues over (under) expenditures	<u>2,276</u>	<u>14,917</u>	<u>77,129</u>	<u>-</u>	<u>(201,428)</u>
Other financing sources (uses):					
Inception of capital leases	-	-	-	-	-
Transfers - in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,000</u>
Net change in fund balance	2,276	14,917	77,129	-	18,572
Fund balance (deficit) at beginning of year	<u>374,831</u>	<u>54,229</u>	<u>420,407</u>	<u>58</u>	<u>12,509</u>
Fund balance (deficit) at end of year	\$ <u><u>377,107</u></u>	\$ <u><u>69,146</u></u>	\$ <u><u>497,536</u></u>	\$ <u><u>58</u></u>	\$ <u><u>31,081</u></u>



<u>Auxiliary Services</u>	<u>Educational Management Information System</u>	<u>Public School Preschool Grant</u>	<u>School Net Professional Development</u>
\$ 1,914,708	\$ 11,275	\$ 92,156	\$ -
10,285	-	-	-
-	-	-	-
-	-	-	-
-	-	-	118
<u>1,924,993</u>	<u>11,275</u>	<u>92,156</u>	<u>118</u>
-	-	78,456	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,202	-
-	-	3,759	-
-	-	-	-
-	-	-	-
-	197,210	-	-
1,755,670	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,755,670</u>	<u>197,210</u>	<u>83,417</u>	<u>-</u>
<u>169,323</u>	<u>(185,935)</u>	<u>8,739</u>	<u>118</u>
-	-	-	-
-	-	-	-
-	-	-	-
169,323	(185,935)	8,739	118
<u>301,116</u>	<u>(7,139)</u>	<u>(17,956)</u>	<u>(118)</u>
\$ <u>470,439</u>	\$ <u>(193,074)</u>	\$ <u>(9,217)</u>	\$ <u>-</u>

Continued

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Career Technical/ Adult Education</u>	<u>Poverty Aid</u>	<u>Alternative School Grant</u>
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 1,771	\$ -	\$ 93,679
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Classroom materials and fees	-	-	-	-	-
Miscellaneous	-	-	-	59,569	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,771</u>	<u>59,569</u>	<u>93,679</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	-	-
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	61	-
Support services:					
Pupil	-	-	-	-	65,652
Instructional staff	-	-	1,167	-	-
Administration	-	-	-	-	-
Fiscal	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Community services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Debt services:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,167</u>	<u>61</u>	<u>65,652</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>604</u>	<u>59,508</u>	<u>28,027</u>
Other financing sources (uses):					
Inception of capital leases	-	-	-	-	-
Transfers - in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	604	59,508	28,027
Fund balance (deficit) at beginning of year	<u>(12,158)</u>	<u>(19,312)</u>	<u>-</u>	<u>(59,508)</u>	<u>(28,655)</u>
Fund balance (deficit) at end of year	<u>\$ (12,158)</u>	<u>\$ (19,312)</u>	<u>\$ 604</u>	<u>\$ -</u>	<u>\$ (628)</u>

<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA (Flo-Thru)</u>	<u>Vocational Education</u>	<u>State Fiscal Stabilization</u>
\$ -	\$ 258,594	\$ 2,157,706	\$ 287,005	\$ 1,159,540
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	3,753	-	-
<u>-</u>	<u>258,594</u>	<u>2,161,459</u>	<u>287,005</u>	<u>1,159,540</u>
-	-	72,943	-	-
13,329	-	433,497	-	-
-	-	-	198,917	-
-	165,024	-	-	-
16,090	-	409,521	97,270	-
21,971	83,274	757,568	-	2,807,320
-	8,416	360,609	-	-
-	4,086	35,734	-	-
3,358	-	46,913	83	-
-	-	-	-	-
38,893	-	148,326	-	-
-	-	-	-	-
-	-	-	-	945,360
-	-	-	-	7,826
<u>93,641</u>	<u>260,800</u>	<u>2,265,111</u>	<u>296,270</u>	<u>3,760,506</u>
<u>(93,641)</u>	<u>(2,206)</u>	<u>(103,652)</u>	<u>(9,265)</u>	<u>(2,600,966)</u>
-	-	-	-	2,600,966
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,600,966</u>
(93,641)	(2,206)	(103,652)	(9,265)	-
<u>126,979</u>	<u>(28,869)</u>	<u>(325,967)</u>	<u>(20,257)</u>	<u>-</u>
\$ <u>33,338</u>	\$ <u>(31,075)</u>	\$ <u>(429,619)</u>	\$ <u>(29,522)</u>	\$ <u>-</u>

Continued

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	Title II-D Technology Grants	Title 1 Improvement	Title III	Title I	Title V Innovative Program
Revenues:					
Intergovernmental	\$ 61,568	\$ 84,395	\$ 21,366	\$ 3,070,622	\$ -
Earnings on investments	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Classroom materials and fees	-	-	-	-	-
Miscellaneous	-	-	-	7,746	-
Total revenues	<u>61,568</u>	<u>84,395</u>	<u>21,366</u>	<u>3,078,368</u>	<u>-</u>
Expenditures:					
Current:					
Instruction:					
Regular	62,815	-	-	-	-
Special	-	-	-	2,300,700	1,087
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	-	-	20,351	696	-
Instructional staff	31,902	84,579	-	416,049	-
Administration	-	-	-	124,042	-
Fiscal	218	1,650	381	54,622	4
Pupil transportation	-	-	-	29,408	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Community services	1,176	-	-	117,109	-
Extracurricular activities	-	-	-	-	-
Debt services:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>96,111</u>	<u>86,229</u>	<u>20,732</u>	<u>3,042,626</u>	<u>1,091</u>
Excess of revenues over (under) expenditures	<u>(34,543)</u>	<u>(1,834)</u>	<u>634</u>	<u>35,742</u>	<u>(1,091)</u>
Other financing sources (uses):					
Inception of capital leases	-	-	-	-	-
Transfers - in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(34,543)	(1,834)	634	35,742	(1,091)
Fund balance (deficit) at beginning of year	-	-	(8,316)	(188,740)	(1,607)
Fund balance (deficit) at end of year	\$ <u>(34,543)</u>	\$ <u>(1,834)</u>	\$ <u>(7,682)</u>	\$ <u>(152,998)</u>	\$ <u>(2,698)</u>

<u>Drug Free Schools</u>	<u>Preschool Disabilities Grant</u>	<u>Title IIA- Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 23,147	\$ 65,106	\$ 309,187	\$ 423,660	\$ 10,040,725
-	-	-	-	10,285
-	-	-	-	247,153
-	-	-	-	21,525
-	-	-	-	720,219
<u>23,147</u>	<u>65,106</u>	<u>309,187</u>	<u>423,660</u>	<u>11,039,907</u>
-	-	-	204,806	685,952
-	-	-	-	2,752,259
-	-	-	-	207,288
-	-	-	-	168,243
24,067	67,925	-	168,474	874,376
-	-	254,742	72,629	4,767,829
-	-	-	8,922	511,967
446	1,659	4,949	6,961	110,710
-	-	-	38,689	126,993
-	-	-	-	319,092
295	-	2,187	1,500	2,125,812
-	-	-	-	310,895
-	-	-	-	945,360
-	-	-	-	7,826
<u>24,808</u>	<u>69,584</u>	<u>261,878</u>	<u>501,981</u>	<u>13,914,602</u>
<u>(1,661)</u>	<u>(4,478)</u>	<u>47,309</u>	<u>(78,321)</u>	<u>(2,874,695)</u>
-	-	-	-	2,600,966
-	-	-	-	220,000
-	-	-	-	2,820,966
(1,661)	(4,478)	47,309	(78,321)	(53,729)
<u>(2,015)</u>	<u>(1,988)</u>	<u>(53,139)</u>	<u>(5,821)</u>	<u>508,564</u>
\$ <u><u>(3,676)</u></u>	\$ <u><u>(6,466)</u></u>	\$ <u><u>(5,830)</u></u>	\$ <u><u>(84,142)</u></u>	\$ <u><u>454,835</u></u>



**NATALIE NOBLE**  
*Grade 3*  
*Canterbury Elementary*



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



**EMMA QUILL**  
*Grade 4*  
*Boulevard Elementary*



**MARIAH GIORDANO-BRIGGS**  
*Grade 4*  
*Boulevard Elementary*



# Cleveland Heights-University Heights City School District

## General Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 62,000,000	\$ 62,000,000	\$ 64,382,199	\$ 2,382,199
Intergovernmental	29,435,000	29,435,000	31,888,873	2,453,873
Tuition and fees	1,000,000	1,000,000	1,142,550	142,550
Earnings on investments	375,000	375,000	361,970	(13,030)
Miscellaneous	<u>32,500</u>	<u>414,351</u>	<u>1,150,679</u>	<u>736,328</u>
Total revenues	<u>92,842,500</u>	<u>93,224,351</u>	<u>98,926,271</u>	<u>5,701,920</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Salaries and wages	26,826,649	27,462,608	26,462,608	1,000,000
Employee benefits	9,179,242	9,941,194	9,941,194	-
Purchased services	236,028	185,336	172,132	13,204
Supplies and materials	361,088	499,490	492,665	6,825
Capital outlay	38,557	35,132	31,102	4,030
Other	<u>47,357</u>	<u>45,158</u>	<u>38,839</u>	<u>6,319</u>
Total regular	<u>36,688,921</u>	<u>38,168,918</u>	<u>37,138,540</u>	<u>1,030,378</u>
<b>Special:</b>				
Salaries and wages	7,022,700	7,974,573	6,974,573	1,000,000
Employee benefits	2,901,790	2,430,066	2,429,057	1,009
Purchased services	128,399	116,713	98,456	18,257
Supplies and materials	72,844	58,231	58,231	-
Capital outlay	6,100	3,295	2,817	478
Other	<u>10,265</u>	<u>7,699</u>	<u>7,699</u>	<u>-</u>
Total special	<u>10,142,098</u>	<u>10,590,577</u>	<u>9,570,833</u>	<u>1,019,744</u>
<b>Vocational:</b>				
Salaries and wages	1,239,851	1,298,203	1,298,203	-
Employee benefits	458,582	399,570	399,570	-
Purchased services	2,700	1,371	1,356	15
Supplies and materials	48,028	50,774	49,626	1,148
Capital outlay	<u>19,837</u>	<u>38,908</u>	<u>38,767</u>	<u>141</u>
Total vocational	<u>1,768,998</u>	<u>1,788,826</u>	<u>1,787,522</u>	<u>1,304</u>

Continued

# Cleveland Heights-University Heights City School District

## General Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Adult/continuing:				
Salaries and wages	5,726	65,085	65,085	-
Employee benefits	2,266	11,838	11,638	200
Total adult/continuing	<u>7,992</u>	<u>76,923</u>	<u>76,723</u>	<u>200</u>
Other instruction:				
Salaries and wages	547,936	454,429	354,429	100,000
Employee benefits	208,857	147,006	147,006	-
Purchased services	3,465,365	4,303,763	4,203,763	100,000
Supplies and materials	11,000	11,602	11,602	-
Other	6,200	43,797	43,797	-
Total other instruction	<u>4,239,358</u>	<u>4,960,597</u>	<u>4,760,597</u>	<u>200,000</u>
Total instruction	<u>52,847,367</u>	<u>55,585,841</u>	<u>53,334,215</u>	<u>2,251,626</u>
Support services:				
Pupil:				
Salaries and wages	5,778,510	6,011,641	5,854,166	157,475
Employee benefits	2,253,088	1,946,227	1,946,227	-
Purchased services	358,773	292,763	292,763	-
Supplies and materials	59,314	39,885	39,885	-
Other	6,895	3,248	3,248	-
Total pupil	<u>8,456,580</u>	<u>8,293,764</u>	<u>8,136,289</u>	<u>157,475</u>
Instructional staff:				
Salaries and wages	1,913,957	1,827,768	1,827,768	-
Employee benefits	762,051	598,948	598,948	-
Purchased services	238,646	390,216	390,216	-
Supplies and materials	764,510	309,331	309,331	-
Capital outlay	811,720	431,600	431,000	600
Other	12,988	12,000	11,866	134
Total instructional staff	<u>4,503,872</u>	<u>3,569,863</u>	<u>3,569,129</u>	<u>734</u>
Board of education:				
Salaries and wages	35,000	18,125	18,125	-
Employee benefits	4,000	93,600	90,871	2,729
Purchased services	592,972	384,500	384,497	3
Supplies and materials	1,500	5,000	2,652	2,348
Other	20,000	19,705	14,087	5,618
Total board of education	<u>653,472</u>	<u>520,930</u>	<u>510,232</u>	<u>10,698</u>

Continued



# Cleveland Heights-University Heights City School District

## General Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Administration:</b>				
Salaries and wages	3,531,718	3,715,000	3,693,523	21,477
Employee benefits	1,852,699	1,612,000	1,607,399	4,601
Purchased services	274,853	202,000	199,650	2,350
Supplies and materials	200,299	192,290	166,974	25,316
Capital outlay	67,211	54,599	25,229	29,370
Other	44,505	30,000	29,188	812
Total administration	<u>5,971,285</u>	<u>5,805,889</u>	<u>5,721,963</u>	<u>83,926</u>
<b>Fiscal:</b>				
Salaries and wages	597,809	617,000	610,863	6,137
Employee benefits	347,842	309,000	306,491	2,509
Purchased services	137,174	128,400	126,005	2,395
Supplies and materials	16,128	36,128	17,789	18,339
Other	1,119,725	1,905,494	1,858,152	47,342
Total fiscal	<u>2,218,678</u>	<u>2,996,022</u>	<u>2,919,300</u>	<u>76,722</u>
<b>Business:</b>				
Salaries and wages	208,636	208,636	203,674	4,962
Employee benefits	111,175	111,175	98,662	12,513
Purchased services	880,876	610,665	598,218	12,447
Supplies and materials	136,854	187,236	185,667	1,569
Capital outlay	76,576	169,776	169,677	99
Other	279,950	305,350	302,084	3,266
Total business	<u>1,694,067</u>	<u>1,592,838</u>	<u>1,557,982</u>	<u>34,856</u>
<b>Operations and maintenance of plant:</b>				
Salaries and wages	4,265,054	4,265,054	3,952,520	312,534
Employee benefits	2,552,585	2,528,831	2,150,105	378,726
Purchased services	4,594,533	4,963,771	4,603,413	360,358
Supplies and materials	789,653	878,334	834,727	43,607
Capital outlay	541,649	843,477	397,662	445,815
Other	40,476	41,501	41,142	359
Total operations and maintenance of plant	<u>12,783,950</u>	<u>13,520,968</u>	<u>11,979,569</u>	<u>1,541,399</u>

Continued

# Cleveland Heights-University Heights City School District

## General Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Salaries and wages	1,770,570	1,948,000	1,944,152	3,848
Employee benefits	774,313	780,000	776,504	3,496
Purchased services	1,086,795	1,336,732	1,281,454	55,278
Supplies and materials	893,411	359,975	340,349	19,626
Capital outlay	14,700	7,668	3,468	4,200
Other	27,160	27,160	24,787	2,373
Total pupil transportation	<u>4,566,949</u>	<u>4,459,535</u>	<u>4,370,714</u>	<u>88,821</u>
Central:				
Salaries and wages	1,258,091	1,208,933	1,200,746	8,187
Employee benefits	629,561	550,846	546,274	4,572
Purchased services	1,324,440	1,259,000	1,248,425	10,575
Supplies and materials	273,832	398,069	382,587	15,482
Capital outlay	482,824	423,874	412,153	11,721
Other	18,355	26,150	25,737	413
Total central	<u>3,987,103</u>	<u>3,866,872</u>	<u>3,815,922</u>	<u>50,950</u>
Total support services	<u>44,835,956</u>	<u>44,626,681</u>	<u>42,581,100</u>	<u>2,045,581</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>10,344</u>	<u>12,344</u>	<u>11,967</u>	<u>377</u>
Other non-instructional services:				
Salaries and wages	78,963	78,963	75,562	3,401
Employee benefits	44,863	44,863	39,418	5,445
Purchased services	3,000	2,875	2,489	386
Supplies and materials	2,200	2,200	1,333	867
Other	125	250	250	-
Total other non-instructional services	<u>129,151</u>	<u>129,151</u>	<u>119,052</u>	<u>10,099</u>
Total operation of non-instructional services	<u>139,495</u>	<u>141,495</u>	<u>131,019</u>	<u>10,476</u>

Continued

# Cleveland Heights-University Heights City School District

## General Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Food service operations:				
Salaries and wages	-	5,000	4,740	260
Employee benefits	-	900	760	140
Total food service operations	-	5,900	5,500	400
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	540,083	220,000	217,491	2,509
Employee benefits	52,464	37,000	35,650	1,350
Total academic and subject oriented	592,547	257,000	253,141	3,859
Occupation oriented:				
Salaries and wages	1,251	1,251	-	1,251
Employee benefits	230	230	-	230
Total occupation oriented	1,481	1,481	-	1,481
Sports oriented:				
Salaries and wages	527,356	767,192	708,322	58,870
Employee benefits	138,478	189,000	165,802	23,198
Total sports oriented	665,834	956,192	874,124	82,068
Co-curricular activities:				
Salaries and wages	30,968	70,000	69,381	619
Employee benefits	12,845	18,551	10,941	7,610
Total co-curricular activities	43,813	88,551	80,322	8,229
Total extracurricular activities	1,303,675	1,303,224	1,207,587	95,637
Total expenditures	99,126,493	101,663,141	97,259,421	4,403,720
Excess of revenues over (under) expenditures	(6,283,993)	(8,438,790)	1,666,850	10,105,640
Other financing sources (uses):				
Transfers - out	(750,000)	(750,000)	(220,000)	530,000
Advances - in	1,000,000	1,028,650	1,028,650	-
Advances - out	(1,000,000)	(2,179,400)	(2,179,400)	-
Total other financing sources (uses)	(750,000)	(1,900,750)	(1,370,750)	530,000
Net change in fund balance	(7,033,993)	(10,339,540)	296,100	10,635,640
Fund balance at beginning of year	34,910,518	34,910,518	34,910,518	-
Prior year encumbrances appropriated	2,843,715	2,843,715	2,843,715	-
Fund balance at end of year	\$ 30,720,240	\$ 27,414,693	\$ 38,050,333	\$ 10,635,640

# Cleveland Heights-University Heights City School District

## Special Trust Fund

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

For the Fiscal Year Ended June 30, 2010

---

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 46,475	\$ 128,508	\$ 82,033
Expenditures:				
Current:				
Central:				
Purchased services	-	32,283	126,232	(93,949)
Net change in fund balance	-	14,192	2,276	(11,916)
Fund balance at beginning of year	374,831	374,831	374,831	-
Fund balance at end of year	\$ 374,831	\$ 389,023	\$ 377,107	\$ (11,916)

# Cleveland Heights-University Heights City School District

## Public School Support Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Extracurricular activities	\$ -	\$ 162,515	\$ 152,128	\$ (10,387)
Classroom materials and fees	-	21,525	21,525	-
Miscellaneous	-	61,154	18,238	(42,916)
Total revenues	-	245,194	191,891	(53,303)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Purchased services	2,092	112,717	85,032	27,685
Supplies and materials	1,705	126,710	71,237	55,473
Capital outlay	860	3,989	3,989	-
Other	105	39,665	23,166	16,499
Total instruction	4,762	283,081	183,424	99,657
<b>Support services:</b>				
<b>Instructional staff:</b>				
Supplies and materials	285	1,861	662	1,199
<b>Business:</b>				
Supplies and materials	580	9,041	580	8,461
Total support services	865	10,902	1,242	9,660
Total expenditures	5,627	293,983	184,666	109,317
Net change in fund balance	(5,627)	(48,789)	7,225	56,014
Fund balance at beginning of year	50,306	50,306	50,306	-
Prior year encumbrances appropriated	5,626	5,626	5,626	-
Fund balance at end of year	\$ 50,305	\$ 7,143	\$ 63,157	\$ 56,014

# Cleveland Heights-University Heights City School District

## Other Grants Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 975	\$ 974	\$ 5,240	\$ 4,266
Miscellaneous	121,264	927,507	473,751	(453,756)
Total revenues	<u>122,239</u>	<u>928,481</u>	<u>478,991</u>	<u>(449,490)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Salaries and wages	42,093	48,896	14,385	34,511
Employee benefits	7,730	11,057	2,440	8,617
Purchased services	6,876	41,765	31,252	10,513
Supplies and materials	23,775	43,761	30,002	13,759
Capital outlay	9	5,888	3,080	2,808
Other	4,298	5,473	3,131	2,342
Total regular	<u>84,781</u>	<u>156,840</u>	<u>84,290</u>	<u>72,550</u>
<b>Special:</b>				
Salaries and wages	-	1,158	-	1,158
Purchased services	70	70	-	70
Supplies and materials	194	3,536	3,536	-
Total special	<u>264</u>	<u>4,764</u>	<u>3,536</u>	<u>1,228</u>
<b>Vocational:</b>				
Salaries and wages	21	1,500	1,500	-
Employee benefits	3	1,000	251	749
Purchased services	1,860	-	-	-
Supplies and materials	21	8,104	6,620	1,484
Capital outlay	18	-	-	-
Total vocational	<u>1,923</u>	<u>10,604</u>	<u>8,371</u>	<u>2,233</u>
<b>Adult/continuing:</b>				
Salaries and wages	20,729	20,729	1,229	19,500
Employee benefits	6,546	6,022	206	5,816
Purchased services	21,420	21,420	493	20,927
Supplies and materials	2,903	2,741	1,168	1,573
Capital outlay	6	6	-	6
Total adult/continuing	<u>51,604</u>	<u>50,918</u>	<u>3,096</u>	<u>47,822</u>
Total instruction	<u>138,572</u>	<u>223,126</u>	<u>99,293</u>	<u>123,833</u>

Continued

# Cleveland Heights-University Heights City School District

## Other Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services:				
Pupil:				
Purchased services	1,178	1,178	200	978
Supplies and materials	2,902	5,534	4,663	871
Capital outlay	308	-	-	-
Other	227	100	50	50
Total pupil	<u>4,615</u>	<u>6,812</u>	<u>4,913</u>	<u>1,899</u>
Instructional staff:				
Salaries and wages	9,233	8,974	7,858	1,116
Employee benefits	4,006	1,541	1,315	226
Purchased services	95,210	493,649	316,741	176,908
Supplies and materials	7,664	138,971	13,248	125,723
Total instructional staff	<u>116,113</u>	<u>643,135</u>	<u>339,162</u>	<u>303,973</u>
Administration:				
Purchased services	24,475	29,577	4,024	25,553
Supplies and materials	1,598	3,964	2,195	1,769
Total administration	<u>26,073</u>	<u>33,541</u>	<u>6,219</u>	<u>27,322</u>
Business:				
Purchased services	28,500	28,500	-	28,500
Supplies and materials	1,500	1,500	-	1,500
Total business	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Pupil transportation:				
Purchased services	8,820	17,283	13,009	4,274
Total support services	<u>185,621</u>	<u>730,771</u>	<u>363,303</u>	<u>367,468</u>
Operation of non-instructional services:				
Community services:				
Supplies and materials	50	50	-	50
Other	32,634	32,634	4,421	28,213
Total operation of non-instructional services	<u>32,684</u>	<u>32,684</u>	<u>4,421</u>	<u>28,263</u>
Extracurricular activities:				
Other	3,000	3,500	3,500	-
Total expenditures	<u>359,877</u>	<u>990,081</u>	<u>470,517</u>	<u>519,564</u>

Continued

# Cleveland Heights-University Heights City School District

## Other Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	<u>(237,638)</u>	<u>(61,600)</u>	<u>8,474</u>	<u>70,074</u>
Other financing sources (uses):				
Transfers - in	152,157	18,823	-	(18,823)
Transfers - out	(563)	(3,581)	-	3,581
Advances - in	<u>385,000</u>	<u>385,000</u>	-	<u>(385,000)</u>
Total other financing sources (uses)	<u>536,594</u>	<u>400,242</u>	-	<u>(400,242)</u>
Net change in fund balance	298,956	338,642	8,474	(330,168)
Fund balance at beginning of year	375,315	375,315	375,315	-
Prior year encumbrances appropriated	<u>48,310</u>	<u>48,310</u>	<u>48,310</u>	-
Fund balance at end of year	\$ <u><u>722,581</u></u>	\$ <u><u>762,267</u></u>	\$ <u><u>432,099</u></u>	\$ <u><u>(330,168)</u></u>



# Cleveland Heights-University Heights City School District

## Venture Capital - Boulevard Fund

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

For the Fiscal Year Ended June 30, 2010

---

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ <u>58</u>	\$ <u>58</u>	\$ <u>58</u>	\$ <u>-</u>
Fund balance at end of year	\$ <u>58</u>	\$ <u>58</u>	\$ <u>58</u>	\$ <u>-</u>

# Cleveland Heights-University Heights City School District

## District Managed Activity Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 39,000	\$ 110,729	\$ 95,025	\$ (15,704)
Miscellaneous	5,000	47,224	13,115	(34,109)
Total revenues	<u>44,000</u>	<u>157,953</u>	<u>108,140</u>	<u>(49,813)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	-	5,000	1,200	3,800
Operation of non-instructional services:				
Community services:				
Supplies and materials	-	3,500	288	3,212
Extracurricular activities:				
Salaries and wages	-	21,143	20,694	449
Employee benefits	-	3,503	3,339	164
Purchased services	181,135	589,312	167,813	421,499
Supplies and materials	101,811	159,354	121,041	38,313
Capital outlay	6,917	12,445	7,364	5,081
Other	-	17,400	5,247	12,153
Total extracurricular activities	<u>289,863</u>	<u>803,157</u>	<u>325,498</u>	<u>477,659</u>
Total expenditures	<u>289,863</u>	<u>811,657</u>	<u>326,986</u>	<u>484,671</u>
Excess of revenues over (under) expenditures	(245,863)	(653,704)	(218,846)	434,858
Other financing sources (uses):				
Transfers - in	<u>240,000</u>	<u>640,000</u>	<u>220,000</u>	<u>(420,000)</u>
Net change in fund balance	(5,863)	(13,704)	1,154	14,858
Fund balance at beginning of year	5,582	5,582	5,582	-
Prior year encumbrances appropriated	<u>8,292</u>	<u>8,292</u>	<u>8,292</u>	-
Fund balance at end of year	\$ <u><u>8,011</u></u>	\$ <u><u>170</u></u>	\$ <u><u>15,028</u></u>	\$ <u><u>14,858</u></u>

# Cleveland Heights-University Heights City School District

## Auxiliary Services Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 1,748,253	\$ 1,748,253	\$ -
Earnings on investments	-	10,285	10,285	-
Total revenues	-	1,758,538	1,758,538	-
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Salaries and wages	-	111,234	110,910	324
Employee benefits	68	35,416	35,060	356
Purchased services	23,646	1,062,240	1,054,189	8,051
Supplies and materials	209,959	742,363	516,050	226,313
Capital outlay	85,414	126,460	124,507	1,953
Total expenditures	319,087	2,077,713	1,840,716	236,997
Net change in fund balance	(319,087)	(319,175)	(82,178)	236,997
Fund balance at beginning of year	78,247	78,247	78,247	-
Prior year encumbrances appropriated	318,909	318,909	318,909	-
Fund balance at end of year	\$ 78,069	\$ 77,981	\$ 314,978	\$ 236,997

# Cleveland Heights-University Heights City School District

## Educational Management Information System Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,000	\$ 198,206	\$ 11,275	\$ (186,931)
Expenditures:				
Current:				
Support services:				
Central:				
Salaries and wages	-	150,219	150,219	-
Employee benefits	-	42,059	42,059	-
Purchased services	1,700	2,482	2,422	60
Other	5,777	3,947	3,946	1
Total expenditures	7,477	198,707	198,646	61
Excess of revenues over (under) expenditures	12,523	(501)	(187,371)	(186,870)
Other financing sources (uses):				
Advances - in	-	190,000	190,000	-
Net change in fund balance	12,523	189,499	2,629	(186,870)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	727	727	727	-
Fund balance at end of year	\$ 13,250	\$ 190,226	\$ 3,356	\$ (186,870)

# Cleveland Heights-University Heights City School District

## Public School Preschool Grant Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,478	\$ 92,156	\$ 92,156	\$ -
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	58,106	58,106	-
Employee benefits	220	17,919	17,919	-
Purchased services	225	-	-	-
Supplies and materials	332	115	115	-
Total instruction	777	76,140	76,140	-
Support services:				
Instructional staff:				
Salaries and wages	666	2,066	2,066	-
Employee benefits	1,160	29	29	-
Total instructional staff	1,826	2,095	2,095	-
Administration:				
Salaries and wages	-	8,850	8,850	-
Employee benefits	-	3,125	3,125	-
Total administration	-	11,975	11,975	-
Total support services	1,826	14,070	14,070	-
Total expenditures	2,603	90,210	90,210	-
Excess of revenues over (under) expenditures	1,875	1,946	1,946	-
Other financing sources (uses):				
Advances - out	-	(2,100)	(2,100)	-
Net change in fund balance	1,875	(154)	(154)	-
Fund balance at beginning of year	35	35	35	-
Prior year encumbrances appropriated	119	119	119	-
Fund balance at end of year	\$ 2,029	\$ -	\$ -	\$ -

# Cleveland Heights-University Heights City School District

## School Net Professional Development Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,395	\$ 8,395	\$ -	\$ (8,395)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	<u>159</u>	<u>159</u>	<u>-</u>	<u>159</u>
Net change in fund balance	8,236	8,236	-	(8,236)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>8,236</u></u>	\$ <u><u>8,236</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(8,236)</u></u>

# Cleveland Heights-University Heights City School District

## Career Technical/Adult Education Fund

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

For the Fiscal Year Ended June 30, 2010

---

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,771	\$ 1,771
Net change in fund balance	-	-	1,771	1,771
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 1,771	\$ 1,771

# Cleveland Heights-University Heights City School District

## Poverty Aid Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 224,363	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Adult/continuing:				
Salaries and wages	<u>224,167</u>	<u>61</u>	<u>61</u>	<u>-</u>
Net change in fund balance	196	(61)	(61)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>61</u>	<u>61</u>	<u>61</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>257</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>



# Cleveland Heights-University Heights City School District

## Alternative School Grant Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,396	\$ 94,307	\$ 93,679	\$ (628)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	18,299	85,377	60,590	24,787
Employee benefits	2,000	8,930	8,912	18
Total expenditures	20,299	94,307	69,502	24,805
Excess of revenues over (under) expenditures	(18,903)	-	24,177	24,177
Other financing sources (uses):				
Advances - in	20,000	25,000	1,000	(24,000)
Advances - out	-	(25,000)	(25,000)	-
Total other financing sources (uses)	20,000	-	(24,000)	(24,000)
Net change in fund balance	1,097	-	177	177
Fund balance at beginning of year	195	195	195	-
Fund balance at end of year	\$ 1,292	\$ 195	\$ 372	\$ 177

# Cleveland Heights-University Heights City School District

## Miscellaneous State Grants Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 54,103	\$ 54,103	\$ -	\$ (54,103)
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	7,687	5,000	4,959	41
Special:				
Purchased services	22,038	22,038	13,342	8,696
Supplies and materials	9,833	9,833	6,362	3,471
Total special	31,871	31,871	19,704	12,167
Total instruction	39,558	36,871	24,663	12,208
Support services:				
Pupil:				
Salaries and wages	2,520	2,520	869	1,651
Employee benefits	468	468	146	322
Purchased services	3,940	8,973	2,378	6,595
Supplies and materials	11,386	19,009	12,462	6,547
Capital outlay	3,059	3,249	1,763	1,486
Total pupil	21,373	34,219	17,618	16,601
Instructional staff:				
Salaries and wages	41,364	18,518	4,546	13,972
Employee benefits	8,046	3,757	758	2,999
Purchased services	13,197	13,531	12,739	792
Supplies and materials	14,952	4,618	4,612	6
Total instructional staff	77,559	40,424	22,655	17,769
Pupil transportation:				
Purchased services	19,017	6,171	3,358	2,813
Total support services	117,949	80,814	43,631	37,183
Operation of non-instructional services:				
Community services:				
Purchased services	-	38,893	38,893	-
Total expenditures	157,507	156,578	107,187	49,391

Continued

# Cleveland Heights-University Heights City School District

Miscellaneous State Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balance	(103,404)	(102,475)	(107,187)	(4,712)
Fund balance at beginning of year	87,840	87,840	87,840	-
Prior year encumbrances appropriated	<u>43,693</u>	<u>43,693</u>	<u>43,693</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>28,129</u></u>	\$ <u><u>29,058</u></u>	\$ <u><u>24,346</u></u>	\$ <u><u>(4,712)</u></u>

# Cleveland Heights-University Heights City School District

## Adult Basic Education Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,885	\$ 325,058	\$ 258,594	\$ (66,464)
Expenditures:				
Current:				
Instruction:				
Adult/continuing:				
Salaries and wages	1,134	134,476	134,069	407
Employee benefits	2,212	24,082	22,619	1,463
Purchased services	1,599	10,141	8,423	1,718
Supplies and materials	3,263	10,828	5,236	5,592
Capital outlay	1,991	7,965	489	7,476
Total instruction	10,199	187,492	170,836	16,656
Support services:				
Instructional staff:				
Salaries and wages	609	60,716	60,345	371
Employee benefits	7,240	19,870	15,195	4,675
Purchased services	2,877	5,793	5,007	786
Supplies and materials	1,345	1,668	1,501	167
Other	-	200	200	-
Total instructional staff	12,071	88,247	82,248	5,999
Administration:				
Purchased services	-	16,551	8,416	8,135
Fiscal:				
Other	1,010	5,333	4,286	1,047
Total support services	13,081	110,131	94,950	15,181
Total expenditures	23,280	297,623	265,786	31,837
Excess of revenues over (under) expenditures	(18,395)	27,435	(7,192)	(34,627)
Other financing sources (uses):				
Advances - in	45,829	35,000	35,000	-
Advances - out	-	(34,500)	(34,500)	-
Total other financing sources (uses)	45,829	500	500	-
Net change in fund balance	27,434	27,935	(6,692)	(34,627)
Fund balance at beginning of year	160	160	160	-
Prior year encumbrances appropriated	6,904	6,904	6,904	-
Fund balance at end of year	\$ 34,498	\$ 34,999	\$ 372	\$ (34,627)

# Cleveland Heights-University Heights City School District

## IDEA (Flo-Thru) Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 185,915	\$ 3,926,694	\$ 2,157,706	\$ (1,768,988)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	49,788	256,496	95,572	160,924
Employee benefits	21,148	39,043	3,756	35,287
Purchased services	36,701	357,411	117,612	239,799
Supplies and materials	-	425,896	249,148	176,748
Capital outlay	-	284,230	86,531	197,699
Total instruction	<u>107,637</u>	<u>1,363,076</u>	<u>552,619</u>	<u>810,457</u>
Support services:				
Pupil:				
Salaries and wages	37,807	332,296	195,424	136,872
Employee benefits	31,380	121,508	76,088	45,420
Purchased services	49,369	286,112	132,902	153,210
Supplies and materials	6,256	35,256	14,853	20,403
Capital outlay	8,930	38,930	1,460	37,470
Total pupil	<u>133,742</u>	<u>814,102</u>	<u>420,727</u>	<u>393,375</u>
Instructional staff:				
Salaries and wages	18,646	460,530	456,331	4,199
Employee benefits	2,649	238,930	229,802	9,128
Purchased services	82,728	104,828	65,370	39,458
Supplies and materials	-	71,096	1,347	69,749
Total instructional staff	<u>104,023</u>	<u>875,384</u>	<u>752,850</u>	<u>122,534</u>
Administration:				
Salaries and wages	32,864	294,307	237,635	56,672
Employee benefits	22,476	119,595	114,367	5,228
Purchased services	14,943	266,180	18,852	247,328
Supplies and materials	14,196	39,736	5,232	34,504
Other	618	9,418	2,400	7,018
Total administration	<u>85,097</u>	<u>729,236</u>	<u>378,486</u>	<u>350,750</u>

Continued

# Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Other	<u>11,604</u>	<u>78,978</u>	<u>35,734</u>	<u>43,244</u>
Pupil transportation:				
Salaries and wages	3,444	3,444	-	3,444
Employee benefits	11,657	11,657	-	11,657
Purchased services	<u>26,836</u>	<u>160,947</u>	<u>69,519</u>	<u>91,428</u>
Total pupil transportation	<u>41,937</u>	<u>176,048</u>	<u>69,519</u>	<u>106,529</u>
Total support services	<u>376,403</u>	<u>2,673,748</u>	<u>1,657,316</u>	<u>1,016,432</u>
Operation of non-instructional services:				
Community services:				
Salaries and wages	15,243	74,796	53,042	21,754
Employee benefits	20,024	41,968	17,191	24,777
Purchased services	16,969	123,540	78,093	45,447
Supplies and materials	<u>5,590</u>	<u>5,517</u>	<u>-</u>	<u>5,517</u>
Total operation of non-instructional services	<u>57,826</u>	<u>245,821</u>	<u>148,326</u>	<u>97,495</u>
Total expenditures	<u>541,866</u>	<u>4,282,645</u>	<u>2,358,261</u>	<u>1,924,384</u>
Excess of revenues over (under) expenditures	<u>(355,951)</u>	<u>(355,951)</u>	<u>(200,555)</u>	<u>155,396</u>
Other financing sources (uses):				
Transfers - in	484,431	484,431	-	(484,431)
Advances - in	100,000	425,000	425,000	-
Advances - out	<u>-</u>	<u>(412,000)</u>	<u>(412,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>584,431</u>	<u>497,431</u>	<u>13,000</u>	<u>(484,431)</u>
Net change in fund balance	228,480	141,480	(187,555)	(329,035)
Fund balance at beginning of year	167	167	167	-
Prior year encumbrances appropriated	<u>188,089</u>	<u>188,089</u>	<u>188,089</u>	<u>-</u>
Fund balance at end of year	\$ <u>416,736</u>	\$ <u>329,736</u>	\$ <u>701</u>	\$ <u>(329,035)</u>

# Cleveland Heights-University Heights City School District

## Vocational Education Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 43,701	\$ 309,653	\$ 287,005	\$ (22,648)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and wages	-	78,823	78,823	-
Employee benefits	-	31,139	31,139	-
Purchased services	-	46,658	46,658	-
Supplies and materials	-	13,668	13,668	-
Capital outlay	-	16,370	15,042	1,328
Other	5,715	22,388	22,388	-
Total instruction	5,715	209,046	207,718	1,328
Support services:				
Pupil:				
Salaries and wages	12,250	68,970	68,970	-
Employee benefits	4,058	26,287	26,287	-
Total pupil	16,308	95,257	95,257	-
Instructional staff:				
Salaries and wages	1,339	-	-	-
Employee benefits	764	-	-	-
Total instructional staff	2,103	-	-	-
Pupil transportation:				
Purchased services	-	501	501	-
Total support services	18,411	95,758	95,758	-
Total expenditures	24,126	304,804	303,476	1,328
Excess of revenues over (under) expenditures	19,575	4,849	(16,471)	(21,320)
Other financing sources (uses):				
Advances - in	-	22,000	22,000	-
Advances - out	-	(26,500)	(26,500)	-
Total other financing sources (uses)	-	(4,500)	(4,500)	-
Net change in fund balance	19,575	349	(20,971)	(21,320)
Fund balance at beginning of year	496	496	496	-
Prior year encumbrances appropriated	21,306	21,306	21,306	-
Fund balance at end of year	\$ 41,377	\$ 22,151	\$ 831	\$ (21,320)

# Cleveland Heights-University Heights City School District

## State Fiscal Stabilization Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 1,159,540	\$ 1,159,540	\$ -
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Supplies and materials	-	205,167	205,167	-
Capital outlay	-	954,373	954,373	-
Total expenditures	-	1,159,540	1,159,540	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -



# Cleveland Heights-University Heights City School District

## Title II-D Technology Grants Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 118,686	\$ 92,693	\$ (25,993)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	37,450	37,450	-
Employee benefits	-	13,491	13,338	153
Supplies and materials	-	150	120	30
Capital outlay	-	11,088	11,088	-
Total instruction	-	62,179	61,996	183
Support services:				
Instructional staff:				
Salaries and wages	-	9,980	4,344	5,636
Employee benefits	-	987	718	269
Purchased services	-	37,655	26,964	10,691
Supplies and materials	-	964	-	964
Total instructional staff	-	49,586	32,026	17,560
Fiscal:				
Other	-	6,921	1,394	5,527
Total support services	-	56,507	33,420	23,087
Total expenditures	-	118,686	95,416	23,270
Excess of revenues over (under) expenditures	-	-	(2,723)	(2,723)
Other financing sources (uses):				
Advances - in	-	2,800	2,800	-
Net change in fund balance	-	2,800	77	(2,723)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ 2,800	\$ 77	\$ (2,723)

# Cleveland Heights-University Heights City School District

## Title I Improvement Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 126,000	\$ 84,395	\$ (41,605)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	-	5,000	3,393	1,607
Employee benefits	-	3,000	567	2,433
Purchased services	-	112,000	78,159	33,841
Supplies and materials	-	4,000	2,386	1,614
Total instructional staff	-	124,000	84,505	39,495
Fiscal:				
Other	-	2,000	1,650	350
Total expenditures	-	126,000	86,155	39,845
Excess of revenues over (under) expenditures	-	-	(1,760)	(1,760)
Other financing sources (uses):				
Advances - in	-	1,800	1,800	-
Net change in fund balance	-	1,800	40	(1,760)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ 1,800	\$ 40	\$ (1,760)

# Cleveland Heights-University Heights City School District

## Title III Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 29,617	\$ 56,069	\$ 21,366	\$ (34,703)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	9,127	26,092	15,566	10,526
Employee benefits	2,009	5,525	3,246	2,279
Purchased services	3,223	1,429	1,366	63
Supplies and materials	2,629	1,374	1,116	258
Total expenditures	16,988	34,420	21,294	13,126
Excess of revenues over (under) expenditures	12,629	21,649	72	(21,577)
Other financing sources (uses):				
Advances - in	9,212	1,000	1,000	-
Advances - out	-	(3,200)	(3,200)	-
Total other financing sources (uses)	9,212	(2,200)	(2,200)	-
Net change in fund balance	21,841	19,449	(2,128)	(21,577)
Fund balance at beginning of year	97	97	97	-
Prior year encumbrances appropriated	2,130	2,130	2,130	-
Fund balance at end of year	\$ 24,068	\$ 21,676	\$ 99	\$ (21,577)

# Cleveland Heights-University Heights City School District

## Title I Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,138,937	\$ 5,608,930	\$ 3,070,622	\$ (2,538,308)
Miscellaneous	-	6,150	7,746	1,596
Total revenues	<u>1,138,937</u>	<u>5,615,080</u>	<u>3,078,368</u>	<u>(2,536,712)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	51,602	1,855,882	1,362,216	493,666
Employee benefits	55,710	564,056	429,846	134,210
Supplies and materials	315,511	1,196,646	432,762	763,884
Capital outlay	<u>166,066</u>	<u>186,066</u>	<u>146,200</u>	<u>39,866</u>
Total instruction	<u>588,889</u>	<u>3,802,650</u>	<u>2,371,024</u>	<u>1,431,626</u>
Support services:				
Instructional staff:				
Salaries and wages	109,419	252,369	155,234	97,135
Employee benefits	38,850	87,703	39,524	48,179
Purchased services	192,219	534,307	185,082	349,225
Supplies and materials	<u>99,413</u>	<u>197,082</u>	<u>83,253</u>	<u>113,829</u>
Total instructional staff	<u>439,901</u>	<u>1,071,461</u>	<u>463,093</u>	<u>608,368</u>
Administration:				
Salaries and wages	23,716	158,460	76,861	81,599
Employee benefits	36,869	87,080	32,942	54,138
Supplies and materials	-	8,537	8,425	112
Total administration	<u>60,585</u>	<u>254,077</u>	<u>118,228</u>	<u>135,849</u>
Fiscal:				
Other	<u>13,075</u>	<u>101,583</u>	<u>54,622</u>	<u>46,961</u>
Pupil transportation:				
Contractual services	<u>15,853</u>	<u>71,853</u>	<u>32,288</u>	<u>39,565</u>
Total support services	<u>529,414</u>	<u>1,498,974</u>	<u>668,231</u>	<u>830,743</u>
Operation of non-instructional services:				
Community services:				
Purchased services	<u>33,558</u>	<u>326,376</u>	<u>157,595</u>	<u>168,781</u>
Total operation of non-instructional services	<u>33,558</u>	<u>326,376</u>	<u>157,595</u>	<u>168,781</u>
Total expenditures	<u>1,151,861</u>	<u>5,628,000</u>	<u>3,196,850</u>	<u>2,431,150</u>

Continued

# Cleveland Heights-University Heights City School District

Title I Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	(12,924)	(12,920)	(118,482)	(105,562)
Other financing sources (uses):				
Transfers - in	252,211	250,711	-	(250,711)
Advances - in	67,500	413,500	413,500	-
Advances - out	-	(451,000)	(451,000)	-
Total other financing sources (uses)	319,711	213,211	(37,500)	(250,711)
Net change in fund balance	306,787	200,291	(155,982)	(356,273)
Fund balance at beginning of year	947	947	947	-
Prior year encumbrances appropriated	355,510	355,510	355,510	-
Fund balance at end of year	\$ 663,244	\$ 556,748	\$ 200,475	\$ (356,273)

# Cleveland Heights-University Heights City School District

## Title V Innovative Program Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,772	\$ 8,772	\$ -	\$ (8,772)
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Purchased services	<u>9,382</u>	<u>3,872</u>	<u>1,213</u>	<u>2,659</u>
Net change in fund balance	(610)	4,900	(1,213)	(6,113)
Fund balance at beginning of year	<u>1,824</u>	<u>1,824</u>	<u>1,824</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>1,214</u></u>	\$ <u><u>6,724</u></u>	\$ <u><u>611</u></u>	\$ <u><u>(6,113)</u></u>

# Cleveland Heights-University Heights City School District

## Drug Free Schools Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,842	\$ 49,886	\$ 23,147	\$ (26,739)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	277	19,249	13,912	5,337
Employee benefits	3,810	5,664	5,217	447
Purchased services	2,957	19,175	6,080	13,095
Total expenditures	7,044	44,088	25,209	18,879
Excess of revenues over (under) expenditures	5,798	5,798	(2,062)	(7,860)
Other financing sources (uses):				
Transfers - in	5,229	5,229	-	(5,229)
Advances - in	2,300	3,800	3,800	-
Advances - out	-	(1,750)	(1,750)	-
Total other financing sources (uses)	7,529	7,279	2,050	(5,229)
Net change in fund balance	13,327	13,077	(12)	(13,089)
Fund balance at beginning of year	39	39	39	-
Fund balance at end of year	\$ 13,366	\$ 13,116	\$ 27	\$ (13,089)

# Cleveland Heights-University Heights City School District

## Preschool Disabilities Grant Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 42,248	\$ 135,719	\$ 67,737	\$ (67,982)
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and wages	1,158	1,158	-	1,158
Employee benefits	506	506	-	506
Supplies and materials	3,003	3,003	-	3,003
Total instruction	4,667	4,667	-	4,667
Support services:				
Pupil:				
Salaries and wages	947	68,967	51,174	17,793
Employee benefits	10,668	34,269	16,168	18,101
Total pupil	11,615	103,236	67,342	35,894
Fiscal:				
Other	879	2,728	1,659	1,069
Total support services	12,494	105,964	69,001	36,963
Total expenditures	17,161	110,631	69,001	41,630
Excess of revenues over (under) expenditures	25,087	25,088	(1,264)	(26,352)
Other financing sources (uses):				
Transfers - in	3,280	3,280	-	(3,280)
Advances - in	-	2,700	2,700	-
Advances - out	-	(1,450)	(1,450)	-
Total other financing sources (uses)	3,280	4,530	1,250	(3,280)
Net change in fund balance	28,367	29,618	(14)	(29,632)
Fund balance at beginning of year	29	29	29	-
Fund balance at end of year	\$ 28,396	\$ 29,647	\$ 15	\$ (29,632)



# Cleveland Heights-University Heights City School District

## Title IIA - Improving Teacher Quality Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 97,130	\$ 471,069	\$ 309,187	\$ (161,882)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	7,232	-	-	-
Employee benefits	33,969	-	-	-
Purchased services	1,504	-	-	-
Total instruction	42,705	-	-	-
Support services:				
Instructional staff:				
Salaries and wages	2,974	213,238	175,426	37,812
Employee benefits	91,089	165,976	58,873	107,103
Purchased services	18,754	46,978	25,119	21,859
Supplies and materials	25,163	33,696	1,378	32,318
Total instructional staff	137,980	459,888	260,796	199,092
Fiscal:				
Other	1,412	6,624	4,949	1,675
Total support services	139,392	466,512	265,745	200,767
Operation of non-instructional services:				
Community services:				
Purchased services	7,746	45,044	2,929	42,115
Total expenditures	189,843	511,556	268,674	242,882
Excess of revenues over (under) expenditures	(92,713)	(40,487)	40,513	81,000
Other financing sources (uses):				
Transfers - in	26,435	26,435	-	(26,435)
Advances - in	93,000	93,000	-	(93,000)
Advances - out	-	(34,000)	(34,000)	-
Total other financing sources (uses)	119,435	85,435	(34,000)	(119,435)
Net change in fund balance	26,722	44,948	6,513	(38,435)
Fund balance at beginning of year	31	31	31	-
Prior year encumbrances appropriated	3,139	3,139	3,139	-
Fund balance at end of year	\$ 29,892	\$ 48,118	\$ 9,683	\$ (38,435)

# Cleveland Heights-University Heights City School District

## Miscellaneous Federal Grants Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 362,127	\$ 572,323	\$ 423,660	\$ (148,663)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	-	97,149	91,537	5,612
Employee benefits	7,162	25,955	24,268	1,687
Purchased services	2,708	44,938	29,020	15,918
Supplies and materials	23,225	53,043	40,792	12,251
Capital outlay	-	33,000	32,141	859
Total regular	33,095	254,085	217,758	36,327
Support services:				
Pupil:				
Salaries and wages	58,173	135,116	130,048	5,068
Employee benefits	43,724	33,592	31,437	2,155
Purchased services	36,847	1,314	1,208	106
Total pupil	138,744	170,022	162,693	7,329
Instructional staff:				
Salaries and wages	4,377	660	-	660
Purchased services	5,178	82,163	76,449	5,714
Supplies and materials	-	500	497	3
Total instructional staff	9,555	83,323	76,946	6,377
Administration:				
Salaries and wages	99	8,881	6,887	1,994
Employee benefits	278	2,082	1,587	495
Purchased services	724	208	208	-
Supplies and materials	78	78	78	-
Other	1,297	-	-	-
Total administration	2,476	11,249	8,760	2,489
Fiscal:				
Other	401	10,028	6,961	3,067
Pupil transportation:				
Purchased services	459	38,844	38,689	155
Total support services	151,635	313,466	294,049	19,417

Continued

# Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund (continued)

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	<u>3,259</u>	<u>1,781</u>	<u>1,500</u>	<u>281</u>
Total expenditures	<u>187,989</u>	<u>569,332</u>	<u>513,307</u>	<u>56,025</u>
Excess of revenues over (under) expenditures	<u>174,138</u>	<u>2,991</u>	<u>(89,647)</u>	<u>(92,638)</u>
Other financing sources (uses):				
Advances - in	175,000	86,000	93,800	7,800
Advances - out	<u>(26)</u>	<u>(9,950)</u>	<u>(9,950)</u>	<u>-</u>
Total other financing sources (uses)	<u>174,974</u>	<u>76,050</u>	<u>83,850</u>	<u>7,800</u>
Net change in fund balance	349,112	79,041	(5,797)	(84,838)
Fund balance at beginning of year	43	43	43	-
Prior year encumbrances appropriated	<u>5,905</u>	<u>5,905</u>	<u>5,905</u>	<u>-</u>
Fund balance at end of year	\$ <u>355,060</u>	\$ <u>84,989</u>	\$ <u>151</u>	\$ <u>(84,838)</u>

# Cleveland Heights-University Heights City School District

## Debt Service Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 742,600	\$ 742,600	\$ 660,043	\$ (82,557)
Intergovernmental	80,000	80,000	90,680	10,680
Total revenues	<u>822,600</u>	<u>822,600</u>	<u>750,723</u>	<u>(71,877)</u>
Expenditures:				
Debt services:				
Principal	875,000	875,000	875,000	-
Interest and fiscal charges	<u>487,505</u>	<u>487,505</u>	<u>487,504</u>	<u>1</u>
Total expenditures	<u>1,362,505</u>	<u>1,362,505</u>	<u>1,362,504</u>	<u>1</u>
Excess of revenues over (under) expenditures	(539,905)	(539,905)	(611,781)	(71,876)
Other financing sources (uses):				
Transfers - in	<u>550,000</u>	<u>550,000</u>	<u>350,000</u>	<u>(200,000)</u>
Net change in fund balance	10,095	10,095	(261,781)	(271,876)
Fund balance at beginning of year	<u>360,919</u>	<u>360,919</u>	<u>360,919</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>371,014</u></u>	\$ <u><u>371,014</u></u>	\$ <u><u>99,138</u></u>	\$ <u><u>(271,876)</u></u>

# Cleveland Heights-University Heights City School District

## Permanent Improvement Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,240,000	\$ 3,240,000	\$ 3,132,644	\$ (107,356)
Intergovernmental	485,000	485,000	453,401	(31,599)
Total revenues	<u>3,725,000</u>	<u>3,725,000</u>	<u>3,586,045</u>	<u>(138,955)</u>
Expenditures:				
Current:				
Support services:				
Operations and maintenance of plant:				
Purchased services	362,697	709,472	690,177	19,295
Supplies and materials	-	33,285	30,411	2,874
Total support services	<u>362,697</u>	<u>742,757</u>	<u>720,588</u>	<u>22,169</u>
Capital outlay:				
Site acquisition	<u>4,132,181</u>	<u>3,752,122</u>	<u>3,737,028</u>	<u>15,094</u>
Total expenditures	<u>4,494,878</u>	<u>4,494,879</u>	<u>4,457,616</u>	<u>37,263</u>
Excess of revenues over (under) expenditures	(769,878)	(769,879)	(871,571)	(101,692)
Other financing sources (uses):				
Transfers - out	<u>(550,000)</u>	<u>(550,000)</u>	<u>(350,000)</u>	<u>200,000</u>
Net change in fund balance	(1,319,878)	(1,319,879)	(1,221,571)	98,308
Fund balance at beginning of year	144,800	144,800	144,800	-
Prior year encumbrances appropriated	<u>1,291,445</u>	<u>1,291,445</u>	<u>1,291,445</u>	<u>-</u>
Fund balance at end of year	\$ <u>116,367</u>	\$ <u>116,366</u>	\$ <u>214,674</u>	\$ <u>98,308</u>

# Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2010

---

## **Nonmajor Enterprise Funds**

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

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

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

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

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

## **Nonmajor Internal Service Funds**

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

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

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

# Cleveland Heights-University Heights City School District

## Combining Statement of Fund Net Assets

### Nonmajor Enterprise Funds

June 30, 2010

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Assets:</b>					
<b>Current assets:</b>					
Equity in pooled cash and investments	\$ 4,020	\$ 974	\$ 12,112	\$ 32,116	\$ 49,222
Accounts receivable	-	-	-	13,606	13,606
Intergovernmental receivable	227,860	-	-	-	227,860
Materials and supplies inventories	4,269	-	-	-	4,269
Inventory held for resale	<u>24,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,373</u>
Total current assets	260,522	974	12,112	45,722	319,330
<b>Non-current assets:</b>					
Capital assets, net of depreciation	<u>207,140</u>	<u>-</u>	<u>-</u>	<u>549,311</u>	<u>756,451</u>
Total assets	<u>467,662</u>	<u>974</u>	<u>12,112</u>	<u>595,033</u>	<u>1,075,781</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	49,943	-	1,000	-	50,943
Accrued wages and benefits	16,171	-	-	16,136	32,307
Interfund payable	1,183,168	32,000	-	65,000	1,280,168
Intergovernmental payable	51,379	-	-	34,576	85,955
Current portion of accrued compensated absences	<u>2,693</u>	<u>-</u>	<u>-</u>	<u>3,362</u>	<u>6,055</u>
Total current liabilities	1,303,354	32,000	1,000	119,074	1,455,428
<b>Non-current liabilities:</b>					
Accrued compensated absences	<u>35,782</u>	<u>-</u>	<u>-</u>	<u>44,661</u>	<u>80,443</u>
Total liabilities	<u>1,339,136</u>	<u>32,000</u>	<u>1,000</u>	<u>163,735</u>	<u>1,535,871</u>
<b>Net assets:</b>					
Invested in capital assets	207,140	-	-	549,311	756,451
Unrestricted (deficit)	<u>(1,078,614)</u>	<u>(31,026)</u>	<u>11,112</u>	<u>(118,013)</u>	<u>(1,216,541)</u>
Total net assets (deficit)	\$ <u>(871,474)</u>	\$ <u>(31,026)</u>	\$ <u>11,112</u>	\$ <u>431,298</u>	\$ <u>(460,090)</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	Food Services	Uniform School Supplies	Customer Services	Community Services/ Early Childhood	Total Nonmajor Enterprise Funds
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ -	\$ 687,519	\$ 687,519
Classroom materials and fees	-	27,569	-	-	27,569
Food services	468,275	-	-	-	468,275
Miscellaneous	<u>15,901</u>	<u>21,168</u>	<u>18,430</u>	<u>102</u>	<u>55,601</u>
Total operating revenues	<u>484,176</u>	<u>48,737</u>	<u>18,430</u>	<u>687,621</u>	<u>1,238,964</u>
Operating expenses:					
Salaries and wages	575,732	-	-	505,923	1,081,655
Fringe benefits	254,822	-	-	187,158	441,980
Purchased services	1,328,935	1,956	13,705	9,601	1,354,197
Supplies and materials	176,883	72,654	6,651	14,609	270,797
Depreciation	<u>17,921</u>	<u>-</u>	<u>-</u>	<u>14,412</u>	<u>32,333</u>
Total operating expenses	<u>2,354,293</u>	<u>74,610</u>	<u>20,356</u>	<u>731,703</u>	<u>3,180,962</u>
Operating loss	<u>(1,870,117)</u>	<u>(25,873)</u>	<u>(1,926)</u>	<u>(44,082)</u>	<u>(1,941,998)</u>
Non-operating revenues:					
Federal donated commodities	171,440	-	-	-	171,440
Intergovernmental grants	<u>1,633,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,633,276</u>
Total non-operating revenues	<u>1,804,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,804,716</u>
Net loss before capital contributions	(65,401)	(25,873)	(1,926)	(44,082)	(137,282)
Contributed capital	<u>116,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,347</u>
Net income (loss)	50,946	(25,873)	(1,926)	(44,082)	(20,935)
Net assets (deficit) at beginning of year	<u>(922,420)</u>	<u>(5,153)</u>	<u>13,038</u>	<u>475,380</u>	<u>(439,155)</u>
Net assets (deficit) at end of year	\$ <u>(871,474)</u>	\$ <u>(31,026)</u>	\$ <u>11,112</u>	\$ <u>431,298</u>	\$ <u>(460,090)</u>



# Cleveland Heights-University Heights City School District

## Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2010

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Increase (decrease) in cash and cash equivalents:</b>					
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 468,275	\$ 27,569	\$ -	\$ 681,489	\$ 1,177,333
Cash received from other operating sources	15,901	21,168	18,430	102	55,601
Cash payments for materials and supplies	-	(72,654)	(6,651)	(14,609)	(93,914)
Cash payments for goods and services	(1,315,113)	(1,956)	(12,705)	(9,601)	(1,339,375)
Cash payments to employees for services	(566,399)	-	-	(499,540)	(1,065,939)
Cash payments for employee benefits	(248,385)	-	-	(172,720)	(421,105)
Net cash used for operating activities	<u>(1,645,721)</u>	<u>(25,873)</u>	<u>(926)</u>	<u>(14,879)</u>	<u>(1,687,399)</u>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental grants received	1,405,416	-	-	-	1,405,416
Advances - in	100,000	32,000	-	65,000	197,000
Advances - out	-	(5,200)	-	(22,000)	(27,200)
Net cash provided by noncapital financing	<u>1,505,416</u>	<u>26,800</u>	<u>-</u>	<u>43,000</u>	<u>1,575,216</u>
<b>Cash flows from capital financing activities:</b>					
Capital acquisitions	<u>(34,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,000)</u>
Net increase (decrease) in cash and cash equivalents	(174,305)	927	(926)	28,121	(146,183)
Cash and cash equivalents at beginning of year	<u>178,325</u>	<u>47</u>	<u>13,038</u>	<u>3,995</u>	<u>195,405</u>
Cash and cash equivalents at end of year	\$ <u><u>4,020</u></u>	\$ <u><u>974</u></u>	\$ <u><u>12,112</u></u>	\$ <u><u>32,116</u></u>	\$ <u><u>49,222</u></u>
<b>Non-cash capital and noncapital financing activities:</b>					
Federal donated commodities	\$ 171,440	\$ -	\$ -	\$ -	\$ 171,440
Capital contributions	116,347	-	-	-	116,347

Continued

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Services</u>	<u>Community Services/ Early Childhood</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>					
Operating loss	\$ (1,870,117)	\$ (25,873)	\$ (1,926)	\$ (44,082)	\$ (1,941,998)
Adjustments:					
Depreciation	17,921	-	-	14,412	32,333
Federal donated commodities	171,440	-	-	-	171,440
Changes in assets/liabilities:					
Increase in accounts receivable	-	-	-	(6,030)	(6,030)
Increase in materials and supplies inventories	(338)	-	-	-	(338)
Decrease in inventory held for resale	5,781	-	-	-	5,781
Increase in accounts payable	13,822	-	1,000	-	14,822
Increase in accrued wages and benefits	9,333	-	-	6,383	15,716
Increase in intergovernmental payable	1,436	-	-	6,433	7,869
Increase in accrued compensated absences	5,001	-	-	8,005	13,006
Total adjustments	<u>224,396</u>	<u>-</u>	<u>1,000</u>	<u>29,203</u>	<u>254,599</u>
Net cash used for operating activities	\$ <u>(1,645,721)</u>	\$ <u>(25,873)</u>	\$ <u>(926)</u>	\$ <u>(14,879)</u>	\$ <u>(1,687,399)</u>

# Cleveland Heights-University Heights City School District

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

June 30, 2010

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 3,652,940	\$ 1,527,530	\$ 5,180,470
Accounts receivable	4,712	-	4,712
Prepaid items	<u>129,443</u>	<u>-</u>	<u>129,443</u>
Total assets	<u>3,787,095</u>	<u>1,527,530</u>	<u>5,314,625</u>
Liabilities:			
Current liabilities:			
Accounts payable	7,419	-	7,419
Intergovernmental payable	-	812,240	812,240
Claims payable	<u>1,835,700</u>	<u>-</u>	<u>1,835,700</u>
Total liabilities	<u>1,843,119</u>	<u>812,240</u>	<u>2,655,359</u>
Net assets:			
Unrestricted	\$ <u>1,943,976</u>	\$ <u>715,290</u>	\$ <u>2,659,266</u>

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ -	\$ 754,050	\$ 754,050
Claims	<u>21,702,261</u>	<u>-</u>	<u>21,702,261</u>
Total operating revenues	<u>21,702,261</u>	<u>754,050</u>	<u>22,456,311</u>
Operating expenses:			
Salaries and wages	19,000	-	19,000
Fringe benefits	20,835,894	752,900	21,588,794
Purchased services	<u>87,615</u>	<u>23,650</u>	<u>111,265</u>
Total operating expenses	<u>20,942,509</u>	<u>776,550</u>	<u>21,719,059</u>
Operating income (loss)	759,752	(22,500)	737,252
Net assets at beginning of year	<u>1,184,224</u>	<u>737,790</u>	<u>1,922,014</u>
Net assets at end of year	\$ <u>1,943,976</u>	\$ <u>715,290</u>	\$ <u>2,659,266</u>

# Cleveland Heights-University Heights City School District

## Combining Statement of Cash Flows Nonmajor Internal Service Funds

For the Fiscal Year Ended June 30, 2010

	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<b>Increase (decrease) in cash and cash equivalents:</b>			
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 21,697,549	\$ -	\$ 21,697,549
Cash received from claims	-	754,050	754,050
Cash payments for goods and services	(10,125,702)	(23,650)	(10,149,352)
Cash payments to employees for services	(19,000)	-	(19,000)
Cash payments for claims	<u>(10,795,489)</u>	<u>(754,527)</u>	<u>(11,550,016)</u>
Net cash provided by (used for) operating activities	<u>757,358</u>	<u>(24,127)</u>	<u>733,231</u>
Net increase (decrease) in cash and cash equivalents	757,358	(24,127)	733,231
Cash and cash equivalents at beginning of year	<u>2,895,582</u>	<u>1,551,657</u>	<u>4,447,239</u>
Cash and cash equivalents at end of year	\$ <u>3,652,940</u>	\$ <u>1,527,530</u>	\$ <u>5,180,470</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 759,752	\$ (22,500)	\$ 737,252
Adjustments:			
Changes in assets/liabilities:			
Increase in accounts receivable	(4,712)	-	(4,712)
Decrease in prepaid items	27,599	-	27,599
Increase in accounts payable	7,419	-	7,419
Decrease in intergovernmental payable	-	(1,627)	(1,627)
Decrease in claims payable	<u>(32,700)</u>	<u>-</u>	<u>(32,700)</u>
Total adjustments	<u>(2,394)</u>	<u>(1,627)</u>	<u>(4,021)</u>
Net cash provided by (used for) operating activities	\$ <u>757,358</u>	\$ <u>(24,127)</u>	\$ <u>733,231</u>



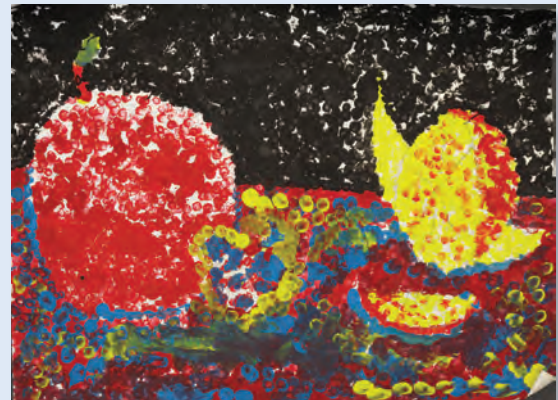
Individual Fund Schedules  
of Revenues, Expenses and  
Changes in Fund Equities –  
Budget (Non-GAAP  
Budgetary Basis) and Actual



**LILY KERR-JUNG**  
*Grade 4*  
*Noble Elementary*



**OMOTAYO AGAJA**  
*Grade 8*  
*Wiley Middle School*



**ZELDA THAYER-HANSEN**  
*Grade 1*  
*Noble Elementary*



# Cleveland Heights-University Heights City School District

## Bellefaire General Rotary Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 3,000,000	\$ 3,000,000	\$ 2,515,230	\$ (484,770)
Expenses:				
Salaries and wages:				
Regular instruction	261,850	264,706	264,706	-
Special instruction	1,233,420	1,220,466	1,220,466	-
Support services - pupil	313,478	318,120	318,120	-
Support services - administration	239,978	255,630	255,630	-
Total salaries and wages	<u>2,048,726</u>	<u>2,058,922</u>	<u>2,058,922</u>	<u>-</u>
Fringe benefits:				
Regular instruction	73,840	66,442	66,442	-
Special instruction	561,141	455,084	455,084	-
Support services - pupil	109,730	91,795	91,795	-
Support services - administration	132,545	108,808	108,808	-
Total fringe benefits	<u>877,256</u>	<u>722,129</u>	<u>722,129</u>	<u>-</u>
Purchased services:				
Special instruction	17,087	161,487	497,322	(335,835)
Support services - instruction	267	267	267	-
Total purchased services	<u>17,354</u>	<u>161,754</u>	<u>497,589</u>	<u>(335,835)</u>
Supplies and materials:				
Special instruction	<u>35,164</u>	<u>27,821</u>	<u>27,821</u>	<u>-</u>
Capital outlay:				
Special instruction	<u>9,000</u>	<u>16,872</u>	<u>16,872</u>	<u>-</u>
Total expenses	<u>2,987,500</u>	<u>2,987,498</u>	<u>3,323,333</u>	<u>(335,835)</u>
Excess of revenues over (under) expenditures	12,500	12,502	(808,103)	(820,605)
Other financing sources (uses):				
Advances - in	<u>-</u>	<u>790,000</u>	<u>790,000</u>	<u>-</u>
Net change in fund equity	12,500	802,502	(18,103)	(820,605)
Fund equity at beginning of year	19,714	19,714	19,714	-
Prior year encumbrances appropriated	<u>7,018</u>	<u>7,018</u>	<u>7,018</u>	<u>-</u>
Fund equity at end of year	\$ <u>39,232</u>	\$ <u>829,234</u>	\$ <u>8,629</u>	\$ <u>(820,605)</u>

# Cleveland Heights-University Heights City School District

## Food Services Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 618,000	\$ 618,000	\$ 468,275	\$ (149,725)
Intergovernmental	1,400,000	1,400,000	1,405,416	5,416
Miscellaneous	-	-	15,901	15,901
Total revenues	<u>2,018,000</u>	<u>2,018,000</u>	<u>1,889,592</u>	<u>(128,408)</u>
Expenses:				
Food service operations:				
Salaries and wages	555,066	573,066	566,399	6,667
Fringe benefits	328,745	310,745	248,385	62,360
Purchased services	1,574,171	1,574,171	1,349,113	225,058
Supplies and materials	<u>3,698</u>	<u>3,698</u>	-	<u>3,698</u>
Total expenses	<u>2,461,680</u>	<u>2,461,680</u>	<u>2,163,897</u>	<u>297,783</u>
Excess of revenues over (under) expenses	<u>(443,680)</u>	<u>(443,680)</u>	<u>(274,305)</u>	<u>169,375</u>
Other financing sources (uses):				
Advances - in	-	100,000	100,000	-
Transfers - in	<u>275,000</u>	<u>550,000</u>	-	<u>(550,000)</u>
Total other financing sources (uses)	<u>275,000</u>	<u>650,000</u>	<u>100,000</u>	<u>(550,000)</u>
Net change in fund equity	(168,680)	206,320	(174,305)	(380,625)
Fund equity at beginning of year	456	456	456	
Prior year encumbrances appropriated	<u>177,869</u>	<u>177,869</u>	<u>177,869</u>	-
Fund equity at end of year	\$ <u>9,645</u>	\$ <u>384,645</u>	\$ <u>4,020</u>	\$ <u>(380,625)</u>



# Cleveland Heights-University Heights City School District

## Uniform School Supplies Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 40,000	\$ 57,475	\$ 27,569	\$ (29,906)
Miscellaneous	-	29,000	21,168	(7,832)
Total revenues	<u>40,000</u>	<u>86,475</u>	<u>48,737</u>	<u>(37,738)</u>
Expenses:				
Supplies and materials:				
Regular instruction	15,000	75,815	57,112	18,703
Other non-instructional services	<u>25,000</u>	<u>23,000</u>	<u>15,542</u>	<u>7,458</u>
Total supplies and materials	40,000	98,815	72,654	26,161
Purchased services:				
Other non-instructional services	-	2,000	1,956	44
Total expenses	<u>40,000</u>	<u>100,815</u>	<u>74,610</u>	<u>26,205</u>
Excess of revenues over (under) expenses	-	(14,340)	(25,873)	(11,533)
Other financing sources (uses):				
Advances - in	-	32,000	32,000	-
Advances - out	-	(5,200)	(5,200)	-
Total other financing sources (uses)	-	<u>26,800</u>	<u>26,800</u>	-
Net change in fund equity	-	12,460	927	(11,533)
Fund equity at beginning of year	<u>47</u>	<u>47</u>	<u>47</u>	-
Fund equity at end of year	\$ <u>47</u>	\$ <u>12,507</u>	\$ <u>974</u>	\$ <u>(11,533)</u>

# Cleveland Heights-University Heights City School District

## Customer Services Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 21,083	\$ 18,430	\$ (2,653)
Expenses:				
Purchased services:				
Support services - administration	1,600	14,291	14,121	170
Supplies and materials:				
Special instruction	1,242	6,792	6,755	37
Total expenses	2,842	21,083	20,876	207
Net change in fund equity	(2,842)	-	(2,446)	(2,446)
Fund equity at beginning of year	10,196	10,196	10,196	-
Prior year encumbrances appropriated	2,842	2,842	2,842	-
Fund equity at end of year	\$ 10,196	\$ 13,038	\$ 10,592	\$ (2,446)

# Cleveland Heights-University Heights City School District

## Community Services/Early Childhood Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 710,430	\$ 710,430	\$ 681,591	\$ (28,839)
Expenses:				
Community services:				
Salaries and wages	464,278	499,540	499,540	-
Fringe benefits	201,873	115,337	172,720	(57,383)
Purchased services	17,656	11,737	11,737	-
Supplies and materials	26,645	20,878	20,878	-
Total expenses	<u>710,452</u>	<u>647,492</u>	<u>704,875</u>	<u>(57,383)</u>
Excess of revenues over (under) expenses	<u>(22)</u>	<u>62,938</u>	<u>(23,284)</u>	<u>(86,222)</u>
Other financing sources (uses):				
Advances - in	-	65,000	65,000	-
Advances - out	<u>-</u>	<u>(22,000)</u>	<u>(22,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>43,000</u>	<u>43,000</u>	<u>-</u>
Net change in fund equity	(22)	105,938	19,716	(86,222)
Fund equity at beginning of year	1,194	1,194	1,194	-
Prior year encumbrances appropriated	<u>2,801</u>	<u>2,801</u>	<u>2,801</u>	<u>-</u>
Fund equity at end of year	\$ <u>3,973</u>	\$ <u>109,933</u>	\$ <u>23,711</u>	\$ <u>(86,222)</u>

# Cleveland Heights-University Heights City School District

## Self-Insurance Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 22,580,000	\$ 22,580,000	\$ 21,697,549	\$ (882,451)
Expenses:				
Salaries and wages:				
Support services - central	-	20,000	19,000	1,000
Fringe benefits:				
Support services - central	12,500,036	12,480,036	12,042,015	438,021
Foundation settlement retiree	9,000,000	9,000,000	8,800,360	199,640
Total fringe benefits	21,500,036	21,480,036	20,842,375	637,661
Purchases services:				
Support services - central	244,030	244,030	120,125	123,905
Total expenses	21,744,066	21,744,066	20,981,500	762,566
Net change in fund equity	835,934	835,934	716,049	(119,885)
Fund equity at beginning of year	2,876,515	2,876,515	2,876,515	-
Prior year encumbrances appropriated	19,067	19,067	19,067	-
Fund equity at end of year	\$ 3,731,516	\$ 3,731,516	\$ 3,611,631	\$ (119,885)

# Cleveland Heights-University Heights City School District

## Workers' Compensation Fund

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

For the Fiscal Year Ended June 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 1,000,000	\$ 1,000,000	\$ 754,050	\$ (245,950)
Expenses:				
Fringe benefits:				
Support services - central	1,000,000	1,000,000	754,527	245,473
Purchased services:				
Support services - central	25,000	25,000	25,000	-
Total expenses	1,025,000	1,025,000	779,527	245,473
Net change in fund equity	(25,000)	(25,000)	(25,477)	(477)
Fund equity at beginning of year	1,551,657	1,551,657	1,551,657	-
Fund equity at end of year	\$ 1,526,657	\$ 1,526,657	\$ 1,526,180	\$ (477)

# Cleveland Heights-University Heights City School District

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

For the Fiscal Year Ended June 30, 2010

---

	<u>Balance</u> <u>06/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/10</u>
Student activities:				
Assets:				
Equity in pooled cash and investments	\$ <u>47,835</u>	\$ <u>80,351</u>	\$ <u>98,563</u>	\$ <u>29,623</u>
Liabilities:				
Accounts payable	\$ 2,620	\$ 1,372	\$ 2,620	\$ 1,372
Due to students	<u>45,215</u>	<u>78,979</u>	<u>95,943</u>	<u>28,251</u>
Total liabilities	\$ <u>47,835</u>	\$ <u>80,351</u>	\$ <u>98,563</u>	\$ <u>29,623</u>

# Statistical Section



**KENT WISE, JR.**  
*Grade 4*  
*Oxford Elementary*



**EMILY CASSADY**  
*Grade 3*  
*Noble Elementary*



**ASHLEIGH MITCHELL**  
*Grade 4*  
*Oxford Elementary*



# Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2010

---

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

<b>Contents</b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	136-144
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	145-148
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	149-152
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.	153
<b>Operating Information</b> These schedules contain service data to help the reader understand how the Information in the District's financial report relates to the services the District provides and the activities it performs.	154-159

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



# Cleveland Heights-University Heights City School District

## Net Assets by Component

### Last Eight Fiscal Years

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:								
Invested in capital assets, net of related debt	\$ 12,716,152	\$ 20,600,881	\$ 23,498,247	\$ 22,141,251	\$ 26,323,176	\$ 27,570,443	\$ 30,310,942	\$ 32,798,348
Restricted for:								
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036	1,927,491	2,467,742	2,568,283
Debt service	-	-	-	574,741	581,198	617,346	657,395	304,922
Other purposes	760,578	1,782,304	867,606	285,016	4,423	54,665	1,159,654	1,725,730
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269	3,424,494	3,592,508	3,741,214
Unrestricted	<u>13,017,617</u>	<u>11,739,480</u>	<u>22,834,399</u>	<u>50,813,197</u>	<u>50,779,010</u>	<u>58,669,637</u>	<u>61,051,577</u>	<u>58,524,444</u>
Total net assets - governmental activities	<u>32,610,915</u>	<u>38,667,255</u>	<u>54,086,934</u>	<u>79,802,183</u>	<u>82,362,112</u>	<u>92,264,076</u>	<u>99,239,818</u>	<u>99,662,941</u>
Business - type activities:								
Invested in capital assets, net of related debt	661,924	821,275	787,690	754,143	721,008	687,993	655,529	770,730
Unrestricted (deficit)	<u>(869,152)</u>	<u>(832,913)</u>	<u>(969,636)</u>	<u>(1,194,310)</u>	<u>(2,320,676)</u>	<u>(4,039,596)</u>	<u>(4,205,298)</u>	<u>(5,220,860)</u>
Total net assets - business - type activities	<u>(207,228)</u>	<u>(11,638)</u>	<u>(181,946)</u>	<u>(440,167)</u>	<u>(1,599,668)</u>	<u>(3,351,603)</u>	<u>(3,549,769)</u>	<u>(4,450,130)</u>
Primary government:								
Invested in capital assets, net of related debt	13,378,076	21,422,156	24,285,937	22,895,394	27,044,184	28,258,436	30,966,471	33,569,078
Restricted for:								
Capital projects	6,116,568	1,626,641	3,865,873	2,859,173	1,427,036	1,927,491	2,467,742	2,568,283
Debt service	-	-	-	574,741	581,198	617,346	657,395	304,922
Other purposes	760,578	1,782,304	867,606	285,016	4,423	54,665	1,159,654	1,725,730
Qualified zone academy bond retirement	-	2,917,949	3,020,809	3,128,805	3,247,269	3,424,494	3,592,508	3,741,214
Unrestricted	<u>12,148,465</u>	<u>10,906,567</u>	<u>21,864,763</u>	<u>49,618,887</u>	<u>48,458,334</u>	<u>54,630,041</u>	<u>56,846,279</u>	<u>53,303,584</u>
Total net assets - primary government	\$ <u>32,403,687</u>	\$ <u>38,655,617</u>	\$ <u>53,904,988</u>	\$ <u>79,362,016</u>	\$ <u>80,762,444</u>	\$ <u>88,912,473</u>	\$ <u>95,690,049</u>	\$ <u>95,212,811</u>

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

# Cleveland Heights-University Heights City School District

## Changes in Net Assets

### Last Eight Fiscal Years

Table 2

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

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Assets (continued)

### Last Eight Fiscal Years

Table 2

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

Continued

# Cleveland Heights-University Heights City School District

## Changes in Net Assets (continued)

### Last Eight Fiscal Years

Table 2

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

Continued

## Cleveland Heights-University Heights City School District

### Changes in Net Assets (continued)

#### Last Eight Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business - type activities:								
Transfers	<u>545,509</u>	<u>267,455</u>	<u>-</u>	<u>(3,000)</u>	<u>2,585</u>	<u>144,976</u>	<u>350,372</u>	<u>-</u>
Total primary government general revenues and other changes in net assets	<u>19,340,544</u>	<u>84,595,854</u>	<u>95,745,434</u>	<u>110,354,551</u>	<u>87,608,379</u>	<u>99,648,343</u>	<u>96,032,260</u>	<u>93,502,681</u>
Change in net assets:								
Governmental activities	<u>(10,979,097)</u>	<u>6,056,340</u>	<u>15,419,679</u>	<u>25,715,249</u>	<u>2,559,929</u>	<u>9,901,964</u>	<u>6,975,742</u>	<u>423,123</u>
Business - type activities	<u>(124,224)</u>	<u>195,590</u>	<u>(170,308)</u>	<u>(258,221)</u>	<u>(1,159,501)</u>	<u>(1,751,935)</u>	<u>(198,166)</u>	<u>(900,361)</u>
Total primary government change in net assets	\$ <u>11,103,321</u>	\$ <u>6,251,930</u>	\$ <u>15,249,371</u>	\$ <u>25,457,028</u>	\$ <u>1,400,428</u>	\$ <u>8,150,029</u>	\$ <u>6,777,576</u>	\$ <u>(477,238)</u>

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

# Cleveland Heights-University Heights City School District

## Program Revenues by Function/Program

### Last Eight Fiscal Years

Table 3

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

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

# Cleveland Heights-University Heights City School District

## Fund Balances, Governmental Funds

### Last Ten Fiscal Years

Table 4

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund:										
Reserved	\$ 7,761,780	\$ 15,486,334	\$ 8,159,310	\$ 14,015,916	\$ 17,421,642	\$ 31,484,977	\$ 28,287,616	\$ 33,065,009	\$ 29,045,094	\$ 20,559,439
Unreserved	<u>7,475,436</u>	<u>15,171,373</u>	<u>10,062,100</u>	<u>1,924,082</u>	<u>13,612,213</u>	<u>21,350,110</u>	<u>27,784,974</u>	<u>31,865,555</u>	<u>37,282,074</u>	<u>40,721,484</u>
Total general fund	<u>15,237,216</u>	<u>30,657,707</u>	<u>18,221,410</u>	<u>15,939,998</u>	<u>31,033,855</u>	<u>52,835,087</u>	<u>56,072,590</u>	<u>64,930,564</u>	<u>66,327,168</u>	<u>61,280,923</u>
All other governmental funds:										
Reserved	1,831,392	2,231,698	4,927,249	9,767,446	7,642,807	4,704,397	2,959,452	2,968,533	3,589,646	2,782,844
Unreserved, undesignated										
Reported in:										
Special revenue funds	1,050,612	1,075,052	953,319	217,477	1,179,271	648,244	(719,527)	(144,420)	(325,719)	10,070
Debt service funds	11,006	(182,807)	81,071	98,444	211,488	-	-	-	-	-
Capital projects funds	<u>766,430</u>	<u>(176,962)</u>	<u>1,173,189</u>	<u>1,433,228</u>	<u>265,668</u>	<u>2,415,169</u>	<u>2,957,383</u>	<u>3,430,357</u>	<u>3,641,857</u>	<u>3,912,946</u>
Total all other governmental funds	<u>3,659,440</u>	<u>2,946,981</u>	<u>7,134,828</u>	<u>11,516,595</u>	<u>9,297,234</u>	<u>7,767,810</u>	<u>5,197,308</u>	<u>6,254,470</u>	<u>6,905,784</u>	<u>6,705,860</u>
Total governmental funds	\$ <u>18,896,656</u>	\$ <u>33,604,688</u>	\$ <u>25,356,238</u>	\$ <u>27,456,593</u>	\$ <u>40,331,089</u>	\$ <u>60,602,897</u>	\$ <u>61,269,898</u>	\$ <u>71,185,034</u>	\$ <u>73,232,952</u>	\$ <u>67,986,783</u>

Source: School District financial records.

# Cleveland Heights-University Heights City School District

## Changes in Fund Balances, Governmental Funds

### Last Ten Fiscal Years

Table 5

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>										
Taxes	\$ 50,765,634	\$ 62,143,581	\$ 46,308,999	\$ 60,162,590	\$ 65,125,482	\$ 80,068,149	\$ 62,525,139	\$ 70,309,309	\$ 65,374,496	\$ 58,111,449
Payments in lieu of property taxes	-	-	-	-	-	-	-	85,089	110,775	1,813
Intergovernmental	27,421,461	31,643,744	33,868,366	33,979,643	40,330,849	35,994,845	35,909,507	37,665,113	38,219,178	42,481,847
Tuition and fees	899,953	287,421	589,353	666,018	3,000,244	563,807	1,691,244	718,184	1,084,330	1,132,778
Transportation fees	95,538	61,297	56,288	76,823	51,315	-	-	-	-	-
Earnings on investments	1,320,577	828,171	254,688	169,792	462,659	1,432,840	2,322,959	1,900,552	1,200,992	489,176
Extracurricular activities	448,766	370,346	347,415	276,992	357,465	187,545	221,068	225,465	243,331	247,153
Classroom materials and fees	74,081	61,389	65,752	47,994	24,334	21,612	31,683	26,783	36,870	21,525
Food services	-	1,831	-	-	-	-	-	-	-	-
Miscellaneous	651,190	5,868,314	1,273,296	634,344	1,864,071	1,522,733	1,078,839	1,840,138	1,805,193	1,758,554
<b>Total revenues</b>	<b>81,677,200</b>	<b>101,266,094</b>	<b>82,764,157</b>	<b>96,014,196</b>	<b>111,216,419</b>	<b>119,791,531</b>	<b>103,780,439</b>	<b>112,770,633</b>	<b>108,075,165</b>	<b>104,244,295</b>
<b>Expenditures:</b>										
<b>Current:</b>										
<b>Instruction:</b>										
Regular	31,830,566	32,721,891	34,583,645	33,868,601	34,236,479	34,573,204	36,216,029	36,489,302	35,617,232	37,438,613
Special	6,353,542	6,843,267	7,558,962	7,718,576	8,465,988	8,604,906	9,727,158	9,575,382	10,458,889	12,350,826
Vocational	1,623,723	1,679,674	1,828,643	1,695,105	1,717,241	1,670,809	1,681,895	1,718,541	2,006,303	1,917,949
Adult/continuing	219,804	243,714	249,789	258,416	256,099	147,662	263,554	1,019,433	1,097,166	243,510
Other instruction	1,933,701	1,217,427	2,454,574	2,675,944	2,053,694	3,404,613	2,728,650	3,152,431	3,552,064	4,424,310
<b>Support services:</b>										
Pupil	7,300,157	7,205,878	7,951,441	8,910,162	9,398,698	9,460,564	9,397,066	8,718,866	8,728,926	9,040,268
Instructional staff	3,676,704	4,179,534	4,835,159	5,385,171	4,786,153	4,416,605	5,175,284	5,992,632	6,445,317	7,798,200
Board of education	621,463	245,198	491,748	543,274	620,020	530,377	484,231	545,385	460,684	482,582
Administration	4,669,781	5,573,613	5,524,040	5,848,938	6,001,439	6,124,940	6,245,179	7,091,960	6,640,220	6,172,891
Fiscal	1,809,818	2,029,914	1,956,620	1,532,415	1,982,278	2,050,644	2,186,609	2,076,801	2,185,469	3,029,193
Business	1,490,288	2,713,106	4,087,808	5,139,737	2,293,991	2,300,101	2,271,198	2,249,394	1,539,458	1,367,110
Operation and maintenance of plant	9,145,902	11,578,679	14,280,666	16,007,194	16,773,828	11,076,485	10,230,156	10,331,539	11,521,381	13,204,102
Pupil transportation	2,425,998	2,728,538	3,194,204	3,229,414	2,872,764	3,347,240	3,753,311	4,080,869	4,199,497	4,461,495
Central	2,775,439	3,004,062	2,942,986	2,594,369	2,726,067	2,982,146	2,861,101	2,926,115	3,619,618	3,727,743
<b>Operations of non-instructional services:</b>										
Food service	1,853	103	976	24	-	-	-	-	-	5,776
Community services	1,962,607	2,097,167	2,279,893	1,755,029	2,026,440	1,828,088	2,359,941	1,965,639	2,528,283	2,126,328
Other	70,196	78,040	100,920	50,795	-	94,520	96,664	105,715	115,736	120,946
Extracurricular activities	982,550	1,349,898	1,154,995	1,077,510	1,202,092	1,131,599	1,526,574	1,518,699	1,591,867	1,482,333
Capital outlay	19,500	10,547	139,138	124,678	-	4,268,101	4,132,268	2,091,645	1,809,386	-
<b>Debt service:</b>										
Principal	1,040,000	1,352,191	1,409,915	1,274,239	910,000	930,000	1,097,667	1,147,357	1,493,387	2,193,347
Interest and fiscal charges	170,973	198,676	729,241	733,060	596,144	571,259	676,318	709,119	744,720	503,908
<b>Total expenditures</b>	<b>80,124,565</b>	<b>87,051,117</b>	<b>97,755,363</b>	<b>100,422,651</b>	<b>98,919,415</b>	<b>99,513,863</b>	<b>103,110,853</b>	<b>103,506,824</b>	<b>106,355,603</b>	<b>112,091,430</b>

Continued



# Cleveland Heights-University Heights City School District

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

### Last Ten Fiscal Years

Table 5

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Excess of revenues over (under) expenditures	<u>1,552,635</u>	<u>14,214,977</u>	<u>(14,991,206)</u>	<u>(4,408,455)</u>	<u>12,297,004</u>	<u>20,277,668</u>	<u>669,586</u>	<u>9,263,809</u>	<u>1,719,562</u>	<u>(7,847,135)</u>
Other financing sources (uses):										
Issuance of bonds	-	-	5,800,000	-	-	-	-	-	-	-
Inception of capital leases	-	660,000	732,323	835,560	577,492	-	-	796,303	678,728	2,600,966
Proceeds from the sale of assets	45,588	-	-	-	-	-	-	-	-	-
Insurance proceeds	161,618	-	-	-	-	-	-	-	-	-
Qualified zone academy bonds	-	-	-	5,500,000	-	-	-	-	-	-
Other	(1,075)	-	5,942	-	-	-	-	-	-	-
Transfers-in	813,164	297,345	2,307,593	7,128,579	1,432,606	997,692	1,339,411	1,383,323	2,077,014	570,000
Refund of prior year expenditures	-	-	-	-	-	71,786	-	-	-	-
Transfers-out	(894,263)	(464,290)	(2,103,102)	(6,955,329)	(1,432,606)	(994,692)	(1,341,996)	(1,528,299)	(2,427,386)	(570,000)
Refund of prior year receipts	-	-	-	-	-	(80,646)	-	-	-	-
Total other financing sources (uses)	<u>125,032</u>	<u>493,055</u>	<u>6,742,756</u>	<u>6,508,810</u>	<u>577,492</u>	<u>(5,860)</u>	<u>(2,585)</u>	<u>651,327</u>	<u>328,356</u>	<u>2,600,966</u>
Net change in fund balances	\$ <u>1,677,667</u>	\$ <u>14,708,032</u>	\$ <u>(8,248,450)</u>	\$ <u>2,100,355</u>	\$ <u>12,874,496</u>	\$ <u>20,271,808</u>	\$ <u>667,001</u>	\$ <u>9,915,136</u>	\$ <u>2,047,918</u>	\$ <u>(5,246,169)</u>
Debt service as a percentage of noncapital expenditures	1.51%	1.79%	2.19%	1.98%	1.53%	1.51%	1.79%	1.83%	2.16%	2.52%

Source: School District financial records.

# Cleveland Heights-University Heights City School District

## Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Table 6

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Total Direct Tax Rate	Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2001	\$ 926,462,620	\$ 2,647,036,057	\$ 30,906,950	\$ 35,121,534	\$ 34,917,354	\$ 139,669,415	\$ 992,286,924	\$ 2,821,827,006	\$ 120.40	35.0%
2002	929,693,070	2,656,265,914	20,379,170	23,158,147	24,751,484	99,005,936	974,823,724	2,778,429,997	121.10	35.0
2003	937,234,820	2,677,813,771	31,701,920	36,024,909	25,539,854	111,042,843	994,476,594	2,824,881,523	121.10	35.0
2004	1,066,559,720	3,047,313,486	33,561,950	38,138,580	23,331,004	101,439,148	1,123,452,674	3,186,891,214	121.10	35.0
2005	1,135,565,940	3,244,474,114	30,356,400	34,495,909	22,495,796	97,807,809	1,188,418,136	3,376,777,832	129.50	35.0
2006	1,068,833,330	3,053,809,514	27,878,630	31,680,261	23,111,301	100,483,917	1,119,823,261	3,185,973,692	129.50	35.0
2007	1,218,353,600	3,481,010,286	17,706,520	20,121,046	11,791,553	94,332,424	1,247,851,673	3,595,463,756	129.60	34.7
2008	1,230,715,140	3,516,328,971	11,548,270	13,123,034	9,140,242	73,121,936	1,251,403,652	3,675,695,877	136.70	34.7
2009	1,217,296,300	3,477,989,429	12,095,890	13,745,330	4,791,945	76,671,120	1,234,184,135	3,568,405,879	136.70	34.6
2010	1,131,890,150	3,233,971,857	12,905,470	14,665,307	-	-	1,144,795,620	3,248,637,167	136.80	35.2

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

Estimated actual values are calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

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

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

# Cleveland Heights-University Heights City School District

## Principal Taxpayers – Real Estate Tax

Fiscal Year 2010 and Fiscal Year 2001

Table 7

Name of Taxpayer	December 31, 2009(1)	
	Assessed Value (1)	Percent of Total Assessed Value
Kaiser Foundation Health	\$ 11,621,820	1.03%
Severance SPE Lease	10,429,720	0.92%
Inland Western University	6,377,040	0.56%
Coral Cedar Center LLC	6,093,970	0.54%
Severance SPE Lease Co.	5,685,720	0.50%
The May Department Stores	4,975,180	0.44%
ARC Cleveland Hts. LLC	3,757,150	0.33%
Concord Park I, II, & III	2,591,190	0.23%
Target Corp	2,555,010	0.23%
Kensington LTD	2,520,000	0.22%
Total	\$ 56,606,800	5.00%

Name of Taxpayer	December 31, 2001(2)	
	Assessed Value (2)	Percent of Total Assessed Value
Kaiser Foundation Health Plan of Ohio	\$ 7,791,840	0.80%
SCIT, Inc.	6,029,880	0.62%
Wal Mart	4,113,250	0.42%
American Retirement Corporation	3,866,590	0.40%
Star Wood Wasserman	3,720,640	0.38%
SCIT, Inc.	2,541,630	0.26%
Coral Seuh, LLC	2,504,740	0.26%
Concord Company	2,290,390	0.23%
Lancashire Towers Associates	2,173,640	0.22%
Waldorf Partners, LTD	2,143,020	0.22%
Total	\$ 37,175,620	3.81%

Source: Cuyahoga County Auditor

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

(2) Assessed values are for the 2001 collection year. Information prior to 2001 was not available.

## Cleveland Heights-University Heights City School District

### Property Tax Rates – Direct and Overlapping Governments

Last Ten Years

Table 8

Tax Year	School Levy	County Levy	City Levy	Metro Parks Levy	Library Levy	Tri-C Levy	Cleveland Port Authority Levy	Total Levy	Debt Service Included in Total Levy			
									School	County	City	Total
2000/2001	\$120.40	\$ 14.65	\$ 14.10	\$ 1.55	\$ 5.90	\$ 0.00	\$ 0.00	\$ 156.60	\$ 3.80	\$ 0.79	\$ 6.10	\$ 10.69
2001/2002	121.10	14.65	14.00	1.55	5.90	0.00	0.00	157.20	3.80	0.86	6.00	10.66
2002/2003	121.10	14.65	14.10	1.55	5.90	0.00	0.00	157.30	3.80	0.91	6.10	10.81
2003/2004	121.10	13.52	14.00	1.55	5.90	2.80	0.13	159.00	3.80	0.91	6.00	10.71
2004/2005	129.50	13.52	13.10	1.85	5.90	2.80	0.13	166.80	3.80	0.61	6.48	10.89
2005/2006	129.50	13.52	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.71	6.48	10.99
2006/2007	129.60	13.42	13.00	1.85	5.90	2.80	0.13	166.70	3.80	0.74	6.48	11.02
2007/2008	136.70(1)	13.42	12.90	1.85	5.90	2.80	0.13	173.70	3.80	0.74	6.48	11.02
2008/2009	136.70(1)	13.32	12.90	1.85	7.80	2.80	0.13	175.50	3.80	0.74	6.48	11.02
2009/2010	136.80(2)	13.32	12.90	1.85	7.80	2.80	0.13	175.60	3.80	0.74	6.48	11.02

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

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

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

## Cleveland Heights-University Heights City School District

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

Last Ten Years

Table 9

<u>Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>
2001	\$ 51,057,682	\$ 3,302,936	\$ 54,360,618	\$ 48,710,094	95.40%	\$ 2,358,932	\$ 51,069,026
2002	61,457,814	3,264,265	64,722,079	53,422,810	86.93	1,476,879	54,899,689
2003	60,216,887	4,017,319	64,234,206	57,410,608	95.33	2,830,263	60,240,871
2004	63,884,607	3,977,674	67,862,281	58,532,812	91.62	3,179,666	61,712,478
2005	73,993,743	6,538,173	80,531,917	65,677,215	88.76	3,208,654	68,885,869
2006	73,180,871	6,317,749	79,498,620	69,220,320	94.58	4,081,167	73,301,487
2007	72,118,959	6,209,258	78,328,217	68,342,993	94.76	3,433,220	71,776,214
2008	80,279,737	6,829,786	87,109,523	69,488,916	86.56	4,198,730	73,687,646
2009	79,306,636	6,986,422	86,293,058	73,681,014	92.91	4,122,635	77,803,649
2010	78,224,800	6,840,923	85,065,723	72,761,558	93.02	3,556,037	76,317,595

Source: Cuyahoga County Auditor - Data is presented on a fiscal year basis, consistent with the County Auditor's method of maintaining the information. Levy information includes Homestead/Rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

## Cleveland Heights-University Heights City School District

### Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2009

Table 10

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District<sup>(1)</sup></u>	<u>Amount Applicable to School District</u>
Direct:			
Cleveland Heights - University Heights City School District	\$ <u>10,295,000</u>	100.00%	\$ <u>10,295,000</u>
Total direct	<u>10,295,000</u>		<u>10,295,000</u>
Overlapping:			
City of Cleveland Heights	20,460,000	76.04	15,557,784
City of South Euclid	6,405,000	1.97	126,179
City of University Heights	3,544,000	21.99	779,326
Cuyahoga County	336,472,572	3.86	12,987,841
Regional Transit Authority	<u>163,025,000</u>	3.86	<u>6,292,765</u>
Total overlapping	<u>529,906,572</u>		<u>35,743,895</u>
Grand total	\$ <u>540,201,572</u>		\$ <u>46,038,895</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations were used for the 2009 collection year.

# Cleveland Heights-University Heights City School District

## Computation of Legal Debt Margin

### Last Ten Fiscal Years

Table 11

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006<sup>(2)</sup></u>	<u>2007<sup>(2)</sup></u>	<u>2008<sup>(2)</sup></u>	<u>2009<sup>(2)</sup></u>	<u>2010</u>
Assessed valuation	\$ <u>992,286,924</u>	\$ <u>974,823,724</u>	\$ <u>994,476,594</u>	\$ <u>1,123,452,674</u>	\$ <u>1,188,418,136</u>	\$ <u>1,079,491,310</u>	\$ <u>1,229,566,760</u>	\$ <u>1,242,263,410</u>	\$ <u>1,226,213,160</u>	\$ <u>1,144,795,620</u>
Debt limit - 9% of assessed value	\$ 89,305,822	\$ 87,734,135	\$ 89,502,893	\$ 101,110,741	\$ 106,957,632	\$ 97,154,218	\$ 110,661,008	\$ 111,803,707	\$ 110,359,184	\$ 103,031,606
Amount of debt applicable to debt limit:										
General obligation bonds	2,020,000	11,079,990	16,189,990	15,534,990	14,624,990	13,694,990	12,856,619	12,009,871	11,170,000	10,295,000
Tax anticipation note	1,000,000	400,000	-	-	-	-	-	-	-	-
Less: amount available in debt service fund	<u>(11,006)</u>	<u>(9,317,193)</u>	<u>(81,071)</u>	<u>(258,667)</u>	<u>(394,441)</u>	<u>(574,741)</u>	<u>(581,198)</u>	<u>(626,363)</u>	<u>(634,411)</u>	<u>(289,163)</u>
Total	<u>3,008,994</u>	<u>2,162,797</u>	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,120,249</u>	<u>12,275,421</u>	<u>11,383,508</u>	<u>10,535,589</u>	<u>10,005,837</u>
Exemptions:										
Tax anticipation notes	<u>1,000,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total exemptions	<u>1,000,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount of debt subject to the limit	<u>2,008,994</u>	<u>1,762,797</u>	<u>16,108,919</u>	<u>15,276,323</u>	<u>14,230,549</u>	<u>13,120,249</u>	<u>12,275,421</u>	<u>11,383,508</u>	<u>10,535,589</u>	<u>10,005,837</u>
Overall debt margin	\$ <u>87,296,828</u>	\$ <u>85,971,338</u>	\$ <u>73,393,974</u>	\$ <u>85,834,418</u>	\$ <u>92,727,083</u>	\$ <u>84,033,969</u>	\$ <u>98,385,587</u>	\$ <u>100,420,199</u>	\$ <u>99,823,595</u>	\$ <u>93,025,769</u>
Debt margin - .10% of assessed Value <sup>(1)</sup>	\$ 992,287	\$ 974,823	\$ 994,477	\$ 1,123,453	\$ 1,188,418	\$ 1,079,491	\$ 1,229,567	\$ 1,242,263	\$ 1,226,213	\$ 1,144,796
Amount of debt applicable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted debt margin	\$ <u>992,287</u>	\$ <u>974,823</u>	\$ <u>994,477</u>	\$ <u>1,123,453</u>	\$ <u>1,188,418</u>	\$ <u>1,079,491</u>	\$ <u>1,229,567</u>	\$ <u>1,242,263</u>	\$ <u>1,226,213</u>	\$ <u>1,144,796</u>
Total net debt applicable to the limit as a percentage of debt limit	2.25%	2.01%	18.00%	15.11%	13.30%	13.50%	11.09%	10.18%	9.55%	9.71%

Source: Cuyahoga County Auditor and School District financial records

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

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

## Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years

Table 12

Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Energy Conservation Notes	Notes Payable	Capital Leases	Qualified Zone Academy Bonds			
2001	\$ -	\$ 2,020,000	\$ -	\$ -	\$ -	\$ 2,020,000	0.15%	\$ 31.12
2002	9,499,990	1,580,000	9,500,000	1,270,945	-	21,850,935	1.67	336.61
2003	9,249,990	6,940,000	-	985,513	-	17,175,503	1.31	264.58
2004	9,034,990	6,500,000	-	1,201,834	5,500,000	22,236,824	1.70	342.55
2005	8,784,990	5,840,000	-	1,141,507	5,500,000	21,266,497	1.62	327.61
2006	8,524,990	5,170,000	-	514,173	5,500,000	19,709,163	1.50	303.61
2007	8,371,619	4,485,000	-	254,877	5,500,000	18,611,496	1.42	286.71
2008	8,219,871	3,790,000	-	750,571	5,500,000	18,260,442	1.39	281.30
2009	8,085,000	3,085,000	-	775,783	5,500,000	17,445,783	1.33	268.75
2010	7,790,000	2,505,000	-	2,058,402	5,500,000	17,853,402	1.36	313.22

Source: School District financial records



## Cleveland Heights-University Heights City School District

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

Last Ten Fiscal Years

Table 13

<u>Fiscal Year</u>	<u>Gross General Bonded Debt<sup>(1)</sup></u>	<u>Less Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value<sup>(2)</sup></u>	<u>Population<sup>(3)</sup></u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Debt Per Capita</u>
2000/2001	\$ 2,020,000	\$ 11,006	\$ 2,008,994	\$ 992,286,924	68,842	0.20%	\$ 31
2001/2002	11,079,990	9,484,932	1,595,058	974,823,724	64,915	0.16	25
2002/2003	16,189,990	151,399	16,038,591	994,476,594	64,915	1.61	247
2003/2004	15,534,990	258,667	15,276,323	1,123,452,674	64,915	1.36	235
2004/2005	14,624,990	394,441	14,230,549	1,188,418,136	64,915	1.20	219
2005/2006	13,694,990	574,741	13,120,249	1,119,823,261	64,915	1.17	202
2006/2007	12,856,619	581,198	12,275,421	1,247,851,673	64,915	0.98	189
2007/2008	12,009,871	626,363	11,383,508	1,251,403,652	64,915	0.91	175
2008/2009	11,170,000	634,411	10,535,589	1,234,184,135	64,915	0.85	162
2009/2010	10,295,000	289,163	10,005,837	1,144,795,620	57,000	0.87	154

Sources:

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

# Cleveland Heights-University Heights City School District

## Demographic and Economic Statistics

### Last Ten Fiscal Years

Table 14

<u>Year</u>	<u>County Population(1)</u>	<u>Cleveland Heights Population(1)</u>	<u>University Heights Population(1)</u>	<u>School Enrollment(2)</u>	<u>Unemployment Rate(3)</u>	<u>Cleveland Hts. Median Family Income(1)</u>	<u>University Hts. Median Family Income(1)</u>	<u>Total Personal Income(1)</u>	<u>Total Personal Per Capita</u>
2001	1,371,717	54,052	14,790	6,891	4.60%	\$ 58,028	\$ 75,424	\$ 1,310,043,276	\$ 20,181
2002	1,380,421	50,769	14,146	6,897	4.60	58,028	75,424	1,310,043,276	20,181
2003	1,393,978	50,769	14,146	6,821	4.50	58,028	75,424	1,310,043,276	20,181
2004	1,393,978	50,769	14,146	6,679	4.50	58,028	75,424	1,310,043,276	20,181
2005	1,393,978	50,769	14,146	6,711	5.90	58,028	75,424	1,310,043,276	20,181
2006	1,393,978	50,769	14,146	6,235	5.30	58,028	75,424	1,310,043,276	20,181
2007	1,393,978	50,769	14,146	6,058	5.20	58,028	75,424	1,310,043,276	20,181
2008	1,393,978	50,769	14,146	5,767	7.10	58,028	75,424	1,310,043,276	20,181
2009	1,393,978	50,769	14,146	5,915	8.60	58,028	75,424	1,310,043,276	20,181
2010	1,393,978	45,000	12,000	5,832	9.40	58,028	75,424	1,310,043,276	22,983

Sources:

(1) Estimated figure from U.S. Census Bureau

(2) School District records

(3) Ohio Bureau of Employment Services

# Cleveland Heights-University Heights City School District

## Principal Employers

Fiscal Year 2006 and Fiscal Year 2010

Table 15

December 31, 2005				December 31, 2009			
<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employees</u>	<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employees</u>
Cleveland Heights-University Heights Board of Education	School District	1,164	3.70%	John Carroll University	Education	2,313	6.25%
Cleveland Heights City Hall	Local Government	921	2.92%	Cleveland Heights-University Heights Board of Education	School District	1,664(a)	4.49%
John Carroll University	Education	585	1.86%	Cleveland Heights City Hall	Local Government	774	2.09%
Wal Mart	Retail	300	0.95%	Target	Retail	381	1.03%
Kaiser Permanente	Health Care	300	0.95%	Zagaras	Retail	245	1.03%
Heinen's	Grocery/Retail	200	0.64%	A1 Healthcare	Healthcare	231	0.66%
Kauffman's	Retail	200	0.64%	Bellefaire Jewish Children's	Social Services	229	0.62%
Target	Retail	200	0.64%	Home Depot	Retail	227	0.62%
Tops	Grocery/Retail	190	0.60%	Hebrew Academy	Private School	202	0.61%
Home Depot	Retail/Lumber	<u>150</u>	<u>0.48%</u>	City of University Heights	Local Government	<u>175</u>	<u>0.55%</u>
Total		<u>4,210</u>	<u>13.38%</u>	Total		<u>6,441</u>	<u>17.95%</u>
Total Employment within the School District		<u>31,488</u>		Total Employment within the School District		<u>37,023</u>	

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

(a) Includes full and part-time employees

# Cleveland Heights-University Heights City School District

## Building Statistics by Function/Program

June 30, 2010

Table 16

### **Boulevard Elementary School**

Constructed in 1975	
Total Building Square Footage	51,437
Enrollment Grades K-5	338
Regular Instruction Teachers	21
Special Instruction Teachers	4

### **Canterbury Elementary School**

Constructed in 1927	
Total Building Square Footage	65,800
Enrollment Grades K-5	391
Regular Instruction Teachers	23
Special Instruction Teachers	4

### **Bellefaire School**

Constructed in 1928	
Total Building Square Footage	22,000
Enrollment Grades K-5	87
Regular Instruction Teachers	7
Special Instruction Teachers	15

### **Fairfax Elementary School**

Constructed in 1975	
Total Building Square Footage	59,000
Enrollment Grades K-5	409
Regular Instruction Teachers	24
Special Instruction Teachers	6

### **Gearity Professional Development School**

Constructed in 1954	
Total Building Square Footage	70,856
Enrollment Grades K-5	297
Regular Instruction Teachers	18
Special Instruction Teachers	10

### **Noble Elementary School**

Constructed in 1922	
Total Building Square Footage	74,250
Enrollment Grades K-5	401
Regular Instruction Teachers	23
Special Instruction Teachers	4

### **Oxford Elementary School**

Constructed in 1928	
Total Building Square Footage	61,400
Enrollment Grades K-5	357
Regular Instruction Teachers	23
Special Instruction Teachers	3

### **Roxboro Elementary School**

Constructed in 1920	
Total Building Square Footage	55,600
Enrollment Grades K-5	338
Regular Instruction Teachers	22
Special Instruction Teachers	4

### **Monticello Middle School**

Constructed in 1930	
Total Building Square Footage	130,000
Enrollment Grades 6-8	455
Regular Instruction Teachers	34
Special Instruction Teachers	10

### **Roxboro Middle School**

Constructed in 1931	
Total Building Square Footage	113,380
Enrollment Grades 6-8	527
Regular Instruction Teachers	42
Special Instruction Teachers	9

### **Wiley Middle School**

Constructed in 1954	
Total Building Square Footage	133,127
Enrollment Grades 6-8	423
Regular Instruction Teachers	33
Special Instruction Teachers	8

### **Cleveland Heights High School**

Constructed in 1925	
Total Building Square Footage	395,400
Enrollment Grades 9-12	1,809
Regular Instruction Teachers	108
Special Instruction Teachers	25

Source: School District's appraisal reports and personnel records

# Cleveland Heights-University Heights School District

## Per Pupil Cost

Last Ten Fiscal Years

Table 17

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students who Receive Free or Reduced Lunch (3)</u>
2001	\$ 81,019,903	6,891	\$ 11,757	(0.16)%	496	13.89	N/A
2002	87,326,278	6,897	12,661	7.69	595	11.59	37.96%
2003	99,842,231	6,821	14,637	15.61	610	11.18	43.64
2004	85,249,293	6,683	12,756	(12.85)	581	11.50	44.32
2005	80,024,949	6,451	12,405	(2.75)	473	13.64	48.54
2006	83,685,378	6,235	13,422	8.20	491	12.70	51.09
2007	85,208,087	6,058	14,065	4.79	484	12.52	55.22
2008	88,720,072	5,767	15,384	9.38	455	12.67	53.16
2009	91,499,897	5,915	15,469	0.55	459	12.89	54.77
2010	94,323,087	5,832	16,173	4.55	480	12.15	50.22

Source: School District records

(1) Includes other financing uses. Reported on the modified accrual basis of accounting.

(2) Based upon EMIS information provided to the Ohio Department of Education.

(3) Information provided by School District's Food Service Department.

N/A – Information not available.

## Cleveland Heights-University Heights School District

### Teacher Education and Experience

Last Nine Fiscal Years

Table 18

<u>Degree</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Bachelor's Degree	174	162	143	132	106	107	102	94	102
Master's Degree	420	444	433	338	382	374	350	362	373
PhD	1	4	5	3	3	3	3	3	5
Total	<u>595</u>	<u>610</u>	<u>581</u>	<u>473</u>	<u>491</u>	<u>484</u>	<u>455</u>	<u>459</u>	<u>480</u>
<u>Years of Experience</u>									
0-5	193	233	77	142	43	52	48	50	90
6-10	75	106	98	97	82	76	56	50	68
11 and over	327	271	406	234	366	356	351	359	322
Total	<u>595</u>	<u>610</u>	<u>581</u>	<u>473</u>	<u>491</u>	<u>484</u>	<u>455</u>	<u>459</u>	<u>480</u>

Source: School District personnel records. Information prior to 2002 was not available.

# Cleveland Heights-University Heights School District

## Attendance and Graduation Rates

Last Ten Fiscal Years

Table 19

<u>Year</u>	<u>District Attendance Rate</u>	<u>State Average</u>	<u>District Graduation Rate</u>	<u>State Average</u>
2001	93.8%	93.9%	78.2%	81.1%
2002	94.2	94.3	79.6	82.7
2003	94.6	94.5	88.0	84.3
2004	94.6	94.5	90.0	85.9
2005	94.2	94.3	89.1	86.2
2006	94.5	94.1	96.4	86.1
2007	94.2	94.1	96.0	86.9
2008	94.3	94.2	93.2	84.6
2009	94.6	94.3	85.6	83.0
2010	95.0	94.3	(a)	(a)

Source: Ohio Department of Education Local Report Card.

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

# Cleveland Heights-University Heights City School District

## Full-time School District Employees by Function

Last Six Fiscal Years

Table 20

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

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

(1) Includes food services personnel.



Cleveland  
University **Heights**



City School District



# Goals Statement

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

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





# About the Artwork

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



**LIZZIE DICUS**  
Grade 4  
Noble Elementary



**ZARIA SHEPHERD**  
Grade 1  
Noble Elementary

**Cleveland Heights – University  
Heights City School District  
Cuyahoga County, Ohio**

**Single Audit Reports  
June 30, 2010**

# Cleveland Heights – University Heights City School District

For the year ended June 30, 2010

## Table of Contents

---

<u>Title</u>	<u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	1-2
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	3-4
Schedule of Expenditures of Federal Awards .....	5-6
Notes to the Schedule of Expenditures of Federal Awards .....	7
Schedule of Findings OMB Circular A-133 Section .505 .....	8
Schedule of Prior Audit Findings OMB Circular A-133 Section .315(b).....	10
Independent Accountant's Report on Applying Agreed-Upon Procedures .....	11-12

**Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Education  
Cleveland Heights – University Heights School District  
University Heights, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cleveland Heights - University Heights City School District (the “District”) as of and for the year ended June 30, 2010, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 29, 2010, wherein we noted the District implemented *GASB Statement No.’s 51, 53, and 58*, as disclosed in Note 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis.

Board of Education  
Cleveland Heights – University Heights  
City School District

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over financial reporting: 2010-2. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2010-1.

We noted certain matters that we reported to management of the District, in a separate letter dated December 29, 2010.

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

This report is intended solely for the information and use of the Board of Education, finance committee, management, Auditor of the State's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cini & Panichi, Inc.*

Cleveland, Ohio  
December 29, 2009

**Independent Auditors' Report on Compliance with Requirements that Could  
Have a Direct and Material Effect on Each Major Program and Internal  
Control Over Compliance in Accordance with OMB Circular A-133**

Board of Education  
Cleveland Heights – University Heights  
City School District  
University Heights, Ohio

**Compliance**

We have audited the Cleveland Heights - University Heights City School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

We noted certain matters that we reported to management of the District in a separate letter dated December 29, 2010.



Board of Education  
Cleveland Heights – University Heights  
City School District

### **Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliances does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that may be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2010, and have issued our report thereon dated December 29, 2010, wherein we noted the District implemented *GASB Statement Nos. 51, 53, and 58*, as disclosed in Note 3. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, finance committee, management, Auditor of the State's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Cioni & Paricki, Inc.*

Cleveland, Ohio  
December 29, 2010

# Cleveland Heights – University Heights City School District

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Year	Federal CFDA Number	Receipts	Non-cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture:						
Passed-Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	2010	10.553	\$ 242,562	\$ -	\$ 242,562	\$ -
School Lunch Program	2010	10.555	<u>1,084,698</u>	<u>171,440</u>	<u>1,084,698</u>	<u>171,440</u>
Total Nutrition Cluster			1,327,260	171,440	1,327,260	171,440
ARRA – Nutrition Equipment	2010	10.579	<u>34,000</u>	<u>-</u>	<u>34,000</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>1,361,260</u>	<u>171,440</u>	<u>1,361,260</u>	<u>171,440</u>
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Adult Education – State Grant Program	2009	84.002	31,323	-	3,888	-
Adult Education – State Grant Program	2010	84.002	<u>227,271</u>	<u>-</u>	<u>255,454</u>	<u>-</u>
Total Adult Education – State Grant Program			258,594	-	259,342	-
Title I Cluster:						
Title I	2009	84.010	405,698	-	278,296	-
Title I	2010	84.010	<u>2,437,478</u>	<u>-</u>	<u>2,502,587</u>	<u>-</u>
Total Title I			2,843,176	-	2,780,883	-
ARRA – Title I	2010	84.389	<u>311,841</u>	<u>-</u>	<u>319,874</u>	<u>-</u>
Total Title I Cluster			<u>3,155,017</u>	<u>-</u>	<u>3,100,757</u>	<u>-</u>
Special Education Cluster:						
Title VI-B	2009	84.027	385,307	-	161,567	-
Title VI-B	2010	84.027	<u>1,455,451</u>	<u>-</u>	<u>1,676,411</u>	<u>-</u>
Subtotal Title VI-B			1,840,758	-	1,837,978	-
Special Education – Preschool Grant	2009	84.173	1,785	-	354	-
Special Education – Preschool Grant	2010	84.173	<u>33,172</u>	<u>-</u>	<u>33,808</u>	<u>-</u>
Subtotal Special Education – Preschool Grant			34,957	-	34,162	-
ARRA – Special Education – Grants to States	2010	84.391	316,948	-	348,119	-
ARRA – Special Education – Preschool Grants	2010	84.392	<u>32,780</u>	<u>-</u>	<u>34,838</u>	<u>-</u>
Total Special Education Cluster			<u>2,225,443</u>	<u>-</u>	<u>2,255,097</u>	<u>-</u>
Vocational Education	2009	84.048	31,308	-	26,459	-
Vocational Education	2010	84.048	<u>255,697</u>	<u>-</u>	<u>268,594</u>	<u>-</u>
Total Vocational Education			287,005	-	295,053	-
Drug-Free Schools Grant	2009	84.186	1,036	-	8	-
Drug-Free Schools Grant	2010	84.186	<u>22,111</u>	<u>-</u>	<u>24,791</u>	<u>-</u>
Total Drug-Free Schools Grant			23,147	-	24,799	-
Twenty-First Century Community Learning	2009	84.287	6,285	-	1,072	-
Twenty-First Century Community Learning	2010	84.287	<u>355,319</u>	<u>-</u>	<u>366,077</u>	<u>-</u>
Total Twenty-First Century Community Learning			361,604	-	367,149	-

(continued)

The accompanying notes are an integral part of this schedule.

# Cleveland Heights – University Heights City School District

## Schedule of Expenditures of Federal Awards (continued)

### For the Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Year	Federal CFDA Number	Receipts	Non-cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Education Technology Cluster:						
Education Technology State Grants	2009	84.318	311	-	19	-
Education Technology State Grants	2010	84.318	10,718	-	13,197	-
Total Education Technology State Grant			11,029	-	13,216	-
ARRA – Education Technology State Grants	2010	84.386	81,975	-	81,975	-
Total Education Technology Cluster			93,004	-	95,191	-
English Language Acquisition Grant	2009	84.365	8,822	-	7,939	-
English Language Acquisition Grant	2010	84.365	12,543	-	13,355	-
Total English Language Acquisition Grant			21,365	-	21,294	-
Improving Teacher Quality State Grant	2009	84.367	33,990	-	2,628	-
Improving Teacher Quality State Grant	2010	84.367	275,197	-	260,552	-
Total Improving Teacher Quality State Grant			309,187	-	263,180	-
ARRA – State Fiscal Stabilization Fund	2010	84.394	1,159,540	-	1,159,540	-
Foreign Language Assistance Program	2010	84.293B	61,745	-	126,809	-
Total U.S. Department of Education			7,699,057	-	7,968,211	-
U.S. Department of Health and Human Services:						
Passed-Through Ohio Department of Mental Retardation and Developmental Disabilities:						
Medicaid Assistance Program (CAFS)	2010	93.778	585,720	-	-	-
Total Expenditures of Federal Awards			\$ 9,646,037	\$ 171,440	\$ 9,329,471	\$ 171,440

The accompanying notes are an integral part of this schedule.

# Cleveland Heights – University Heights City School District

## Notes to the Schedule of Expenditures of Federal Awards

**June 30, 2010**

---

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

#### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### Child Nutrition Cluster

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed that federal monies are expended first.

#### Food Donation Program

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

#### Medical Assistance Program (CAFS)

The District received a CAFS settlement in the amount of \$585,720 during the fiscal year. The amount of the settlement relates to CAFS services provided during prior years.

# Cleveland Heights – University Heights City School District

Schedule of Findings  
OMB Circular A-133 Section .505

**June 30, 2010**

---

## 1. Summary of Auditors' Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs	<ul style="list-style-type: none"> <li>• Title I Cluster (CFDA # 84.010) (CFDA # 84.389)</li> <li>• Special Education Cluster (CFDA # 84.027) (CFDA # 84.173) (CFDA # 84.391) (CFDA # 84.392)</li> <li>• Twenty-First Century Community Learning (CFDA # 84.287)</li> <li>• State Fiscal Stabilization Fund (CFDA # 84.394)</li> </ul>
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	Yes

# Cleveland Heights – University Heights City School District

Schedule of Findings  
OMB Circular A-133 Section .505

**June 30, 2010**

---

## 2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

Findings	Findings Summary												
2010-1	<p><b><i>Budgetary Control – Material Noncompliance</i></b></p> <p>Per Ohio Revised Code Section 5705.41(B), no subdivision is to expend money unless it has been appropriated. The following funds had final expenditures plus encumbrances in excess of final appropriations plus prior year encumbrances:</p> <table data-bbox="305 737 1242 926"> <tr> <td colspan="2">Major Funds:</td> </tr> <tr> <td>    Bellefaire General Rotary</td> <td style="text-align: right;">\$ 335,835</td> </tr> <tr> <td colspan="2">Special Revenue Funds:</td> </tr> <tr> <td>    Special Trust Fund</td> <td style="text-align: right;">93,949</td> </tr> <tr> <td colspan="2">Enterprise Fund:</td> </tr> <tr> <td>    Community Services/Early Childhood</td> <td style="text-align: right;">57,383</td> </tr> </table> <p><b>Officials Response:</b> Management will review appropriations versus expenditures throughout the year to ensure compliance with this requirement.</p>	Major Funds:		Bellefaire General Rotary	\$ 335,835	Special Revenue Funds:		Special Trust Fund	93,949	Enterprise Fund:		Community Services/Early Childhood	57,383
Major Funds:													
Bellefaire General Rotary	\$ 335,835												
Special Revenue Funds:													
Special Trust Fund	93,949												
Enterprise Fund:													
Community Services/Early Childhood	57,383												
2010-2	<p><b><i>Financial Reporting – Significant Deficiency</i></b></p> <p>During our testing of internal controls over payroll, we found some employees received salary adjustments in the middle of the fiscal year. The payroll department calculated the adjustment in the employee’s bi-weekly pay amounts. During our testing, we found 11 employees that were paid incorrectly during the year due to errors in the mid-year salary calculation.</p> <p>We recommend the District adopt controls over the mid-year salary adjustments that incorporate both the Human Resources Department and the Payroll Department. This would assist the District in ensuring that the mid-year salary adjustments are properly calculated and input into the payroll system.</p> <p>As of the date of our report, the District is currently correcting the payroll differences noted during the fiscal year.</p> <p><b>Officials Response:</b> Management will develop a process to ensure that the mid-year salary adjustments are properly calculated and entered into the payroll system.</p>												

## 3. Findings for Federal Awards

None.

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

Schedule of Prior Audit Findings  
OMB Circular A-133 Section .315(b)

### **June 30, 2010**

---

The June 30, 2009, audit reported no audit findings as defined in OMB Circular A-133, Section .510. Therefore, preparation of a corrective action plan is not applicable.

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Education  
Cleveland Heights – University Heights School District  
University Heights, Ohio

To the Board of Education:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on January 19, 2010.
2. We read the policy, noting it included the following requirements from Ohio Revised Code Section 3313.666(B):
  - a. A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - b. A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
  - c. A procedure for reporting prohibited incidents;
  - d. A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
  - e. A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;



Board of Education  
Cleveland Heights – University Heights  
City School District

- f. A procedure for documenting any prohibited incident that is reported;
- g. A procedure for responding to and investigating any reported incident;
- h. A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- i. A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- j. A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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

*Cimini & Panichi, Inc.*

Cleveland, Ohio  
December 29, 2010

**This Page is Intentionally Left Blank.**



# Dave Yost • Auditor of State

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

**CUYAHOGA COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 8, 2011**