

**WARRENSVILLE HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Receipts	Federal Non-Cash Receipts	Federal Expenditures	Federal Non-Cash Expenditures
U.S. DEPARTMENT OF EDUCATION						
Passed Through State Department of Education:						
Special Education Cluster:						
Title VI-B FY 97	84.027	045005 6B-SF 98P	\$18,372	\$0	\$37,067	\$0
Title VI-B FY 98	84.027	045005 6B-SF 99P	98,834	0	115,904	0
Total VI-B, Handicapped Grant			117,206	0	152,971	0
Preschool Grant FY 98	84.173	045005 PG-S1 98P	6,087	0	4,580	0
Total Special Education Cluster			123,293	0	157,551	0
Title I FY 98	84.010	045005 C1-S1-98	150,000	0	99,464	0
Title I FY 98 Carryover	84.010	045005 C1-S1-98C	43,828	0	71,254	0
Title I FY 99	84.010	045005 C1-S1-99	311,958	0	272,948	0
Total Education Consolidation & Improvement Act			505,786	0	443,666	0
Title VI FY 98	84.298	045005 C2-S1 98	0	0	17,361	0
Title VI FY 99	84.298	045005 C2-S1 99	17,110	0	3,768	0
Total Title VI Innovative Education Program Strategy			17,110	0	21,129	0
Eisenhower Math & Science FY 98	84.281	045005 MS-S1 98	14,186	0	18,916	0
Drug Free Schools FY 98	84.186	045005 DR-S1 98	0	0	3,365	0
Goals 2000 Subsidy 1	84.276	045005 G2-S1 98	45,300	0	18,306	0
Total U.S. Department of Education			705,675	0	662,933	0
U.S. Department of Agriculture						
Passed Through State Department of Education:						
Nutrition Cluster:						
Food Distribution	10.550		0	34,232	0	31,492
School Breakfast Program	10.553	045005 05-PU 99	24,363	0	24,363	0
National School Lunch Program	10.555	045005 03/04-PU 99	166,043	0	166,043	0
Special Milk Program	10.556	045005 02-PU 99	9,371	0	9,371	0
Total - U.S. Department of Agriculture - Nutrition Cluster			199,777	0	199,777	0
Total Federal Financial Assistance			\$905,452	\$34,232	\$862,710	\$31,492

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

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the Districts federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE C - NATIONAL SCHOOL LUNCH AND SPECIAL MILK PROGRAMS

Federal monies received by the District for these programs are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

N/A - Not applicable

CFDA - Catalog of Federal Domestic Assistance



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Board of Education
Warrensville Heights City School District
Cuyahoga County
4500 Warrensville Center Road
Warrensville Heights, Ohio 44128

We have audited the financial statements of the Warrensville Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*. This instance of noncompliance is described in the accompanying Schedule of Findings as item 1999-10818-001. We also noted immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 17, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 1999.

Warrensville Heights City School District
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management, Board of Education, and 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.

JIM PETRO
Auditor of State

December 17, 1999



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Warrensville Heights City School District
Cuyahoga County
4500 Warrensville Center Road
Warrensville Heights, Ohio 44128

Compliance

We have audited the compliance of the Warrensville Heights City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to the major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program 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 generally accepted auditing standards; 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 legal determination on the District's compliance with those requirements. In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 1999.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of management, Board of Education, and 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.

JIM PETRO
Auditor of State

December 17, 1999

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions 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 § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: CFDA # 10.550 - Food Distribution 10.553 - School Breakfast Program 10.555 - National School Lunch Program 10.556 - Special Milk Program
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
(Continued)

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

Finding Number	1999-10818-001
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Ohio Rev. Code Section 5705.41(B), prohibits a subdivision from making an expenditure unless it has been appropriated. Ohio Rev. Code Section 5705.41(D), provides that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditure lacking prior certification shall be void.

The District's Food Service Fund had appropriations of \$460,016 and had expenses plus encumbrances of \$603,692 for an excess of \$143,676.

We recommend that the District review budget to actual information on a monthly basis and based upon this review pass appropriation resolution as necessary.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

Warrensville Heights City School District
4500 Warrensville Center Road
Warrensville Heights, Ohio 44128

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 1999



Warrensville Heights City School District

Warrensville Heights, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 1999

Issued by:
Treasurer's Office

Brent A. Delman
Treasurer

Warrensville Heights City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 1999
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December 17, 1999

Board of Education Members and Residents
of Warrensville Heights City School District

We are pleased to submit to you Warrensville Heights City School District's Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District for the fiscal year ended June 30, 1999. This CAFR includes an opinion from Jim Petro, Auditor of State of Ohio, and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. This report will provide the taxpayers of Warrensville Heights City School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the Warrensville Heights Public Library, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organization Chart of the School District and a copy of the GFOA Certificate of Achievement.
2. The Financial Section, which begins with the Report of Independent Accountants and includes the General Purpose Financial Statements and Notes that provide an overview of the School District's financial position and operating results, and the Combining, Individual Fund and Account Group Statements and Schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section, which presents social and economic data, financial trends and the fiscal capacity of the Warrensville Heights City School District.

The School District

History

The School District is a proud district with a rich history dating back to the early 1800's when Daniel Warren came from Newburgh to build a cabin and settled here with his wife and child. As a result, Warrensville Township was established in 1816. In the 1820's, as villages and municipalities were developed, the first schools were built and remained until 1920. After 1920, high school students attended Bedford High School. However, when Warrensville Heights became an incorporated village, the School

District became the "Warrensville Heights Local School District" operating as part of the Cuyahoga County School District. In 1961, the township became a city and the School District became the Warrensville Heights City School District.

Present

Today the School District serves three communities, the City of Warrensville Heights, the Village of Highland Hills and the Village of North Randall. Over the past twenty years, the student population of the Warrensville Heights City School District has changed tremendously. It has gone from being a predominately white school system to a predominately African-American school system. Another change in the School District is the socio-economic level of the student body. It is no longer a School District protected from the social ills that are associated with a lack of money. Approximately 31% of the student population are now eligible to receive free or reduced lunches. Many of the students live in public assisted housing. The number of households headed by a single parent has increased. In two parent households usually both parents are working outside the home.

Two hundred twenty-three (223) full and part-time teachers are employed in the School District. The faculty is comprised of males (32.5%) and females (67.5%). Fifty-five percent (55%) of the faculty are African-Americans and forty-five percent (45%) are Caucasians. The average staff member has 18 years teaching experience. Many of the faculty have spent nearly all their teaching careers in Warrensville Heights. Some started their careers in the School District when it was a predominately white school system. Although, many of the faculty members have seen the transition that Warrensville Heights City School System has gone through, they themselves have not made a transition. The staff has not, for many reasons, had the opportunity to continually upgrade their skills and teaching methodologies to keep pace with the changing demographic make-up of the School District.

The Warrensville Heights City School District must change to meet the present and emerging needs of our students. The Board of Education declared the 1999-2000 school year as the "Year of Action". The Board has set benchmarks and accountability standards for employees and student outcomes. This year they have mandated improvement in outcomes for all students.

Organizational Structure

It takes a team to meet today's educational challenges and make school improvement a reality. The School District's team consists of the following integrated components. A five member Board of Education serves as the taxing authority, contracting body and policy developers for the School District. The Board adopts the annual operating budget and approves all expenditures of School District monies.

The Superintendent is the chief administrative officer of the School District, responsible for providing educational and administrative/management leadership for operations of the School District. The Treasurer is the chief financial officer for the School District, responsible for maintaining records of all financial matters, issuing warrants and investing School District's funds as specified by law.

The remaining administrative team members appointed by the Board include the following: Business Manager, Executive Assistant of School Improvement, Executive Director of Human Resources, Executive Director of Pupil Personnel Services and Executive Director of Curriculum and Accountability.

The School District is operating in a form of site-based management with the building principals providing leadership with the support of a building leadership team.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Warrensville Heights City School District (the primary government) and its potential component units.

The Lake-Geauga Computer Consortium and the Ohio Schools Council are reported as jointly governed organizations and the Ohio Schools' Council Insurance Purchasing Plan is an insurance purchasing pool.

Major Initiatives

Shared Vision for the Future

Superintendent Dr. Wenifort Washington and the Board of Education are moving forward to complete the priority areas identified in the School District's strategic plan. During the State loan years, the School District operated on a shoestring budget and barely provided needed resources for students. Today, the School District has moved forward with all-day kindergarten, a special education program, instructional technology and community partnerships. The successful passage of a 26 million bond issue will allow us to complete the priority focus area of improved facilities.

The teaming concept began with the School District's strategic plan committee, comprised of a cross-section of dedicated community members. Hundreds of staff, parents, community members and leaders helped to develop an action plan of six priorities built on a foundation of shared decision making. The six major priorities include:

1. Improving curriculum and instruction for all children through alignment, outcome based accountability and innovative programming;
2. Providing positive learning climates through safe, orderly schools and improved facilities;
3. Maintaining continuing support and involvement through expanded community relations programs, business partnerships, increased parental involvement and improved communications systems;
4. Providing continuing learning and improvement through School District-wide staff development and training;
5. Preparing students for the twenty-first century through the integration and utilization of technology; and
6. Providing financial resources and management to meet School District goals through adequate funding and financial accountability.

Major Initiatives for School Year 1998-1999

The Warrensville Heights City School District is in the fifth year of a five-year strategic plan. This blueprint for educational excellence drives the School District's improvement plans. A major component of the plan is our site-based philosophy. Each building has established a leadership team to develop and monitor a building level improvement plan. The following strategic plan goals are the foundation of each building level plan:

1. Improving curriculum instruction and outcomes for all students;
2. Providing safe orderly schools;
3. Developing business, community and parent partnerships;

4. Developing District-wide staff development training programs;
5. Utilizing instructional and management technology; and,
6. Establishing financial stability, accountability and cost containment programs.

During the 1998-1999 school year, technology improvements were made across the School District. Continuing efforts to improve proficiency and student outcomes will remain a priority. Expanding business partnerships is also a major focus. Partnerships have been established with National City Bank, Meridia Health, Beachwood School District, and Cuyahoga Community College. These partnerships will provide additional resources, support, training and collaboration for improvement of student outcomes. This year, accountability will be emphasized with every employee striving toward individual improvement and a planned effort will be implemented to improve school and community relations.

Future Projects

During fiscal year 2000, the plans for new facilities, building renovations and grounds improvement projects will be completed.

The Board of Education has a vision to renovate all schools and expand the high school with community recreation and athletic facilities. This will enable the School District to provide the facilities needed to educate students as we move into the 21st century. The Bond Issue will make the Board's vision a reality.

Curriculum and Instructional Focus

The School District continued its efforts in District-wide curriculum improvement. Three major goals were adopted by the Board of Education for the School District's Continuous Improvement Plan (CIP).

1. Improvement of state proficiency scores and student outcomes.
2. Alignment of curriculum, instruction and teaching strategies.
3. Increased parental and family involvement.

Many exciting things are happening throughout the School District to accomplish these goals:

- John Dewey kindergarten campus in the Dallas Plaza recently opened to provide free all-day kindergarten classes.
- New teachers have been added to our schools to help reduce class sizes and to provide even better instruction to students.
- Administrative offices have been restructured as service centers to improve scholastic achievement in all of our schools, heighten proficiency test scores, enhance student learning and provide more direct classroom support.
- Two family advocates have been employed to provide direct support to families and serve as school/social service liaison.

Perhaps one of the most important services provided to our students is the new Meridia Health mobile at the middle school and high school. The partnership provides health, wellness and curriculum support to better meet the needs of our student population.

Thanks to the communities support of the passage of a 26.1 million Bond Issue, which was passed in the November, 1999 election, we are making a quantum leap with technology in the School District. Instructional computing has been integrated in grades K-12.

All Title I eligible schools are operating school-wide projects. District-wide special education inclusion models and gifted technology centers are in operation. The Board of Education believes we have a

responsibility to offer all students a variety of services for maximum opportunities. To accomplish this task, closer monitoring of school improvement plans and indicators of success were implemented. All staffing budgets, staff development and waivers were based upon each building's school improvement plan. Another critical component for improved instruction was District-wide training on classroom instruction strategies. All training is focused on the domains of teaching. The School District implemented a mentoring program to support new teachers in the School District.

Economic Outlook

The boundaries of the School District include large parcels of land near interstate highway systems. Land and transportation access provide an excellent backdrop for commercial-industrial development. Interstate 480 runs along the southern portion of the School District which makes access to Interstate 271 less than five minutes travel time to the east, and access to Interstate 71 and the Cleveland-Hopkins International Airport about twenty minutes travel time to the west. In addition, Interstate 480 permits easy connection with Interstate 77, leading south to Columbus and north to Cleveland. The Warrensville Heights City School District is an ideal location for commercial-industrial growth.

The School District is an ideal setting for industry, which is evidenced by 73 percent of the revenue being generated from the commercial-industrial base and the remainder from residential-agricultural. As in the past, we indicated that the industrial base is subject to the shifts in the economy; currently, we are looking at indicators of strong future financial growth. The City of Highland Hills is also witnessing new construction.

Since last year, the Office Max World Headquarters complex has neared completion. Our current situation as it relates to receiving money from the new construction projects, involves a one year period for the appraisal process, one year for the collection of taxes on those properties, and finally, the distribution of these monies during the third year. After all the properties are up and cooking (generating taxes), the economic outlook should witness growth from the infusion of these current and future construction projects. However, in the meantime, the Emergency Levy ends in December of 2000. This levy generates \$1,850,000, and will need to be replaced during the calendar year 2000 in order to prevent a cash flow disruption.

Additional companies are looking at the School District as a location to develop and grow, some of which are in the final paperwork stages. The City of North Randall is planning developments to the current Randall Mall that should see economic growth. The City of Warrensville Heights has had new companies sprouting up around the community. In addition, three years ago the Warrensville Heights School District reached an agreement with Beachwood School District on property that is located in the City of Beachwood, but is in fact part of the Warrensville Heights City Schools. The School District is entitled to 70 percent of the commercial and industrial tax revenue that is intended to fund schools generated by this property. We are looking forward to the economic development of this land.

Financial Information

Internal Accounting and Budgetary Control. The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reports for general 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 School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School 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 School District utilizes a fully automated accounting system as well as an automated system of control for fixed 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 either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within three months of the fiscal year.

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 object account level within a function and fund for the general fund and fund level for all other funds. All purchase order requests must be approved by the Business Manager and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

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

General Governmental Functions. The governmental funds encompass the general, special revenue, debt service, and capital projects funds of the School District.

Revenues for the governmental fund types totaled \$27,329,253 in fiscal year 1999. General property taxes produced 60 percent of total general fund revenues. State and Federal support accounted for 38 percent of the revenues.

The amount of revenue from various sources is shown in the following tabulation:

	1998 Amount	1999 Amount	Percent of Total	Change	Percent Change
Revenues:					
Taxes	\$16,727,355	\$16,340,795	59.80%	(\$386,560)	(2.31)
Intergovernmental	8,657,297	10,518,677	38.49	1,861,380	21.50
Interest	231,000	274,635	1.00	43,635	18.89
Tuition and Fees	53,536	64,894	0.24	11,358	21.22
Extracurricular Activities	97,331	82,825	0.30	(14,506)	(14.90)
Rentals	5,249	450	0.00	(4,799)	(91.43)
Gifts and Donations	16,704	50	0.00	(16,654)	(99.70)
Miscellaneous	167,159	46,927	0.17	(120,232)	(71.93)
Total Revenues	\$25,955,631	\$27,329,253	100.00%	\$1,373,622	

Intergovernmental revenue increased due to an increase in state funding and monies received from Title I.

Interest revenue increased due to the School District having more money to invest.

Tuition and fees revenue increased due to the School District having more students and charging more fees.

Extracurricular activities revenue decreased due to reduced fund-raising activity from the activity programs and fewer draws from fund raising efforts.

The School District's rental revenue has decreased due to the School District's one piece of rental property being torn down during the fiscal year.

Gifts and donations revenue decreased due to the School District not receiving as many donations in fiscal year 1999, as they did in fiscal year 1998.

During fiscal year 1998, the School District received a large refund from Worker's Compensation. This refund did not occur this year.

Governmental fund expenditures for fiscal year 1999 total \$26,523,792. A summary, by major function, follows:

	1998 Amount	1999 Amount	Percent of Total	Change	Percent Change
Expenditures:					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	\$11,811,382	\$13,446,016	50.69%	\$1,634,634	13.84%
Special	1,550,396	1,368,922	5.16	(181,474)	(11.71)
Vocational	464,382	522,615	1.97	58,233	12.54
Adult/Continuing	403	0	0.00	(403)	(100.00)
<i>Support Services:</i>					
Pupils	903,763	940,420	3.55	36,657	4.06
Instructional Staff	857,811	984,864	3.71	127,053	14.81
Board of Education	226,531	334,291	1.26	107,760	47.57
Administration	1,942,171	2,798,825	10.55	856,654	44.11
Fiscal	699,526	761,960	2.87	62,434	8.93
Business	236,821	243,551	0.92	6,730	2.84
Operation and Maintenance Of Plant	2,604,853	2,781,530	10.49	176,677	6.78
Pupil Transportation	1,328,150	1,122,421	4.23	(205,729)	(15.49)
Central	10,191	6,712	0.03	(3,479)	(34.14)
Operation of Non- Instructional Services	132,636	163,385	0.62	30,749	23.18
Extracurricular Activities	312,922	340,880	1.29	27,958	8.93
Capital Outlay	503,197	512,158	1.93	8,961	1.78
<i>Debt Service:</i>					
Principal Retirement	244,203	135,681	0.51	(108,522)	(44.44)
Interest and Fiscal Charges	79,000	59,561	0.22	(19,439)	(24.61)
Total Expenditures	\$23,908,338	\$26,523,792	100.00%	\$2,615,454	

Regular expenditures increased due to the hiring of new teachers and the increase in the number of students.

The expenditures for special decreased because several teachers retired and the new teachers were hired at a lower rate of pay.

Vocational expenditures increased because of a new teacher being hired and more students in the program.

Adult/Continuing expenditures decreased due to less emphasis in recent years as the anchor of adult education efforts had been rooted in the basic education program which over the past couple of years has been shifted to education centers in nearby School Districts.

Instructional Staff expenditures increased due to the increase in the number of teachers' aides.

Board of Education expenditures increased because the School District charged more expenditures back to the board.

Administration expenditures increased due to pay raises, new positions being created and the addition of several computer labs.

Pupil Transportation expenditures decreased due to a decrease in transportation requirements of students.

Central expenditures decreased as a result of fiscal management reducing costs.

Operation of non-instructional services expenditures increased due to an increase in the number of programs offered.

Debt Service expenditures decreased due to the School District having a smaller amount of debt payments in the current fiscal year.

General Fund Balance. The general fund concluded fiscal year 1999 with a fund balance of \$3,182,875 compared to 2,894,718 in fiscal year 1998. The increase is due to additional intergovernmental revenues and due to maintaining expenditures at a level that is less than that of revenues.

Financial Highlights - Proprietary Funds. Food service and uniform school supplies are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from operations that are significantly financed from user fees. In total, the enterprise funds had a net loss of (\$19,675) for the year ended June 30, 1999. The operating loss (before intergovernmental revenue) totaled (\$309,810); thus the reliance on outside support (primarily federal funding of the National School Lunch and Commodities Program) is apparent. Management is analyzing food service fund operations to determine appropriate action to alleviate the deficit.

Financial Highlights - Fiduciary Fund. The School District functions as fiscal agent for students (in the case of activity group accounts). Available assets are totally offset by liabilities.

General Fixed Assets

The general fixed assets of the School District are used to carry on the main education and support function of the School District and are not financial resources available for expenditure. The total general fixed assets at June 30, 1999 were \$16,290,549. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Debt Administration

During fiscal year 1999, the School District retired \$118,143 of the energy conservation bond. As of June 30, 1999, the overall debt margin was \$26,607,420 and the unvoted debt margin was \$302,486. All existing bond obligations are backed by the full faith and credit of the School District and will be retired fully by fiscal year 2005.

Cash Management

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government or the State of Ohio. The program is beneficial because of access to daily balances which enables the Board to maintain minimum balance accounts and invest to the maximum extent. For the year ended June 30, 1999, the total amount of interest earned was \$274,635, all being credited directly to the general fund.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds

deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Risk Management

All employees of the Warrensville Heights School District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP) and pays a premium based on a rate per \$100 of salaries. The School District contracts for general liability insurance, vehicle insurance, and professional liability insurance.

Pension Plans

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 11 to the general purpose financial statements for complete details.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 1999. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted that system effective with its annual financial report for the 1981 fiscal year.

Awards

GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Warrensville Heights City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. This Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a 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 report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The publication of this report significantly increases the accountability of the School District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the School District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully,



Dr. Wenifort C. Washington
Superintendent



Brent A. Delman
Treasurer

Warrensville Heights City School District

List of Principal Officials

June 30, 1999

Board of Education

Mrs. Martha Bonner. President
Mrs. Sandra E. Noble. Vice-President
Mrs. Marian C. Rookard Member
Mrs. Jean A. Smith Member
Mr. William H. Merritt Member

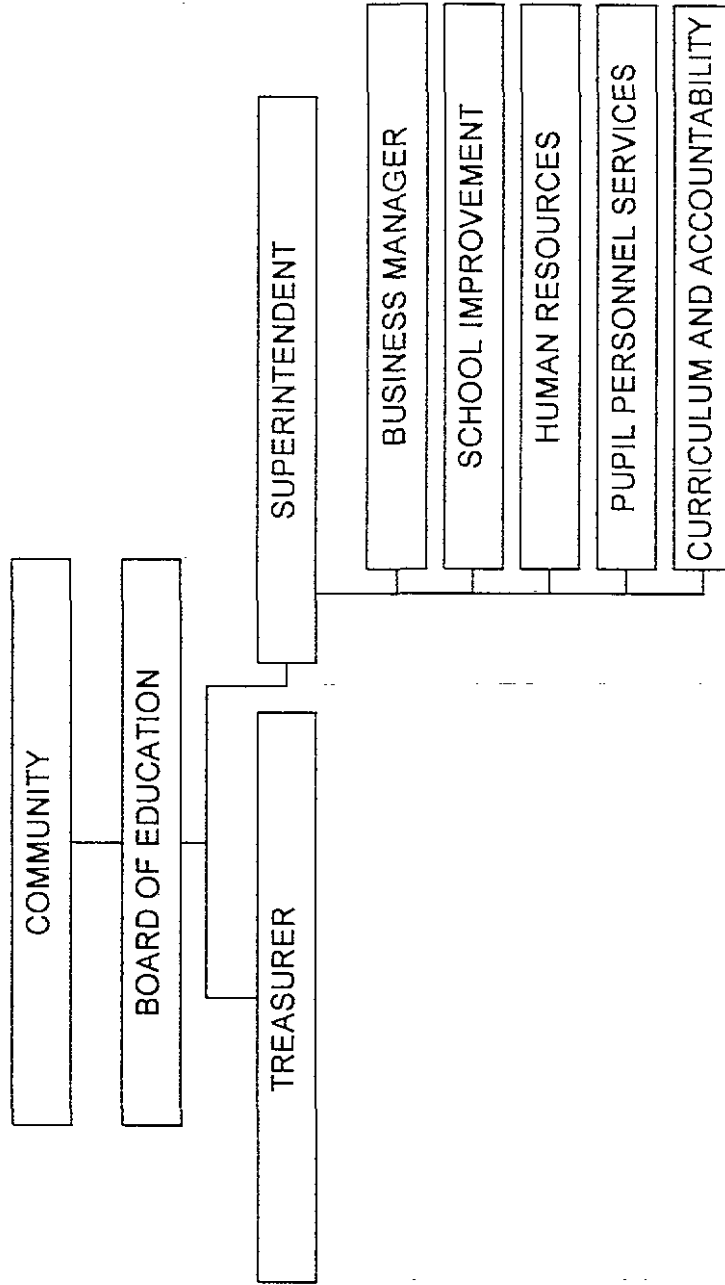
Treasurer

Mr. Brent A. Delman

Administration

Dr. Wenifort C. Washington Superintendent
Mr. Frederick S. Freer III Business Manager
Mr. Marcellus Gray, Jr. Executive Assistant of School Improvement
Mr. Robert Lariccia Executive Director Human Resources
Mrs. Jennifer Morrison Executive Director of Pupil Personnel Services
Dr. Connie Calloway Executive Director of Curriculum and Accountability

WARRENSVILLE HEIGHTS CITY SCHOOL DISTRICT ORGANAZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

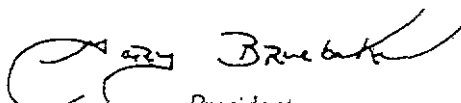
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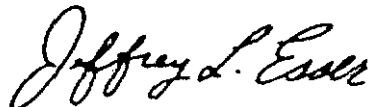
Warrensville Heights City
School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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

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Financial Section



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

Report of Independent Accountants

Board of Education
Warrensville Heights City School District
4500 Warrensville Center Road
Warrensville Heights, Ohio 44128

We have audited the accompanying general-purpose financial statements of the Warrensville Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

December 17, 1999

Warrensville Heights City School District*Combined Balance Sheet**All Fund Types and Account Groups**June 30, 1999*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,402,051	\$620,298	\$236,137	\$303,510
Cash and Cash Equivalents In Segregated Accounts	27,555	0	0	0
Receivables:				
Taxes	18,648,762	105,365	0	400,974
Accounts	581	1,417	0	0
Intergovernmental	12,186	34,900	0	0
Interfund Receivable	275,500	0	0	0
Inventory Held for Resale	0	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	214,866	0	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Other Debits				
Amount Available in Debt Service				
Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$22,581,501	\$761,980	\$236,137	\$704,484

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$72,170	\$38,268	\$0	\$0	\$4,672,434
0	0	0	0	27,555
0	0	0	0	19,155,101
0	0	0	0	1,998
34,942	0	0	0	82,028
0	0	0	0	275,500
28,986	0	0	0	28,986
0	0	0	0	214,866
0	0	16,290,549	0	16,290,549
0	0	0	236,137	236,137
0	0	0	2,645,608	2,645,608
<u>\$136,098</u>	<u>\$38,268</u>	<u>\$16,290,549</u>	<u>\$2,881,745</u>	<u>\$43,630,762</u>

(continued)

Warrensville Heights City School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<i>Liabilities, Fund Equity and Other Credits</i>				
<i>Liabilities</i>				
Accounts Payable	\$169,399	\$9,692	\$0	\$0
Accrued Wages	1,794,548	200,258	0	0
Compensated Absences Payable	67,183	0	0	0
Interfund Payable	0	140,500	0	5,000
Intergovernmental Payable	845,682	37,065	0	0
Deferred Revenue	16,521,814	96,366	0	366,768
Due to Students	0	0	0	0
Capital Leases Payable	0	0	0	0
Energy Conservation Bonds	0	0	0	0
<i>Total Liabilities</i>	<u>19,398,626</u>	<u>483,881</u>	<u>0</u>	<u>371,768</u>
<i>Fund Equity and Other Credits</i>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance :				
Reserved for Encumbrances	1,686,204	43,805	0	73,168
Reserved for Property Taxes	1,775,254	6,819	0	25,914
Reserved for Budget Stabilization	151,627	0	0	0
Reserved for Bus Purchases	63,239	0	0	0
Unreserved, Undesignated (Deficit)	(493,449)	227,475	236,137	233,634
<i>Total Fund Equity (Deficit) and Other Credits</i>	<u>3,182,875</u>	<u>278,099</u>	<u>236,137</u>	<u>332,716</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$22,581,501</u>	<u>\$761,980</u>	<u>\$236,137</u>	<u>\$704,484</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$13,009	\$0	\$0	\$0	\$192,100
2,150	0	0	0	1,996,956
18,367	0	0	1,607,287	1,692,837
130,000	0	0	0	275,500
11,995	0	0	386,916	1,281,658
18,252	0	0	0	17,003,200
0	38,268	0	0	38,268
0	0	0	35,075	35,075
0	0	0	852,467	852,467
193,773	38,268	0	2,881,745	23,368,061
0	0	16,290,549	0	16,290,549
(57,675)	0	0	0	(57,675)
0	0	0	0	1,803,177
0	0	0	0	1,807,987
0	0	0	0	151,627
0	0	0	0	63,239
0	0	0	0	203,797
(57,675)	0	16,290,549	0	20,262,701
\$136,098	\$38,268	\$16,290,549	\$2,881,745	\$43,630,762

Warrensville Heights City School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999*

	General	Special Revenue
Revenues		
Taxes	\$15,907,379	\$90,293
Intergovernmental	8,637,616	1,760,336
Interest	274,635	0
Tuition and Fees	28,787	36,107
Extracurricular Activities	26,261	56,564
Rentals	450	0
Gifts and Donations	0	50
Miscellaneous	46,927	0
Total Revenues	24,922,055	1,943,350
Expenditures		
Current:		
Instruction:		
Regular	12,697,893	748,123
Special	935,585	433,337
Vocational	522,615	0
Support Services:		
Pupils	767,718	172,702
Instructional Staff	767,431	217,433
Board of Education	334,291	0
Administration	2,798,330	495
Fiscal	761,960	0
Business	243,551	0
Operation and Maintenance of Plant	2,616,087	165,443
Pupil Transportation	1,122,421	0
Central	2,688	4,024
Operation of Non-Instructional		
Services	10,362	153,023
Extracurricular Activities	275,691	65,189
Capital Outlay	247,033	0
Debt Service:		
Principal Retirement	17,538	0
Interest and Fiscal Charges	3,406	0
Total Expenditures	24,124,600	1,959,769
Excess of Revenues Over (Under) Expenditures	797,455	(16,419)
Other Financing Sources (Uses)		
Operating Transfers In	0	300,000
Operating Transfers Out	(509,298)	0
Total Other Financing Sources (Uses)	(509,298)	300,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	288,157	283,581
Fund Balances (Deficit) Beginning of Year	2,894,718	(5,482)
Fund Balances End of Year	\$3,182,875	\$278,099

See accompanying notes to the general purpose financial statements

Debt Service	Capital Projects	Totals (Memorandum Only)
\$0	\$343,123	\$16,340,795
0	120,725	10,518,677
0	0	274,635
0	0	64,894
0	0	82,825
0	0	450
0	0	50
0	0	46,927
0	463,848	27,329,253
0	0	13,446,016
0	0	1,368,922
0	0	522,615
0	0	940,420
0	0	984,864
0	0	334,291
0	0	2,798,825
0	0	761,960
0	0	243,551
0	0	2,781,530
0	0	1,122,421
0	0	6,712
0	0	163,385
0	0	340,880
0	265,125	512,158
118,143	0	135,681
56,155	0	59,561
174,298	265,125	26,523,792
(174,298)	198,723	805,461
174,298	0	474,298
0	0	(509,298)
174,298	0	(35,000)
0	198,723	770,461
236,137	133,993	3,259,366
\$236,137	\$332,716	\$4,029,827

Warrensville Heights City School District
Combined Statement of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$15,898,778	\$15,898,778	\$0
Intergovernmental	8,637,616	8,637,616	0
Interest	274,635	274,635	0
Tuition and Fees	25,787	25,787	0
Extracurricular Activities	26,261	26,261	0
Rentals	450	450	0
Gifts and Donations	0	0	0
Miscellaneous	637,119	38,402	(598,717)
Total Revenues	25,500,646	24,901,929	(598,717)
Expenditures			
Current:			
Instruction:			
Regular	12,404,896	13,191,123	(786,227)
Special	942,679	942,680	(1)
Vocational	496,419	496,419	0
Support Services:			
Pupils	785,669	785,669	0
Instructional Staff	776,496	777,363	(867)
Board of Education	371,806	371,806	0
Administration	2,455,993	2,458,074	(2,081)
Fiscal	747,442	747,443	(1)
Business	250,245	250,246	(1)
Operation and Maintenance of Plant	3,036,640	3,036,641	(1)
Pupil Transportation	1,558,653	1,558,653	0
Central	227,615	227,615	0
Operation of Non-Instructional Services	10,362	10,362	0
Extracurricular Activities	276,482	265,804	10,678
Capital Outlay	306,588	306,589	(1)
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	24,647,985	25,426,487	(778,502)
Excess of Revenues Over (Under) Expenditures	852,661	(524,558)	(1,377,219)
Other Financing Sources (Uses)			
Advances In	0	88,000	88,000
Advances Out	(233,226)	(155,500)	77,726
Operating Transfers In	104,380	0	(104,380)
Operating Transfers Out	(60,573)	(509,298)	(448,725)
Total Other Financing Sources (Uses)	(189,419)	(576,798)	(387,379)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	663,242	(1,101,356)	(1,764,598)
Fund Balances (Deficit) Beginning of Year	1,942,857	1,942,857	0
Prior Year Encumbrances Appropriated	844,266	844,266	0
Fund Balances (Deficit) End of Year	\$3,450,365	\$1,685,767	(\$1,764,598)

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$89,804	\$89,804	\$0	\$0	\$0	\$0
1,676,212	1,775,936	99,724	0	0	0
0	0	0	0	0	0
25,454	34,690	9,236	0	0	0
5,989	56,564	50,575	0	0	0
0	0	0	0	0	0
50	50	0	0	0	0
0	0	0	0	0	0
<u>1,797,509</u>	<u>1,957,044</u>	<u>159,535</u>	<u>0</u>	<u>0</u>	<u>0</u>
931,573	690,815	240,758	0	0	0
556,884	455,987	100,897	0	0	0
0	0	0	0	0	0
211,293	172,975	38,318	0	0	0
241,029	207,289	33,740	0	0	0
0	0	0	0	0	0
495	495	0	0	0	0
0	0	0	236,137	0	236,137
0	0	0	0	0	0
187,492	163,404	24,088	0	0	0
0	0	0	0	0	0
6,298	4,148	2,150	0	0	0
128,295	175,215	(46,920)	0	0	0
64,564	68,212	(3,648)	0	0	0
0	0	0	0	0	0
0	0	0	118,143	118,143	0
0	0	0	56,155	56,155	0
<u>2,327,923</u>	<u>1,938,540</u>	<u>389,383</u>	<u>410,435</u>	<u>174,298</u>	<u>236,137</u>
<u>(530,414)</u>	<u>18,504</u>	<u>548,918</u>	<u>(410,435)</u>	<u>(174,298)</u>	<u>236,137</u>
30,500	120,500	90,000	0	0	0
0	(88,000)	(88,000)	0	0	0
300,000	300,000	0	174,298	174,298	0
(14,186)	0	14,186	0	0	0
<u>316,314</u>	<u>332,500</u>	<u>16,186</u>	<u>174,298</u>	<u>174,298</u>	<u>0</u>
(214,100)	351,004	565,104	(236,137)	0	236,137
177,558	177,558	0	236,137	236,137	0
38,667	38,667	0	0	0	0
<u>\$2,125</u>	<u>\$567,229</u>	<u>\$565,104</u>	<u>\$0</u>	<u>\$236,137</u>	<u>\$236,137</u>

(continued)

Warrensville Heights City School District
*Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types (continued)
For the Fiscal Year Ended June 30, 1999*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$341,254	\$341,254	\$0
Intergovernmental	267,153	120,725	(146,428)
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Rentals	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	0	0	0
Total Revenues	608,407	461,979	(146,428)
Expenditures			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	95,759	95,759	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	360,762	263,484	97,278
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	456,521	359,243	97,278
Excess of Revenues Over (Under) Expenditures	151,886	102,736	(49,150)
Other Financing Sources (Uses)			
Advances In	5,000	5,000	0
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	5,000	5,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	156,886	107,736	(49,150)
Fund Balances (Deficit) Beginning of Year	(156,101)	(156,101)	0
Prior Year Encumbrances Appropriated	278,707	278,707	0
Fund Balances (Deficit) End of Year	\$279,492	\$230,342	(\$49,150)

See accompanying notes to the general purpose financial statements.

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$16,329,836	\$16,329,836	\$0
10,580,981	10,534,277	(46,704)
274,635	274,635	0
51,241	60,477	9,236
32,250	82,825	50,575
450	450	0
50	50	0
637,119	38,402	(598,717)
<u>27,906,562</u>	<u>27,320,952</u>	<u>(585,610)</u>

13,336,469	13,881,938	(545,469)
1,499,563	1,398,667	100,896
496,419	496,419	0
996,962	958,644	38,318
1,017,525	984,652	32,873
371,806	371,806	0
2,552,247	2,554,328	(2,081)
983,579	747,443	236,136
250,245	250,246	(1)
3,224,132	3,200,045	24,087
1,558,653	1,558,653	0
233,913	231,763	2,150
138,657	185,577	(46,920)
341,046	334,016	7,030
667,350	570,073	97,277
118,143	118,143	0
56,155	56,155	0
<u>27,842,864</u>	<u>27,898,568</u>	<u>(55,704)</u>

<u>63,698</u>	<u>(577,616)</u>	<u>(641,314)</u>
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35,500	213,500	178,000
(233,226)	(243,500)	(10,274)
578,678	474,298	(104,380)
<u>(74,759)</u>	<u>(509,298)</u>	<u>(434,539)</u>
<u>306,193</u>	<u>(65,000)</u>	<u>(371,193)</u>

369,891	(642,616)	(1,012,507)
2,200,451	2,200,451	0
1,161,640	1,161,640	0
<u>\$3,731,982</u>	<u>\$2,719,475</u>	<u>(\$1,012,507)</u>

Warrensville Heights City School District
*Combined Statement of Revenues,
Expenses and Changes in Retained Earnings
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999*

	<u>Enterprise</u>
Operating Revenues	
Sales	<u>\$284,777</u>
Operating Expenses	
Salaries and Wages	158,988
Fringe Benefits	123,132
Purchased Services	9,562
Materials and Supplies	41,492
Cost of Sales	260,573
Other	<u>840</u>
<i>Total Operating Expenses</i>	<u>594,587</u>
<i>Operating Loss</i>	<u>(309,810)</u>
Non-Operating Revenues	
Donated Commodities	31,492
Operating Grants	<u>223,643</u>
<i>Total Non-Operating Revenues</i>	<u>255,135</u>
<i>Loss Before Operating Transfers</i>	(54,675)
Operating Transfers In	<u>35,000</u>
Net Loss	(19,675)
<i>Retained Earning (Deficit) Beginning of Year</i>	<u>(38,000)</u>
<i>Retained Earnings (Deficit) End of Year</i>	<u>(\$57,675)</u>

See accompanying notes to the general purpose financial statements

Warrensville Heights City School District
*Combined Statement of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$176,437	\$284,777	\$108,340
Operating Grants	214,037	214,037	0
<i>Total Revenues</i>	<u>390,474</u>	<u>498,814</u>	<u>108,340</u>
Expenses			
Salaries and Wages	191,673	192,369	(696)
Fringe Benefits	77,806	92,770	(14,964)
Purchased Services	22,447	18,590	3,857
Materials and Supplies	207,137	307,117	(99,980)
Other	0	1,680	(1,680)
<i>Total Expenses</i>	<u>499,063</u>	<u>612,526</u>	<u>(113,463)</u>
<i>Excess of Revenues Under Expenses</i>	<u>(108,589)</u>	<u>(113,712)</u>	<u>(5,123)</u>
Advances In	30,000	30,000	0
Transfers In	35,000	35,000	0
<i>Excess of Revenues, Advances and Transfers Under Expenses</i>	<u>(43,589)</u>	<u>(48,712)</u>	<u>(5,123)</u>
<i>Fund Equity Beginning of Year</i>	<u>37,161</u>	<u>37,161</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>27,309</u>	<u>27,309</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$20,881</u></u>	<u><u>\$15,758</u></u>	<u><u>(\$5,123)</u></u>

See accompanying notes to the general purpose financial statements

Warrensville Heights City School District
Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Customers	\$284,777
Cash Payments to Suppliers for Goods and Services	(270,135)
Cash Payments to Employees for Services	(192,369)
Cash Payments for Employee Benefits	(92,770)
Cash Payments for Other Operating Expenses	<u>(840)</u>
<i>Net Cash Used for Operating Activities</i>	<u>(271,337)</u>
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	214,037
Operating Transfers In	35,000
Advances In	<u>30,000</u>
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>279,037</u>
<i>Net Increase in Cash and Cash Equivalents</i>	7,700
Cash and Cash Equivalents at Beginning of Year	<u>64,470</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$72,170</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$309,810)
Adjustments:	
Donated Commodities Used During Year	31,492
(Increase) Decrease in Assets:	
Inventory Held for Resale	(5,749)
Increase (Decrease) in Liabilities:	
Accounts Payable	10,690
Accrued Wages	(70)
Compensated Absences Payable	3,203
Intergovernmental Payable	<u>(1,093)</u>
Net Cash Used for Operating Activities	<u>(\$271,337)</u>

See accompanying notes to the general purpose financial statements

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 1 - Description of The School District

Warrensville Heights City School 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 School District operates under a locally elected five member Board and provides educational services as mandated by state/or federal agencies. The Board controls the School District's six instructional facilities, staffed by 185 non-certified personnel, 223 certified full-time teaching personnel and 21 administrative employees to provide services to students and other community members.

The School District is located in Warrensville Heights, Ohio, Cuyahoga County. The enrollment for the School District during the 1999 fiscal year was 2,970. The School District operates three elementary schools (K-4), one lower middle school (5-6), one upper middle school (7-8), and one high school (9-12).

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District has no component units.

The School District is associated with two jointly governed organizations and one insurance purchasing pools. These organizations are the Lake-Geauga Education Computer Consortium, the Ohio Schools Council and the Ohio Schools Council insurance purchasing consortium. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School 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 School District also applies Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups 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 School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

Special Revenue Funds The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligations principal, interest, and related costs.

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

Proprietary Fund Type Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following is the School District's proprietary fund type:

Enterprise Funds The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fiduciary Fund Types Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. There are two types of fiduciary funds, trust and agency. The School District has no trust funds. The School District's agency fund is purely custodial (assets equal liabilities) and thus does not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

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. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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 balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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 the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each fund and function within the general fund and fund level for all other funds. Except for the general fund, budgetary statements are presented beyond that legal level of control for informational purposes only. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Cuyahoga County Budget Commission for rate determination.

Estimated Resources Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 1999.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education at the fund, function, and object level of expenditures for the general fund and at the fund level for all other funds, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenditures of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions at the legal level of control, must be approved by the Board of Education. The Treasurer maintains budgetary information at the object level and has the authority to allocate appropriations at the object level without resolution by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than the agency fund, consistent with statutory provisions.

Encumbrances As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the general purpose financial statements for proprietary funds.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. Cash and Cash Equivalents

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

The School District has segregated bank accounts for monies held separate from the School District's central bank account. These interest bearing depository accounts are presented on the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the School District treasury.

During fiscal year 1999, investments were limited to repurchase agreements and STAROhio. All investments of the School District had a maturity of two years or less. Investments of the School District are reported at fair value except for nonparticipating investment contracts which are reported at cost.

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

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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, 1999.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$274,635, which includes \$70,987 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are considered to be investments.

E. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses and amounts required by statute to create a reserve for budget stabilization. See Note 23 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

F. Inventory

Inventories of governmental funds are stated at cost while 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. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. The governmental funds had no significant inventory balance as of June 30, 1999. Proprietary fund inventories consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School 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 capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of ten years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
School Bus Purchase

Special Revenue Funds

Disadvantaged Pupil Impact Aid
State Foundation Program

Non-Reimbursable Grants

Special Revenue Funds

Title VI-B
Disadvantaged Pupil Program Fund
Vocational Education
Title I
Title VI
Eisenhower Grant Fund
Drug Free Schools
Venture Capital
Management Information System
Textbooks and Instructional Material Subsidy
Other State Grants
Teacher Development
Early Childhood
Preschool Grant
Other Federal Grants

Capital Projects Fund

SchoolNet

Reimbursable Grants

General Fund

Driver Education Reimbursement

Proprietary Funds

National School Lunch Program
Government Donated Commodities

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Grants and entitlements amounted to thirty-eight percent of the School District's governmental fund types' revenue during the 1999 fiscal year.

I. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivable/payables."

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds and capital leases are recognized as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Fund Balance Reserves and Designations

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Designations represent tentative plans for future use of financial resources. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, budget stabilization and bus purchases.

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 budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. Fund balance in the general fund includes a designation that represents the amount set-aside by the Board of Education for budget stabilization in excess of the statutory requirement.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principals 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.

O. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 3 - Restatement of General Long-Term Obligations

The General Long-Term Obligation Account Group balance at June 30, 1998 was restated from \$3,794,779 to \$3,704,255, a decrease of \$90,524, because of an understatement of payment for an installment loan.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 4 - Accountability and Compliance

A. Accountability

The following funds had deficit fund balances/retained earnings at June 30, 1999:

	<u>Deficit Fund Balance/ Retained Earnings</u>
Special Revenue Funds:	
Recreation	\$14,798
Venture Capital	3,423
Disadvantaged Pupil Impact Aid	150,891
Title I	15,312
Enterprise Fund:	
Food Service	92,042

The special revenue fund deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

The food service enterprise fund deficit retained earnings resulted from adjustments for accrued liabilities. Management is analyzing fund operations to determine appropriate action to alleviate the deficit.

B. Compliance

The following accounts had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41, Ohio Revised Code:

Fund/Function	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund:			
Instruction			
Regular			
Salaries and Wages	\$7,564,864	\$8,372,874	\$808,010
Special			
Materials and Supplies	1,008	1,009	1
Support Services			
Instructional Staff	0	867	867
Other			
Administration			
Other	58,614	60,695	2,081
Fiscal			
Other	248,349	248,350	1

Warrensville Heights City School District
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Fund/Function	Appropriations	Expenditures Plus Encumbrances	Excess
<i>General Fund (continued)</i>			
Business			
Purchased Services	\$29,542	\$29,543	\$1
Operation and Maintenance of Plant			
Materials and Supplies	205,045	205,046	1
Extracurricular Activities			
Academic Oriented Activities			
Materials and Supplies	0	118	118
Other	0	2,521	2,521
Sport Oriented Activities			
Fringe Benefits	32,827	33,329	502
Capital Outlay			
Building Improvement Services			
Capital Outlay - Replacement	274,390	274,391	1
Operating Transfers Out	60,573	509,298	448,725
Special Revenue Funds:			
<i>Recreation</i>	128,295	175,215	46,920
<i>Public School Support</i>	31,788	33,166	1,378
<i>Athletics and Music</i>	32,776	35,046	2,270
<i>Early Childhood</i>	18	8,153	8,135
<i>Disadvantaged Pupil Impact Aid</i>	883,971	967,110	83,139
<i>Title VI</i>	21,977	23,815	1,838
Enterprise Fund:			
<i>Food Service</i>	460,016	603,692	143,676

The following funds had total appropriations in excess of estimated resources in violation of 5705.39, Ohio Revised Code:

Special Revenue Funds	
Public School Support	\$16,428
Special Education	500
Athletics and Music	15,591
Teacher Development	4,475
Eisenhower Grant	13,841
Title VI	3,204
Enterprise Fund	
Uniform School Supplies	5,783

In order to address these budgetary violations, management intends to more closely monitor the budgetary accounts.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual, Proprietary Fund Type are 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/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures/expenses for all funds (budget) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund type (GAAP).
4. For the proprietary fund, the acquisition and construction of capital assets are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).
5. Proceeds from and principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).
6. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis.

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types

	General	Special Revenue	Capital Projects
GAAP Basis	\$288,157	\$283,581	\$198,723
Net Adjustment for Revenue Accruals	(20,126)	13,694	(1,869)
Advance In	88,000	120,500	5,000
Net Adjustment for Expenditure Accruals	629,263	74,298	(20,950)
Advance Out	(155,500)	(88,000)	0
Adjustment for Encumbrances	(1,931,150)	(53,069)	(73,168)
Budget Basis	<u>(\$1,101,356)</u>	<u>\$351,004</u>	<u>\$107,736</u>

Net Loss\Excess of Revenues Under Expenses and Advances
Enterprise Fund Type

	Enterprise
GAAP Basis	(\$19,675)
Net Adjustment for Revenue Accruals	(9,606)
Advance In	30,000
Net Adjustment for Expenditure Accruals	6,981
Adjustment for Encumbrances	(56,412)
Budget Basis	<u>(\$48,712)</u>

Note 6 - Deposits and Investments

State statutes classify monies held by the School 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 School 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 two year period of designation of depositories. Inactive deposits must either be evidenced by

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
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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 moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by 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 to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds 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); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

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 School District, and must be purchased with the expectation that it will

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$1,321,059 and the bank balance was \$1,451,109. Of the bank balance:

1. \$316,554 of the bank balance was covered by federal depository insurance; and
2. \$1,134,555 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments GASB Statement No. 3 requires the School District's investment to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreement	<u>\$2,688,507</u>	\$2,688,507	\$2,688,507
Investment in STAROhio		905,289	905,289
<i>Total Investments</i>		<u>\$3,593,796</u>	<u>\$3,593,796</u>

The classification of cash and cash equivalents, and investments on the combined general purpose financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
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A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
<i>GASB Statement No. 9</i>	\$4,914,855	0
Repurchase Agreement	(2,688,507)	2,688,507
STAROhio	(905,289)	905,289
<i>GASB Statement No. 3</i>	<u>\$1,321,059</u>	<u>\$3,593,796</u>

Note 7 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School 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 located in the School District. Property tax revenue received during calendar 1999 for real and public utility property taxes represents collections of calendar 1998 taxes. Property tax payments received during calendar 1999 for tangible personal property (other than public utility property) is for calendar 1999 taxes.

Real property taxes are levied after April 1, 1999, on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after April 1, 1999 and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after April 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 1999 taxes were collected are:

	1998 Second Half Collections		1999 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$226,141,040	75.40%	\$229,712,370	75.90%
Public Utility Personal	19,188,230	6.40	19,371,420	6.40
Tangible Personal Property	54,460,497	18.20	53,402,319	17.70
	<u>\$299,789,767</u>	<u>100.00%</u>	<u>\$302,486,109</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$74.70		\$74.70	

Warrensville Heights City School District
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Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$1,807,987 and is recognized as revenue. \$1,775,254 was available to the general fund, \$6,819 was available to the recreation special revenue fund, and \$25,914 was available to the permanent improvement capital projects fund. This compares to \$2,159,194 being available at June 30, 1998.

Note 8 - Receivables

Receivables at June 30, 1999, consisted of taxes, accounts (rent and student fees), interfund, and intergovernmental grants. 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 fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<i>General Fund</i>	\$12,186
<i>Special Revenue Funds:</i>	
Public School Support	500
Special Education	500
Title VI-B	33,900
<i>Enterprise Fund:</i>	
National School Lunch Program	34,942
<i>Total Intergovernmental Receivables</i>	<u><u>\$82,028</u></u>

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 9 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

Furniture and Equipment	\$138,984
Less: accumulated depreciation	<u>(138,984)</u>
Net Fixed Assets	<u>\$0</u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$416,349	\$0	\$0	\$416,349
Buildings and Improvements	11,290,817	547,695	0	11,838,512
Vehicles	674,937	0	0	674,937
Furniture, Fixtures, and Equipment	2,884,313	476,438	0	3,360,751
Total	<u>\$15,266,416</u>	<u>\$1,024,133</u>	<u>0</u>	<u>\$16,290,549</u>

There was no significant construction in progress at June 30, 1999.

Note 10 - Risk Management

The School 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 1999, the School District contracted with several carriers for property, casualty and boiler and machinery insurance.

Professional liability is protected by Nationwide Insurance Company with a \$2,000,000 single occurrence and \$5,000,000 annual aggregate with no deductible.

The vehicular fleet is protected by Nationwide Insurance Company with \$100 deductible for comprehensive and \$250 deductible for collision. Fleet liability has a combined single limit of \$5,000,000.

The Boiler and Machinery insurance is provided by the Travelers. Boiler and Machinery limits are \$30,000,000 with \$1,000 deductible. Crime insurance is provided by the Hartford Group. The Property and Casualty insurance is purchased through the Ohio Schools' Council insurance purchasing consortium and is provided by Northbrook Property and Casualty (See Note 19).

Settled claims have not exceeded this commercial coverage in any of the last fifteen years and there has not been a significant reduction in coverage from the prior year.

The School District pays the State Workers' Compensation System a premium based on a rate of salaries. This rate is calculated based on accident history and administration costs.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
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Note 11 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit 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, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$290,583, \$351,172 and \$328,831 respectively; 36.53 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$184,424 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 1999, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$752,086, 1,498,847, and \$1,353,620 respectively; 83.25 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$125,983 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, all members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 12 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependants are eligible for health care coverage. The STRS Board has statutory authority over much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled \$1,002,782 during the 1999 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the latest information available) the balance in the Fund was \$2,156 million. For the year ended June 30, 1998 net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 1999, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 1999 fiscal year equaled \$237,750.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 125 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1998 (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
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Note 13 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn five to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 200 days.

B. Medical and Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Company, in an amount equal to the employee's annual salary.

The School District has contracted with the Medical Mutual of Ohio to provide employee medical/surgical benefits. The School District pays medical/surgical premiums of \$447.12 for family coverage and 162.53 for single employee coverage per month.

Dental insurance is also provided by Medical Mutual of Ohio. Premiums for dental coverage are \$60.79 for family coverage and \$54.69 for single coverage per employee per month. This premium also includes vision coverage.

Note 14 - Capital Leases

In prior years, the School District entered into capitalized leases for copiers and computer equipment.

The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets consisting of equipment has been capitalized in the general fixed assets account group in the amount of \$73,658. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 1999 totaled \$17,538.

Fiscal Year Ending June 30	General Long-Term Obligations Account Group
2000	32,162
2001	6,213
Total	38,375
Less: Amount Representing Interest	(\$3,300)
Present Value of Net Minimum Lease	<u>\$35,075</u>

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 15 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 1999 were as follows:

	Principal Outstanding June 30, 1998	Additions	Deletions	Principal Outstanding June 30, 1999
Compensated Absences	\$2,207,750	\$0	\$600,463	\$1,607,287
Intergovernmental Payable	473,282	386,916	473,282	386,916
Capital Leases	52,613	0	17,538	35,075
Energy Conservation Bonds 6.05%	970,610	0	118,143	852,467
Total Long-Term Obligations	\$3,704,255	\$386,916	\$1,209,426	\$2,881,745

On May 18, 1995, the School District issued \$1,300,000 in general obligation bonds for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code section 133.06(G). The bonds were issued for a ten year period with final maturity during fiscal year 2005. The bonds will be retired out of the debt service fund. Compensated absences and the pension obligation will be paid from the governmental fund from which the employee's salaries are paid. The capital lease will be paid from the general fund. The School District's overall legal debt margin as of June 30, 1999, was \$26,607,420 with an unvoted debt margin of \$302,486 at June 30, 1999.

Principal and interest requirements to retire the energy conservation bonds outstanding at June 30, 1999, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2000	125,341	48,957	174,298
2001	133,381	40,918	174,299
2002	141,796	32,502	174,298
2003	150,609	23,555	174,164
2004-2005	301,340	18,091	319,431
Total	\$852,467	\$164,023	\$1,016,490

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 16 - Interfund Transactions

Interfund balances at June 30, 1999 consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund	\$275,500	\$0
Special Revenue Funds		
Recreation	0	110,000
Venture Capital	0	5,000
DPIA	0	5,500
Title VI-B	0	20,000
Capital Improvement Fund		
Permanent Improvement	0	5,000
Enterprise Fund		
Food Service	0	130,000
Total	<u>\$275,500</u>	<u>\$275,500</u>

Note 17 - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects in a summarized format the more significant financial data relating to the enterprise funds of the School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Totals
Operating Revenues	\$272,564	\$12,213	\$284,777
Operating Income (Loss)	(314,387)	4,577	(309,810)
Donated Commodities	31,492	0	31,492
Operating Grants	223,643	0	223,643
Operating Transfers In	35,000	0	35,000
Net Income (Loss)	(24,252)	4,577	(19,675)
Net Working Capital	(73,675)	34,367	(39,308)
Total Assets	101,140	34,958	136,098
Total Equity (Deficit)	(92,042)	34,367	(57,675)
Encumbrances at June 30, 1999	54,623	1,789	56,412

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 18 - Jointly Governed Organizations

A. Lake Geauga Educational Computer Consortium

The Lake-Geauga Education Computer Consortium is a jointly governed organization among eighteen school districts that was formed October 14, 1981. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The eighteen member board of directors consists of the superintendent from each participating school district. The degree of control exercised by any participating school district is limited to its representation on the board. The board exercises total control over the operation of the consortium including budgeting, appropriating, contracting and designating management. All consortium revenues are generated from charges for services and State funding. To obtain financial information write to the Lake-Geauga Education Computer Consortium, 8140 Auburn Road, Painesville, Ohio, 44077.

B. Ohio Schools Council

The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying a one time fee of \$500 and an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 1999, the School District paid \$800 to the Council. Financial information can be obtained by contacting Joseph Lesak, the Executive Secretary of the Ohio Schools Council at 6376 Mill Road, Broadview Heights, Ohio 44147.

The School 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.

Energy Acquisition Corp., a non profit corporation with a self appointing board, issued \$119,140,000 in debt to repurchase 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 their agreement, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

Note 19 - Insurance Purchasing Pool

The School District participates in the Ohio Schools' Council insurance purchasing consortium. The School District purchases property and casualty insurance from the consortium. The board of directors is responsible for collecting premiums, making payments to insurance agents, making payments to insurance companies, depositing appropriate amounts into the Ohio Schools' Council insurance purchasing consortium accounts and reimbursing board members for their expenses. The board of directors consists of seven members appointed by the participants.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 20 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

B. Litigation

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

Note 21 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the Warrensville Heights School District received \$6,674,180 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the court of Common Pleas to the Ohio Supreme Court. As this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

Note 22 - Year 2000 Issue

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the School District's operations.

Warrensville Heights City School District has completed an inventory of computer systems and other equipment necessary to conducting School District operations and has identified such systems as being

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

financial reporting, payroll and employee benefits, and educational statistics reporting through the State's Educational Management Information System (EMIS).

The Northwest Ohio Computer Association State Software Development Team has indicated that:

"The payroll processing software supported with OECN State Software is compliant with the Year 2000."

"The accounting software supported with OECN State Software is compliant with the Year 2000."

The education management information system software supported with the OECN State Software is compliant with the Year 2000."

The State of Ohio distributes a substantial sum of money to the School District in the form of "Foundation" payments. Further, the State processes a significant amount of financial and non-financial information about the School District through EMIS. The State is responsible for remediating these systems.

Property tax billing, collection and remittance for the School District is handled by Cuyahoga County. The County is responsible for remediating this system.

The Cleveland Electric Illuminating Company (CEI) provides the electricity to the School District. The School District has not obtained assurances from CEI regarding remediating this system. CEI is responsible for remediating this systems.

The City of Cleveland provides water and sewer services to the School District, and East Ohio Gas (EOG) provides gas service. The City and EOG are responsible for remediating these systems.

The School District has not assessed the changes needed in their non-mission critical systems, which include the heating and air-conditioning systems, computer equipment, and other areas, (clock systems, fire alarm systems, vocational equipment, etc.). Systems may have to be remediated, tested and validated. The School District is unable to determine or estimate the anticipated costs associated for remediation, testing and validating.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the School District is or will be year 2000 ready, that the School District's remediation efforts will be successful in whole or part, or that parties with whom the School District does business will be year 2000 ready.

Note 23 - Set-Asides

The School District is required by State statute to annually set aside an amount based on prior year revenues for the purchase of textbooks and other instructional materials and an additional amount for capital improvements. Amounts not spent by year-end or offset by similarly restricted resources must be held in cash at year-end and carried forward to be used for the same purposes in future years. Amounts are also to be set aside if the School District's base amount used for the yearly set-aside calculation increases three percent or more from the prior year. This amount is to be included in the budget stabilization reserve.

Warrensville Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The following cash basis information describes the change in the year end set-aside amounts for budget stabilization, textbooks and instructional materials, capital improvements, and bus purchases. Disclosure of this information is required by state statute.

	Budget Stabilization Reserve	Textbook/ Instructional Materials	Capital Improvements	Total
The balance of the set-aside carried forward from the prior year	\$ 140,955	\$0	\$0	
Current fiscal year set-aside requirement	10,672	379,336	379,336	
Qualifying expenditures during the fiscal year	0	(329,171)	(404,135)	
Offsets for the fiscal year	0	(89,971)	(341,254)	
Total	<u>\$151,627</u>	<u>(\$39,806)</u>	<u>(\$366,053)</u>	
Cash Balance carried forward to FY 2000	<u>\$151,627</u>	<u>\$0</u>	<u>\$0</u>	\$151,627
Amount restricted for bus purchases				63,239
Total Restricted Assets				<u>214,866</u>

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to zero, these extra amounts may not be used to reduce the set-aside requirement of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

Note 24 - Subsequent Event

The School District passed a \$26.1 million bond issue at the November election. Beginning with fiscal year 2000, and continuing for the next 25 years, the School District is expected to collect approximately \$1,770,000 annually for building improvements.

**Combining, Individual Fund and
Account Group Statements and Schedules**

General Fund

The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in other funds.

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$15,898,778	\$15,898,778	\$0
Intergovernmental	8,637,616	8,637,616	0
Interest	274,635	274,635	0
Tuition and Fees	25,787	25,787	0
Extracurricular Activities	26,261	26,261	0
Rentals	450	450	0
Miscellaneous	637,119	38,402	(598,717)
Total Revenues	25,500,646	24,901,929	(598,717)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,564,864	8,372,874	(808,010)
Fringe Benefits	2,134,252	2,134,252	0
Purchased Services	1,807,618	1,807,616	2
Materials and Supplies	552,150	552,141	9
Capital Outlay - New	323,403	323,403	0
Capital Outlay - Replacement	132	132	0
Other	22,477	705	21,772
Total Regular	12,404,896	13,191,123	(786,227)
Special:			
Salaries and Wages	769,763	769,763	0
Fringe Benefits	159,353	159,353	0
Purchased Services	7,933	7,933	0
Materials and Supplies	1,008	1,009	(1)
Capital Outlay - New	4,622	4,622	0
Total Special	942,679	942,680	(1)
Vocational:			
Salaries and Wages	410,006	410,006	0
Fringe Benefits	82,611	82,611	0
Purchased Services	671	671	0
Materials and Supplies	3,131	3,131	0
Total Vocational	496,419	496,419	0
Total Instruction	13,843,994	14,630,222	(786,228)
Support Services:			
Pupils:			
Salaries and Wages	586,955	586,955	0
Fringe Benefits	126,682	126,682	0
Purchased Services	34,929	34,929	0
Materials and Supplies	37,103	37,103	0
Total Pupils	\$785,669	\$785,669	\$0

(continued)

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff:			
Salaries and Wages	\$614,545	\$614,545	\$0
Fringe Benefits	129,459	129,459	0
Purchased Services	1,962	1,962	0
Materials and Supplies	19,386	19,386	0
Capital Outlay - New	11,144	11,144	0
Other	0	867	(867)
Total Instructional Staff	776,496	777,363	(867)
Board of Education:			
Salaries and Wages	9,600	9,600	0
Fringe Benefits	139	139	0
Purchased Services	305,254	305,254	0
Materials and Supplies	16,226	16,226	0
Other	40,587	40,587	0
Total Board of Education	371,806	371,806	0
Administration:			
Salaries and Wages	1,786,811	1,786,811	0
Fringe Benefits	413,364	413,364	0
Purchased Services	62,865	62,865	0
Materials and Supplies	34,286	34,286	0
Capital Outlay - New	96,470	96,470	0
Capital Outlay - Replacement	3,583	3,583	0
Other	58,614	60,695	(2,081)
Total Administration	2,455,993	2,458,074	(2,081)
Fiscal:			
Salaries and Wages	232,579	232,579	0
Fringe Benefits	57,229	57,229	0
Purchased Services	194,859	194,859	0
Materials and Supplies	9,403	9,403	0
Capital Outlay - New	5,023	5,023	0
Other	248,349	248,350	(1)
Total Fiscal	747,442	747,443	(1)
Business:			
Salaries and Wages	145,306	145,306	0
Fringe Benefits	33,081	33,081	0
Purchased Services	29,542	29,543	(1)
Materials and Supplies	34,418	34,418	0
Capital Outlay - New	1,970	1,970	0
Capital Outlay - Replacement	4,248	4,248	0
Other	1,680	1,680	0
Total Business	\$250,245	\$250,246	(\$1)

(continued)

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant:			
Salaries and Wages	\$1,237,695	\$1,237,695	\$0
Fringe Benefits	323,040	323,040	0
Purchased Services	1,229,688	1,229,688	0
Materials and Supplies	205,045	205,046	(1)
Capital Outlay - New	4,717	4,717	0
Capital Outlay - Replacement	36,255	36,255	0
Other	200	200	0
Total Operation and Maintenance of Plant	3,036,640	3,036,641	(1)
Pupil Transportation:			
Salaries and Wages	497,311	497,311	0
Fringe Benefits	161,599	161,599	0
Purchased Services	841,209	841,209	0
Materials and Supplies	58,334	58,334	0
Capital Outlay - Replacement	200	200	0
Total Pupil Transportation	1,558,653	1,558,653	0
Central:			
Purchased Services	27,775	27,775	0
Capital Outlay - New	199,840	199,840	0
Total Central	227,615	227,615	0
Total Support Services	10,210,559	10,213,510	(2,951)
Operation of Non-Instructional Services:			
Community Services:			
Fringe Benefits	14	14	0
Purchased Services	10,348	10,348	0
Total Operations of Non-Instructional Services	10,362	10,362	0
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	0	118	(118)
Other	0	2,521	(2,521)
Total Academic and Subject Oriented Activities	0	2,639	(2,639)
Sports Oriented Activities:			
Salaries and Wages	149,775	148,321	1,454
Fringe Benefits	32,827	33,329	(502)
Purchased Services	58,800	50,065	8,735
Materials and Supplies	28,580	26,137	2,443
Capital Outlay - New	6,500	5,313	1,187
Total Sports Oriented Activities	276,482	263,165	13,317
Total Extracurricular Activities	\$276,482	\$265,804	\$10,678

(continued)

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay:			
Facilities Acquisitions and Construction Services:			
Site Improvement Services:			
Capital Outlay - Replacement	58,480	58,480	\$0
Building Improvement Services:			
Capital Outlay - New	16,965	16,965	0
Capital Outlay - Replacement	274,390	274,391	(1)
Total Building Improvement Services	291,355	291,356	(1)
Other Facilities Acquisition and Construction:			
Other	6,753	6,753	0
Total Capital Outlay	306,588	306,589	(1)
Total Expenditures	24,647,985	25,426,487	(778,502)
Excess of Revenues Under Expenditures	852,661	(524,558)	(1,377,219)
Other Financing Sources (Uses)			
Advances In	0	88,000	88,000
Advances Out	(233,226)	(155,500)	77,726
Operating Transfers In	104,380	0	(104,380)
Operating Transfers Out	(60,573)	(509,298)	(448,725)
Total Other Financing Sources (Uses)	(189,419)	(576,798)	(387,379)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	663,242	(1,101,356)	(1,764,598)
Fund Balance Beginning of Year	1,942,857	1,942,857	0
Prior Year Encumbrances Appropriated	844,266	844,266	0
Fund Balance End of Year	\$3,450,365	\$1,685,767	(\$1,764,598)

Special Revenue Funds

Scholarship Fund - This fund accounts for donations made to provide scholarships to students of the School District.

Recreation Fund - This fund accounts for taxes, recreation receipts, and other revenues from continuing education classes and summer extracurricular activities and all costs associated with these activities.

Public School Support Fund - This fund accounts for school site sales revenues and expenditures for field trips, assemblies, and other activity costs.

Special Education Fund - This fund accounts for monies to be used for the Special Education needs of the School District.

Venture Capital Fund - This fund accounts for State monies used to involve the community with the School District.

Termination Benefits Fund - This fund accounts for monies being accumulated for paying termination benefits or for paying salaries when the number of pay periods exceeds the usual and customary number for a year.

Athletic and Music Fund - This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program.

Disadvantaged Pupil Program Fund - This fund accounts for State monies used for improving the educational and cultural status of disadvantaged pupils.

Teacher Development Fund - This fund accounts for State monies used to encourage and promote staff development.

Early Childhood Fund - This fund accounts for State monies which partially support the preschool program focusing on the early education of handicapped children.

Management Information Systems Grant Fund - This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the Management Information System.

Disadvantaged Pupil Impact Aid Fund - This fund accounts for State monies received for disadvantaged pupil impact aid.

Textbook and Instructional Material Subsidy Fund - This fund accounts for State monies received for textbooks.

Other State Grants - This fund accounts for State monies which support academic and enrichment programs for the student body.

Eisenhower Grant Fund - This fund accounts for federal monies which support the science and mathematics departments of the School District.

Title VI-B Fund - This federal program assists schools in the identification of disabled children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provisions of full education opportunities to disabled children at the preschool, elementary and secondary levels.

Title I Fund - This fund accounts for federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title VI Fund - This fund accounts for federal monies which support the implementation of computer education programs, gifted and talented programs, in-service training and staff development.

(continued)

Special Revenue Funds (continued)

Drug Free Schools Fund - This fund accounts for federal monies which support the implementation of drug abuse education and prevention programs.

Preschool Grant Fund - This fund accounts for State monies which are used for a preschool for students with disabilities.

Other Federal Grants - This fund accounts for various monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

Warrensville Heights City School District*Combining Balance Sheet**All Special Revenue Funds**June 30, 1999*

	<u>Scholarship</u>	<u>Recreation</u>	<u>Public School Support</u>	<u>Special Education</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,705	\$95,266	\$10,619	\$1,450
Receivables:				
Taxes	0	105,365	0	0
Accounts	0	1,417	0	0
Intergovernmental	0	0	500	500
<i>Total Assets</i>	<u>\$4,705</u>	<u>\$202,048</u>	<u>\$11,119</u>	<u>\$1,950</u>
Liabilities				
Accounts Payable	\$0	\$3,249	\$0	\$0
Accrued Wages	0	4,355	0	0
Interfund Payable	0	110,000	0	0
Intergovernmental Payable	0	2,876	0	0
Deferred Revenue	0	96,366	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>216,846</u>	<u>0</u>	<u>0</u>
Fund Equity				
Fund Balance (Deficit):				
Reserved for Encumbrances	0	19,477	1,398	0
Reserved for Property Taxes	0	6,819	0	0
Unreserved, Undesignated	4,705	(41,094)	9,721	1,950
<i>Total Fund Equity (Deficit)</i>	<u>4,705</u>	<u>(14,798)</u>	<u>11,119</u>	<u>1,950</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$4,705</u>	<u>\$202,048</u>	<u>\$11,119</u>	<u>\$1,950</u>

<u>Venture Capital</u>	<u>Termination Benefits</u>	<u>Athletic and Music</u>	<u>Disadvantaged Pupil Program</u>	<u>Teacher Development</u>	<u>Early Childhood</u>	<u>Management Information Systems Grant</u>
\$1,577	\$300,000	\$6,326	\$1,148	\$2,281	\$18	\$4,435
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$1,577</u>	<u>\$300,000</u>	<u>\$6,326</u>	<u>\$1,148</u>	<u>\$2,281</u>	<u>\$18</u>	<u>\$4,435</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
5,000	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	639	0	466	0	24
0	0	0	0	0	0	0
(3,423)	300,000	5,687	1,148	1,815	18	4,411
<u>(3,423)</u>	<u>300,000</u>	<u>6,326</u>	<u>1,148</u>	<u>2,281</u>	<u>18</u>	<u>4,435</u>
<u>\$1,577</u>	<u>\$300,000</u>	<u>\$6,326</u>	<u>\$1,148</u>	<u>\$2,281</u>	<u>\$18</u>	<u>\$4,435</u>

(continued)

Warrensville Heights City School District*Combining Balance Sheet**All Special Revenue Funds (continued)**June 30, 1999*

	<u>Disadvantaged Pupil Impact Aid</u>	<u>Textbook and Instructional Material Subsidy</u>	<u>Other State Grants</u>	<u>Eisenhower Grant</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,398	\$89,971	\$1,500	\$9,633
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$1,398</u>	<u>\$89,971</u>	<u>\$1,500</u>	<u>\$9,633</u>
Liabilities				
Accounts Payable	\$51	\$0	\$0	\$0
Accrued Wages	128,830	0	0	0
Interfund Payable	5,500	0	0	0
Intergovernmental Payable	17,908	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>152,289</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity				
Fund Balance (Deficit):				
Reserved for Encumbrances	2,307	0	510	330
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated	(153,198)	89,971	990	9,303
<i>Total Fund Equity (Deficit)</i>	<u>(150,891)</u>	<u>89,971</u>	<u>1,500</u>	<u>9,633</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$1,398</u>	<u>\$89,971</u>	<u>\$1,500</u>	<u>\$9,633</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Preschool Grant</u>	<u>Other Federal Grants</u>	<u>Totals</u>
\$2,926	\$39,011	\$13,630	\$4,430	\$1,504	\$28,470	\$620,298
0	0	0	0	0	0	105,365
0	0	0	0	0	0	1,417
33,900	0	0	0	0	0	34,900
<u>\$36,826</u>	<u>\$39,011</u>	<u>\$13,630</u>	<u>\$4,430</u>	<u>\$1,504</u>	<u>\$28,470</u>	<u>\$761,980</u>
\$278	\$4,305	\$837	\$0	\$0	\$972	\$9,692
12,407	42,246	7,164	0	0	5,256	200,258
20,000	0	0	0	0	0	140,500
1,725	7,772	1,678	0	0	5,106	37,065
0	0	0	0	0	0	96,366
<u>34,410</u>	<u>54,323</u>	<u>9,679</u>	<u>0</u>	<u>0</u>	<u>11,334</u>	<u>483,881</u>
1,552	13,647	725	300	1,398	1,032	43,805
0	0	0	0	0	0	6,819
864	(28,959)	3,226	4,130	106	16,104	227,475
<u>2,416</u>	<u>(15,312)</u>	<u>3,951</u>	<u>4,430</u>	<u>1,504</u>	<u>17,136</u>	<u>278,099</u>
<u>\$36,826</u>	<u>\$39,011</u>	<u>\$13,630</u>	<u>\$4,430</u>	<u>\$1,504</u>	<u>\$28,470</u>	<u>\$761,980</u>

Warrensville Heights City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999*

	Scholarship	Recreation	Public School Support	Special Education
Revenues				
Taxes	\$0	\$90,293	\$0	\$0
Intergovernmental	0	6,570	0	2,000
Tuition and Fees	0	36,107	0	0
Extracurricular Activities	0	0	29,083	0
Gifts and Donations	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>132,970</u>	<u>29,083</u>	<u>2,000</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	50
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional				
Services	0	153,023	0	0
Extracurricular Activities	0	0	31,223	0
<i>Total Expenditures</i>	<u>0</u>	<u>153,023</u>	<u>31,223</u>	<u>50</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(20,053)	(2,140)	1,950
Other Financing Sources				
Operating Transfers In	0	0	0	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	0	(20,053)	(2,140)	1,950
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>4,705</u>	<u>5,255</u>	<u>13,259</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$4,705</u>	<u>(\$14,798)</u>	<u>\$11,119</u>	<u>\$1,950</u>

<u>Venture Capital</u>	<u>Termination Benefits</u>	<u>Athletic and Music</u>	<u>Disadvantaged Pupil Program</u>	<u>Teacher Development</u>	<u>Early Childhood</u>	<u>Management Information Systems Grant</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	13,810	0	8,559
0	0	0	0	0	0	0
0	0	27,481	0	0	0	0
0	0	50	0	0	0	0
<u>0</u>	<u>0</u>	<u>27,531</u>	<u>0</u>	<u>13,810</u>	<u>0</u>	<u>8,559</u>
7,622	0	0	0	11,988	8,153	0
0	0	0	0	135	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	495	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	4,024
0	0	0	0	0	0	0
0	0	33,966	0	0	0	0
<u>7,622</u>	<u>0</u>	<u>33,966</u>	<u>0</u>	<u>12,618</u>	<u>8,153</u>	<u>4,024</u>
(7,622)	0	(6,435)	0	1,192	(8,153)	4,535
<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(7,622)	300,000	(6,435)	0	1,192	(8,153)	4,535
4,199	0	12,761	1,148	1,089	8,171	(100)
<u>(\$3,423)</u>	<u>\$300,000</u>	<u>\$6,326</u>	<u>\$1,148</u>	<u>\$2,281</u>	<u>\$18</u>	<u>\$4,435</u>

(continued)

Warrensville Heights City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1998

	Disadvantaged Pupil Impact Aid	Textbook and Instructional Material Subsidy	Other State Grants	Eisenhower Grant
Revenues				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	1,008,039	44,472	1,500	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
<i>Total Revenues</i>	<u>1,008,039</u>	<u>44,472</u>	<u>1,500</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	670,663	0		11,910
Special	36,794	0	0	0
Support Services:				
Pupils	78,579	0	0	0
Instructional Staff	56,774	0	0	4,553
Administration	0	0	0	0
Operation and Maintenance of Plant	165,443	0	0	0
Central	0	0	0	0
Operation of Non-Instructional				
Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>1,008,253</u>	<u>0</u>	<u>0</u>	<u>16,463</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(214)	44,472	1,500	(16,463)
Other Financing Sources				
Operating Transfers In	0	0	0	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(214)	44,472	1,500	(16,463)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(150,677)</u>	<u>45,499</u>	<u>0</u>	<u>26,096</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$150,891)</u>	<u>\$89,971</u>	<u>\$1,500</u>	<u>\$9,633</u>

Title VI-B	Title I	Title VI	Drug Free Schools	Preschool Grant	Other Federal Grants	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$90,293
151,106	455,786	17,110	0	6,084	45,300	1,760,336
0	0	0	0	0	0	36,107
0	0	0	0	0	0	56,564
0	0	0	0	0	0	50
<u>151,106</u>	<u>455,786</u>	<u>17,110</u>	<u>0</u>	<u>6,084</u>	<u>45,300</u>	<u>1,943,350</u>
0	0	0	4,130	0	33,607	748,123
44,068	314,582	30,882	513	4,580	1,783	433,337
94,050	73	0	0	0	0	172,702
21,674	134,182	0	0	0	250	217,433
0	0	0	0	0	0	495
0	0	0	0	0	0	165,443
0	0	0	0	0	0	4,024
0	0	0	0	0		153,023
0	0	0	0	0	0	65,189
<u>159,792</u>	<u>448,837</u>	<u>30,882</u>	<u>4,643</u>	<u>4,580</u>	<u>35,640</u>	<u>1,959,769</u>
(8,686)	6,949	(13,772)	(4,643)	1,504	9,660	(16,419)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u>
(8,686)	6,949	(13,772)	(4,643)	1,504	9,660	283,581
<u>11,102</u>	<u>(22,261)</u>	<u>17,723</u>	<u>9,073</u>	<u>0</u>	<u>7,476</u>	<u>(5,482)</u>
<u>\$2,416</u>	<u>(\$15,312)</u>	<u>\$3,951</u>	<u>\$4,430</u>	<u>\$1,504</u>	<u>\$17,136</u>	<u>\$278,099</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	4,705	0	4,705
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(4,705)	0	4,705
<i>Fund Balance Beginning of Year</i>	4,705	4,705	0
<i>Fund Balance End of Year</i>	\$0	\$4,705	\$4,705

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$89,804	\$89,804	\$0
Intergovernmental	6,570	6,570	0
Tuition and Fees	25,454	34,690	9,236
<i>Total Revenues</i>	<u>121,828</u>	<u>131,064</u>	<u>9,236</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	55,185	72,426	(17,241)
Fringe Benefits	9,527	12,750	(3,223)
Purchased Services	42,865	67,882	(25,017)
Materials and Supplies	20,718	22,157	(1,439)
<i>Total Expenditures</i>	<u>128,295</u>	<u>175,215</u>	<u>(46,920)</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(6,467)	(44,151)	(37,684)
Other Financing Sources			
Advances In	0	90,000	90,000
<i>Excess of Revenues and Other Financing</i>			
<i>Sources Over (Under) Expenditures</i>	(6,467)	45,849	52,316
<i>Fund Balance Beginning of Year</i>	6,487	6,487	0
Prior Year Encumbrances Appropriated	20,633	20,633	0
<i>Fund Balance End of Year</i>	<u>\$20,653</u>	<u>\$72,969</u>	<u>\$52,316</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$2,056	\$29,083	\$27,027
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	31,669	25,693	5,976
Materials and Supplies	119	3,561	(3,442)
Other	0	3,912	(3,912)
<i>Total Expenditures</i>	<u>31,788</u>	<u>33,166</u>	<u>(1,378)</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(29,732)	(4,083)	25,649
<i>Fund Balance Beginning of Year</i>	12,705	12,705	0
Prior Year Encumbrances Appropriated	<u>599</u>	<u>599</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$16,428)</u>	<u>\$9,221</u>	<u>\$25,649</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Education Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	1,000	1,500	500
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	400	0	400
Purchased Services	900	50	850
Materials and Supplies	200	0	200
Total Regular	1,500	50	1,450
<i>Excess of Revenues</i>			
<i> Over (Under) Expenditures</i>	(500)	1,450	1,950
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$500)</u>	<u>\$1,450</u>	<u>\$1,950</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Venture Capital Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Total Revenues</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	822	550	272
Materials and Supplies	2,000	1,217	783
Capital Outlay - New	4,560	3,499	1,061
Other	<u>1,133</u>	<u>2,356</u>	<u>(1,223)</u>
<i>Total Expenditures</i>	<u>8,515</u>	<u>7,622</u>	<u>893</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(8,515)	(7,622)	893
Other Financing Sources			
Advances In	<u>25,000</u>	<u>5,000</u>	<u>(20,000)</u>
<i>Excess of Revenues and Other Financing</i>			
<i>Sources Over (Under) Expenditures</i>	16,485	(2,622)	(19,107)
<i>Fund Balance Beginning of Year</i>	3,516	3,516	0
Prior Year Encumbrances Appropriated	<u>683</u>	<u>683</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$20,684</u>	<u>\$1,577</u>	<u>(\$19,107)</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Termination Benefits Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Fringe Benefits	300,000	0	300,000
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(300,000)	0	300,000
Other Financing Sources			
Operating Transfers In	300,000	300,000	0
<i>Excess of Revenues and Other Financing</i>			
<i>Sources Over Expenditures</i>	0	300,000	300,000
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$300,000	\$300,000

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic and Music Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$3,933	\$27,481	\$23,548
Gifts and Donations	50	50	0
<i>Total Revenues</i>	<u>3,983</u>	<u>27,531</u>	<u>23,548</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	14,114	14,114	0
Materials and Supplies	2,755	2,755	0
Capital Outlay - New	430	430	0
Other	3,736	3,736	0
Total Academic and Subject Oriented Activities	<u>21,035</u>	<u>21,035</u>	<u>0</u>
Sports Oriented Activities:			
Purchased Services	4,443	4,443	0
Materials and Supplies	5,772	5,772	0
Capital Outlay - New	0	2,057	(2,057)
Other	1,526	1,739	(213)
Total Sports Oriented Activities	<u>11,741</u>	<u>14,011</u>	<u>(2,270)</u>
<i>Total Expenditures</i>	<u>32,776</u>	<u>35,046</u>	<u>(2,270)</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(28,793)	(7,515)	21,278
<i>Fund Balance Beginning of Year</i>	12,257	12,257	0
Prior Year Encumbrances Appropriated	<u>945</u>	<u>945</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$15,591)</u>	<u>\$5,687</u>	<u>\$21,278</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Program Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Total Revenues</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	777	0	777
Support Services:			
Instructional Staff:			
Purchased Services	<u>371</u>	<u>0</u>	<u>371</u>
<i>Total Expenditures</i>	<u>1,148</u>	<u>0</u>	<u>1,148</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(1,148)	0	1,148
<i>Fund Balance Beginning of Year</i>	<u>1,148</u>	<u>1,148</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$1,148</u></u>	<u><u>\$1,148</u></u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$13,810	\$13,810	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,320	8,320	0
Fringe Benefits	1,175	1,165	10
Purchased Services	6,750	2,521	4,229
Materials and Supplies	500	299	201
Capital Outlay - New	2,000	150	1,850
Total Regular	18,745	12,455	6,290
Special:			
Purchased Services	135	135	0
Total Instruction	18,880	12,590	6,290
Support Services:			
Administration:			
Purchased Services	495	495	0
Total Expenditures	19,375	13,085	6,290
Excess of Revenues Over (Under) Expenditures	(5,565)	725	6,290
Fund Balance Beginning of Year	565	565	0
Prior Year Encumbrances Appropriated	525	525	0
Fund Balance (Deficit) End of Year	(\$4,475)	\$1,815	\$6,290

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Early Childhood Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Total Revenues</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	<u>18</u>	<u>8,153</u>	<u>(8,135)</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(18)	(8,153)	(8,135)
<i>Fund Balance Beginning of Year</i>	18	18	0
Prior Year Encumbrances Appropriated	<u>8,153</u>	<u>8,153</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,153</u></u>	<u><u>\$18</u></u>	<u><u>(\$8,135)</u></u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Management Information Systems Grant Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$6,298	\$8,559	\$2,261
Expenditures			
Current:			
Central:			
Salaries and Wages	4,000	3,138	862
Fringe Benefits	700	439	261
Purchased Services	1,598	571	1,027
<i>Total Expenditures</i>	6,298	4,148	2,150
<i>Excess of Revenues</i>			
<i>Over Expenditures</i>	0	4,411	4,411
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$4,411	\$4,411

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$869,152	\$1,008,039	\$138,887
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	328,156	506,073	(177,917)
Fringe Benefits	85,328	85,328	0
Materials and Supplies	23,526	17,616	5,910
Capital Outlay - New	16,791	13,256	3,535
Total Regular	453,801	622,273	(168,472)
Special:			
Salaries and Wages	68,776	36,685	32,091
Fringe Benefits	11,125	11,108	17
Total Special	79,901	47,793	32,108
Total Instruction	533,702	670,066	(136,364)
Support Services:			
Pupils:			
Salaries and Wages	71,129	62,591	8,538
Fringe Benefits	16,541	14,630	1,911
Total Pupils	87,670	77,221	10,449
Instructional Staff:			
Salaries and Wages	45,263	38,455	6,808
Fringe Benefits	29,844	17,964	11,880
Total Instructional Staff	75,107	56,419	18,688
Operation and Maintenance of Plant:			
Salaries and Wages	114,832	114,832	0
Fringe Benefits	17,930	17,930	0
Purchased Services	1,393	1,393	0
Materials and Supplies	18,828	18,828	0
Capital Outlay - New	34,509	10,421	24,088
Total Operation and Maintenance of Plant	187,492	163,404	24,088
Total Support Services	350,269	297,044	53,225
Total Expenditures	\$883,971	\$967,110	(\$83,139)

(continued)

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$14,819)</u>	<u>\$40,929</u>	<u>\$55,748</u>
Other Financing Sources			
Advances In	5,500	5,500	0
Advances Out	<u>0</u>	<u>(60,000)</u>	<u>(60,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>5,500</u>	<u>(54,500)</u>	<u>(60,000)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(9,319)</u>	<u>(13,571)</u>	<u>(4,252)</u>
<i>Fund Balance Beginning of Year</i>	9,321	9,321	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,289</u>	<u>3,289</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$3,291</u>	<u>(\$961)</u>	<u>(\$4,252)</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook and Instructional Material Subsidy Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$44,472	\$44,472	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	89,971	0	89,971
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(45,499)	44,472	89,971
<i>Fund Balance Beginning of Year</i>	45,499	45,499	0
<i>Fund Balance End of Year</i>	\$0	\$89,971	\$89,971

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Other State Grants Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$1,500	\$1,500	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	1,000	345	655
Other	500	165	335
<i>Total Expenditures</i>	1,500	510	990
<i>Excess of Revenues Over Expenditures</i>	0	990	990
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$990	\$990

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Grant Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,135	0	7,135
Fringe Benefits	2,008	0	2,008
Purchased Services	644	4,500	(3,856)
Materials and Supplies	1,945	7,182	(5,237)
Other	0	395	(395)
Total Instruction	11,732	12,077	(345)
Support Services:			
Instructional Staff:			
Salaries and Wages	8,879	2,551	6,328
Fringe Benefits	2,688	347	2,341
Purchased Services	1,221	784	437
Materials and Supplies	1,398	1,201	197
Total Support Services	14,186	4,883	9,303
<i>Total Expenditures</i>	25,918	16,960	8,958
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(25,918)	(16,960)	8,958
Other Financing Uses			
Operating Transfers Out	(14,186)	0	14,186
<i>Excess of Revenues Under Expenditures</i> <i>and Other Financing Uses</i>	(40,104)	(16,960)	23,144
<i>Fund Balance Beginning of Year</i>	25,918	25,918	0
Prior Year Encumbrances Appropriated	345	345	0
<i>Fund Balance (Deficit) End of Year</i>	(\$13,841)	\$9,303	\$23,144

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$154,328	\$117,206	(\$37,122)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	8,635	9,120	(485)
Fringe Benefits	1,579	1,948	(369)
Purchased Services	524	470	54
Materials and Supplies	10,965	9,727	1,238
Capital Outlay - New	18,530	17,230	1,300
Total Instruction	40,233	38,495	1,738
Support Services:			
Pupils:			
Salaries and Wages	66,407	66,407	0
Fringe Benefits	20,214	10,746	9,468
Purchased Services	3,103	2,964	139
Materials and Supplies	9,700	9,667	33
Capital Outlay - New	5,897	5,897	0
Total Pupils	105,321	95,681	9,640
Instructional Staff:			
Salaries and Wages	20,202	18,028	2,174
Fringe Benefits	5,903	2,602	3,301
Total Instructional Staff	26,105	20,630	5,475
Total Support Services	131,426	116,311	15,115
Total Expenditures	171,659	154,806	16,853
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(17,331)	(37,600)	(20,269)
Other Financing Sources			
Advances In	0	20,000	20,000
<i>Excess of Revenues and Other Financing</i>			
<i>Sources Under Expenditures</i>	(17,331)	(17,600)	(269)
<i>Fund Balance Beginning of Year</i>	17,331	17,331	0
Prior Year Encumbrances Appropriated	1,364	1,364	0
<i>Fund Balance End of Year</i>	<u>\$1,364</u>	<u>\$1,095</u>	<u>(\$269)</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$519,930	\$505,786	(\$14,144)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	251,554	251,554	0
Fringe Benefits	69,827	35,784	34,043
Purchased Services	15,809	4,956	10,853
Materials and Supplies	42,993	41,062	1,931
Capital Outlay - New	4,500	3,087	1,413
Total Instruction	384,683	336,443	48,240
Support Services:			
Pupils:			
Salaries and Wages	14,248	0	14,248
Fringe Benefits	634	73	561
Total Pupils	14,882	73	14,809
Instructional Staff:			
Salaries and Wages	86,696	91,133	(4,437)
Fringe Benefits	36,413	31,066	5,347
Purchased Services	2,151	2,908	(757)
Total Instructional Staff	125,260	125,107	153
Total Support Services	140,142	125,180	14,962
Total Expenditures	524,825	461,623	63,202
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(4,895)	44,163	49,058
Other Financing Uses			
Advances Out	0	(28,000)	(28,000)
<i>Excess of Revenues Over (Under)</i> <i>Expenditures and Other Financing Uses</i>	(4,895)	16,163	21,058
<i>Fund Balance Beginning of Year</i>	4,896	4,896	0
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$21,059</u>	<u>\$21,058</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$0	\$17,110	\$17,110
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	8,001	9,839	(1,838)
Fringe Benefits	1,404	1,404	0
Purchased Services	6,778	6,778	0
Materials and Supplies	5,794	5,794	0
<i>Total Expenditures</i>	<u>21,977</u>	<u>23,815</u>	<u>(1,838)</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(21,977)	(6,705)	15,272
<i>Fund Balance Beginning of Year</i>	18,659	18,659	0
Prior Year Encumbrances Appropriated	<u>114</u>	<u>114</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$3,204)</u>	<u>\$12,068</u>	<u>\$15,272</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$7,768	\$0	(\$7,768)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	502	300	202
Materials and Supplies	8,392	4,130	4,262
Total Regular	8,894	4,430	4,464
Special:			
Salaries and Wages	1,773	450	1,323
Fringe Benefits	738	63	675
Total Special	2,511	513	1,998
Total Instruction	11,405	4,943	6,462
Support Services:			
Pupils:			
Salaries and Wages	3,000	0	3,000
Fringe Benefits	420	0	420
Total Support Services	3,420	0	3,420
Total Expenditures	14,825	4,943	9,882
Excess of Revenues Under Expenditures	(7,057)	(4,943)	2,114
Fund Balance Beginning of Year	7,056	7,056	0
Prior Year Encumbrances Appropriated	2,017	2,017	0
Fund Balance End of Year	\$2,016	\$4,130	\$2,114

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$6,084	\$6,084	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Materials and Supplies	4,554	4,476	78
Capital Outlay - New	1,530	1,502	28
<i>Total Expenditures</i>	<u>6,084</u>	<u>5,978</u>	<u>106</u>
<i>Excess of Revenues</i>			
<i>Over Expenditures</i>	0	106	106
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$106</u>	<u>\$106</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Federal Grants Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$45,300	\$45,300	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	26,297	22,312	3,985
Fringe Benefits	5,118	933	4,185
Total Regular	31,415	23,245	8,170
Special:			
Salaries and Wages	7,000	125	6,875
Fringe Benefits	4,060	35	4,025
Purchased Services	7,300	651	6,649
Materials and Supplies	3,000	2,004	996
Total Special	21,360	2,815	18,545
Total Instruction	52,775	26,060	26,715
Support Services:			
Instructional Staff:			
Purchased Services	0	250	(250)
Total Expenditures	52,775	26,310	26,465
Excess of Revenues Over (Under) Expenditures	(7,475)	18,990	26,465
Fund Balance Beginning of Year	7,477	7,477	0
Fund Balance End of Year	\$2	\$26,467	\$26,465

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Funds Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$89,804	\$89,804	\$0
Intergovernmental	1,676,212	1,775,936	99,724
Tuition and Fees	25,454	34,690	9,236
Extracurricular Activities	5,989	56,564	50,575
Gifts and Donations	50	50	0
Total Revenues	1,797,509	1,957,044	159,535
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	370,308	536,705	(166,397)
Fringe Benefits	93,629	87,426	6,203
Purchased Services	311,395	8,266	303,129
Materials and Supplies	131,257	38,597	92,660
Capital Outlay - New	23,351	16,905	6,446
Other	1,633	2,916	(1,283)
Total Regular	931,573	690,815	240,758
Special:			
Salaries and Wages	345,739	307,773	37,966
Fringe Benefits	88,733	50,342	38,391
Purchased Services	30,546	12,990	17,556
Materials and Supplies	67,306	63,063	4,243
Capital Outlay - New	24,560	21,819	2,741
Total Special	556,884	455,987	100,897
Total Instruction	1,488,457	1,146,802	341,655
Support Services:			
Pupils:			
Salaries and Wages	154,784	128,998	25,786
Fringe Benefits	37,809	25,449	12,360
Purchased Services	3,103	2,964	139
Materials and Supplies	9,700	9,667	33
Capital Outlay - New	5,897	5,897	0
Total Pupils	\$211,293	\$172,975	\$38,318

(continued)

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Funds Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff:			
Salaries and Wages	\$161,040	\$150,167	\$10,873
Fringe Benefits	74,848	51,979	22,869
Purchased Services	3,743	3,942	(199)
Materials and Supplies	1,398	1,201	197
Total Instructional Staff	241,029	207,289	33,740
Administration:			
Purchased Services	495	495	0
Operation and Maintenance of Plant:			
Salaries and Wages	114,832	114,832	0
Fringe Benefits	17,930	17,930	0
Purchased Services	1,393	1,393	0
Materials and Supplies	18,828	18,828	0
Capital Outlay - New	34,509	10,421	24,088
Total Operation and Maintenance of Plant	187,492	163,404	24,088
Central:			
Salaries and Wages	4,000	3,138	862
Fringe Benefits	700	439	261
Purchased Services	1,598	571	1,027
Total Central	6,298	4,148	2,150
Total Support Services	646,607	548,311	98,296
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	55,185	72,426	(17,241)
Fringe Benefits	9,527	12,750	(3,223)
Purchased Services	42,865	67,882	(25,017)
Materials and Supplies	20,718	22,157	(1,439)
Total Operation of Non-Instructional Services	128,295	175,215	(46,920)
Extracurricular Activities:			
Sports Oriented Activities:			
Purchased Services	14,114	14,114	0
Materials and Supplies	2,755	2,755	0
Capital Outlay - New	430	430	0
Other	3,736	3,736	0
Total Sports Oriented Activities	\$21,035	\$21,035	\$0

(continued)

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Funds Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Academic and Subject Oriented Activities:			
Purchased Services	\$36,112	\$30,136	\$5,976
Materials and Supplies	5,891	9,333	(3,442)
Capital Outlay - New	0	2,057	(2,057)
Other	1,526	5,651	(4,125)
Total Academic and Subject Oriented Activities	43,529	47,177	(3,648)
Total Extracurricular Activities	64,564	68,212	(3,648)
Total Expenditures	2,327,923	1,938,540	389,383
Excess of Revenues Over (Under) Expenditures	(530,414)	18,504	548,918
Other Financing Sources (Uses)			
Advances In	30,500	120,500	90,000
Advances Out	0	(88,000)	(88,000)
Operating Transfers In	300,000	300,000	0
Operating Transfers Out	(14,186)	0	14,186
Total Other Financing Sources (Uses)	316,314	332,500	16,186
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(214,100)	351,004	565,104
Fund Balances Beginning of Year	177,558	177,558	0
Prior Year Encumbrances Appropriated	38,667	38,667	0
Fund Balances End of Year	\$2,125	\$567,229	\$565,104

Debt Service Fund

The debt service fund accounts for the accumulation of resources for, and the payment of, principal and interest on general long-term debt and related costs. Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

Capital Projects Funds

Capital Improvements Fund - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise funds).

School Net Fund - This fund accounts for State grant monies used to purchase computer hardware and software.

Warrensville Heights City School District*Combining Balance Sheet**All Capital Projects Funds**June 30, 1999*

	<u>Capital Improvements</u>	<u>School Net</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$235,168	\$68,342	\$303,510
Taxes Receivable	400,974	0	400,974
<i>Total Assets</i>	<u>\$636,142</u>	<u>\$68,342</u>	<u>\$704,484</u>
Liabilities			
Interfund Payable	\$5,000	\$0	\$5,000
Deferred Revenue	366,768	0	366,768
<i>Total Liabilities</i>	<u>371,768</u>	<u>0</u>	<u>371,768</u>
Fund Equity			
<i>Fund Balance:</i>			
Reserved for Encumbrances	4,826	68,342	73,168
Reserved for Property Taxes	25,914	0	25,914
Unreserved, Undesignated	233,634	0	233,634
<i>Total Fund Equity</i>	<u>264,374</u>	<u>68,342</u>	<u>332,716</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$636,142</u>	<u>\$68,342</u>	<u>\$704,484</u>

Warrensville Heights City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999*

	Capital Improvements	School Net	Totals
Revenues			
Taxes	\$343,123	\$0	\$343,123
Intergovernmental	24,966	95,759	120,725
<i>Total Revenues</i>	368,089	95,759	463,848
Expenditures			
Capital Outlay	237,708	27,417	265,125
<i>Excess of Revenues Over Expenditures</i>	130,381	68,342	198,723
<i>Fund Balances Beginning of Year</i>	133,993	0	133,993
<i>Fund Balances End of Year</i>	\$264,374	\$68,342	\$332,716

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$341,254	\$341,254	\$0
Intergovernmental	171,394	24,966	(146,428)
<i>Total Revenues</i>	<u>512,648</u>	<u>366,220</u>	<u>(146,428)</u>
Expenditures			
Capital Outlay:			
Architecture and Engineering Services			
Purchased Services	4,980	2,570	2,410
Materials and Supplies	20	20	0
Total Architecture and Engineering Services	<u>5,000</u>	<u>2,590</u>	<u>2,410</u>
Building Improvement Services:			
Purchased Services	4,640	4,140	500
Capital Outlay - Replacement	351,122	256,754	0
Total Building Improvement Services	<u>355,762</u>	<u>260,894</u>	<u>500</u>
<i>Total Expenditures</i>	<u>360,762</u>	<u>263,484</u>	<u>2,910</u>
<i>Excess of Revenues Over Expenditures</i>	151,886	102,736	(143,518)
Other Financing Sources			
Advances In	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	156,886	107,736	(143,518)
<i>Fund Balance (Deficit) Beginning of Year</i>	(156,101)	(156,101)	0
Prior Year Encumbrances Appropriated	<u>278,707</u>	<u>278,707</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$279,492</u>	<u>\$230,342</u>	<u>(\$143,518)</u>

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$95,759	\$95,759	\$0
Expenditures			
Current:			
Support Services:			
Administration:			
Capital Outlay - New	95,759	95,759	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Warrensville Heights City School District
Schedule of Revenues, Expenditures and Changes In
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$341,254	\$341,254	\$0
Intergovernmental	267,153	120,725	(146,428)
<i>Total Revenues</i>	<u>608,407</u>	<u>461,979</u>	<u>(146,428)</u>
Expenditures			
Current:			
Support Services:			
Administration:			
Capital Outlay - New	<u>95,759</u>	<u>95,759</u>	<u>0</u>
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	4,980	2,570	2,410
Materials and Supplies	<u>20</u>	<u>20</u>	<u>0</u>
Total Architecture and Engineering Services	<u>5,000</u>	<u>2,590</u>	<u>2,410</u>
Building Improvement Services:			
Purchased Services	4,640	4,140	500
Capital Outlay - Replacement	<u>351,122</u>	<u>256,754</u>	<u>94,368</u>
Total Building Improvement Services	<u>355,762</u>	<u>260,894</u>	<u>94,868</u>
Total Capital Outlay	<u>360,762</u>	<u>263,484</u>	<u>97,278</u>
<i>Total Expenditures</i>	<u>456,521</u>	<u>359,243</u>	<u>97,278</u>
<i>Excess of Revenues Over Expenditures</i>	151,886	102,736	(49,150)
Other Financing Sources			
Advances In	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing</i> <i>Sources Over Expenditures</i>	156,886	107,736	(49,150)
<i>Fund Balances (Deficit) Beginning of Year</i>	(156,101)	(156,101)	0
Prior Year Encumbrances Appropriated	<u>278,707</u>	<u>278,707</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$279,492</u>	<u>\$230,342</u>	<u>(\$49,150)</u>

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Uniform School Supplies Fund - This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the School District.

Warrensville Heights City School District*Combining Balance Sheet**All Enterprise Funds**June 30, 1999*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$37,212	\$34,958	\$72,170
Intergovernmental Receivable	34,942	0	34,942
Inventory Held for Resale	28,986	0	28,986
<i>Total Assets</i>	<u>\$101,140</u>	<u>\$34,958</u>	<u>\$136,098</u>
Liabilities			
Accounts Payable	\$12,418	\$591	\$13,009
Accrued Wages	2,150	0	2,150
Interfund Payable	130,000	0	130,000
Intergovernmental Payable	11,995	0	11,995
Deferred Revenue	18,252	0	18,252
<i>Total Current Liabilities</i>	<u>174,815</u>	<u>591</u>	<u>175,406</u>
Compensated Absences Payable	18,367	0	18,367
<i>Total Liabilities</i>	<u>193,182</u>	<u>591</u>	<u>193,773</u>
Fund Equity			
Retained Earnings:			
Unreserved (Deficit)	(92,042)	34,367	(57,675)
<i>Total Fund Equity (Deficit)</i>	<u>(92,042)</u>	<u>34,367</u>	<u>(57,675)</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$101,140</u>	<u>\$34,958</u>	<u>\$136,098</u>

Warrensville Heights City School District
*Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999*

	Food Service	Uniform School Supplies	Totals
Operating Revenues			
Sales	\$272,564	\$12,213	\$284,777
Operating Expenses			
Salaries and Wages	158,988	0	158,988
Fringe Benefits	123,132	0	123,132
Purchased Services	9,562	0	9,562
Materials and Supplies	40,901	591	41,492
Cost of Sales	253,528	7,045	260,573
Other	840	0	840
<i>Total Operating Expenses</i>	586,951	7,636	594,587
<i>Operating Income (Loss)</i>	(314,387)	4,577	(309,810)
Non-Operating Revenues			
Donated Commodities	31,492	0	31,492
Operating Grants	223,643	0	223,643
<i>Total Non-Operating Revenues</i>	255,135	0	255,135
<i>Income (Loss) Before Operating Transfers</i>	(59,252)	4,577	(54,675)
Operating Transfers In	35,000	0	35,000
<i>Net Income (Loss)</i>	(24,252)	4,577	(19,675)
<i>Retained Earnings (Deficit) Beginning of Year</i>	(67,790)	29,790	(38,000)
<i>Retained Earnings (Deficit) End of Year</i>	(\$92,042)	\$34,367	(\$57,675)

Warrensville Heights City School District
*Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 1999*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$172,963	\$272,564	\$99,601
Operating Grants	214,037	214,037	0
<i>Total Revenues</i>	<u>387,000</u>	<u>486,601</u>	<u>99,601</u>
Expenses			
Salaries and Wages:			
Food Service Operations	191,673	192,369	(696)
Fringe Benefits:			
Food Service Operations	77,806	92,770	(14,964)
Purchased Services:			
Food Service Operations	22,447	18,590	3,857
Materials and Supplies:			
Food Service Operations	168,090	298,283	(130,193)
Other:			
Food Service Operations	0	1,680	(1,680)
<i>Total Expenses</i>	<u>460,016</u>	<u>603,692</u>	<u>(143,676)</u>
<i>Excess of Revenues Under Expenses</i>	(73,016)	(117,091)	(44,075)
Advances In	30,000	30,000	0
Operating Transfers In	35,000	35,000	0
<i>Excess of Revenues, Advances and Transfers Under Expenses</i>	(8,016)	(52,091)	(44,075)
<i>Fund Equity Beginning of Year</i>	8,017	8,017	0
Prior Year Encumbrances Appropriated	26,663	26,663	0
<i>Fund Equity (Deficit) End of Year</i>	<u>\$26,664</u>	<u>(\$17,411)</u>	<u>(\$44,075)</u>

Warrensville Heights City School District
Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$3,474	\$12,213	\$8,739
Expenses			
Materials and Supplies:			
Regular Instruction	39,047	8,834	30,213
<i>Excess of Revenues Over (Under) Expenses</i>	(35,573)	3,379	38,952
<i>Fund Equity Beginning of Year</i>	29,144	29,144	0
Prior Year Encumbrances Appropriated	646	646	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$5,783)</u>	<u>\$33,169</u>	<u>\$38,952</u>

Warrensville Heights City School District
Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$176,437	\$284,777	\$108,340
Operating Grants	214,037	214,037	0
<i>Total Revenues</i>	<u>390,474</u>	<u>498,814</u>	<u>108,340</u>
Expenses			
Salaries and Wages:			
Food Service Operations	<u>191,673</u>	<u>192,369</u>	<u>(696)</u>
Fringe Benefits:			
Food Service Operations	<u>77,806</u>	<u>92,770</u>	<u>(14,964)</u>
Purchased Services:			
Food Service Operations	<u>22,447</u>	<u>18,590</u>	<u>3,857</u>
Materials and Supplies:			
Regular Instruction	39,047	8,834	30,213
Food Service Operations	<u>168,090</u>	<u>298,283</u>	<u>(130,193)</u>
Total Materials and Supplies	<u>207,137</u>	<u>307,117</u>	<u>(99,980)</u>
Other:			
Food Service Operations	<u>0</u>	<u>1,680</u>	<u>(1,680)</u>
<i>Total Expenses</i>	<u>499,063</u>	<u>612,526</u>	<u>(113,463)</u>
<i>Excess of Revenues Under Expenses</i>	<u>(108,589)</u>	<u>(113,712)</u>	<u>(5,123)</u>
Advances In	30,000	30,000	0
Operating Transfers In	<u>35,000</u>	<u>35,000</u>	<u>0</u>
<i>Excess of Revenues, Advances and Transfers Under Expenses</i>	<u>(43,589)</u>	<u>(48,712)</u>	<u>(5,123)</u>
<i>Fund Equity Beginning of Year</i>	<u>37,161</u>	<u>37,161</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>27,309</u>	<u>27,309</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$20,881</u>	<u>\$15,758</u>	<u>(\$5,123)</u>

Warrensville Heights City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	Food Service	Uniform School Supplies	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents:</i>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$272,564	\$12,213	\$284,777
Cash Payments to Suppliers for Goods and Services	(263,090)	(7,045)	(270,135)
Cash Payments to Employees for Services	(192,369)	0	(192,369)
Cash Payments for Employee Benefits	(92,770)	0	(92,770)
Cash Payments for Other Operating Expenses	(840)	0	(840)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(276,505)	5,168	(271,337)
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	214,037	0	214,037
Operating Transfers In	35,000	0	35,000
Advance In	30,000	0	30,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	279,037	0	279,037
<i>Net Increase in Cash and Cash Equivalents</i>	2,532	5,168	7,700
<i>Cash and Cash Equivalents at Beginning of Year</i>	34,680	29,790	64,470
<i>Cash and Cash Equivalents at End of Year</i>	\$37,212	\$34,958	\$72,170
<i>Reconciliation of Operating Income (Loss) to</i>			
<i>Net Cash Provided by (Used for) Operating Activities:</i>			
Operating Income (Loss)	(\$314,387)	\$4,577	(\$309,810)
<i>Adjustments to Reconcile</i>			
<i>Operating Income (Loss) to Net Cash</i>			
<i>Provided by (Used for) Operating Activities:</i>			
Donated Commodities Used During Year	31,492	0	31,492
<i>(Increase) Decrease in Assets:</i>			
Inventory Held for Resale	(5,749)	0	(5,749)
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	10,099	591	10,690
Accrued Wages	(70)	0	(70)
Compensated Absences Payable	3,203	0	3,203
Intergovernmental Payable	(1,093)	0	(1,093)
<i>Total Adjustments</i>	37,882	591	38,473
<i>Net Cash Provided by (Used for) Operating Activities</i>	(276,505)	\$5,168	(271,337)

Agency Fund

The Student Activities agency fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Warrensville Heights City School District*Statement of Changes in Assets and Liabilities**Agency Fund**For the Fiscal Year Ended June 30, 1999*

	Beginning Balance June 30, 1998	Additions	Deductions	Ending Balance June 30, 1999
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$39,860</u>	<u>\$0</u>	<u>\$1,592</u>	<u>\$38,268</u>
Liabilities				
Due to Students	<u>\$39,860</u>	<u>\$0</u>	<u>\$1,592</u>	<u>\$38,268</u>

General Fixed Assets Account Group

The general fixed assets account group is used to account for all land, buildings and improvements, vehicles and furniture, fixtures and equipment not used in the operations of the proprietary funds.

Warrensville Heights City School District

Schedule of General Fixed Assets

By Function and Type

June 30, 1999

Function	Total	Land	Buildings and Improvements	Vehicles	Furniture, Fixtures, and Equipment
<i>Instruction:</i>					
Regular	\$11,473,063	\$416,349	\$9,452,330	\$0	\$1,604,384
Special	46,556	0	0	0	46,556
Vocational	172,330	0	0	0	172,330
<i>Support Services:</i>					
Pupils	37,576	0	0	0	37,576
Instructional Staff	339,431	0	0	0	339,431
Board of Education	60,128	0	0	0	60,128
Administration	205,077	0	0	0	205,077
Fiscal	53,200	0	0	0	53,200
Business	57,195	0	0	0	57,195
Operation and Maintenance of Plant	633,810	0	326,652	0	307,158
Pupil Transportation	771,368	0	37,074	674,937	59,357
Operation of Non-Instructional Services	278,163	0	0	0	278,163
Extracurricular Activities	316,080	0	194,610	0	121,470
Capital Outlay	1,846,572	0	1,827,846	0	18,726
<i>Total General Fixed Assets</i>	<u>\$16,290,549</u>	<u>\$416,349</u>	<u>\$11,838,512</u>	<u>\$674,937</u>	<u>\$3,360,751</u>

Warrensville Heights City School District*Schedule of Changes in General Fixed Assets**By Function**For the Fiscal Year Ended June 30, 1999*

Function	General Fixed Assets June 30, 1998	Additions	Deletions	General Fixed Assets June 30, 1999
<i>Instruction:</i>				
Regular	\$11,163,360	\$309,703	\$0	\$11,473,063
Special	24,550	22,006	0	46,556
Vocational	172,330	0	0	172,330
<i>Support Services:</i>				
Pupils	31,779	5,797	0	37,576
Instructional Staff	330,824	8,607	0	339,431
Board of Education	60,128	0	0	60,128
Administration	95,022	110,055	0	205,077
Fiscal	53,200	0	0	53,200
Business	54,524	2,671	0	57,195
Operation and Maintenance of Plant	624,047	9,763	0	633,810
Pupil Transportation	771,368	0	0	771,368
Operation of Non-Instructional Services	278,163	0	0	278,163
Extracurricular Activities	312,525	3,555	0	316,080
Capital Outlay	1,294,596	551,976	0	1,846,572
<i>Total General Fixed Assets</i>	<u>\$15,266,416</u>	<u>\$1,024,133</u>	<u>\$0</u>	<u>\$16,290,549</u>

Warrensville Heights City School District

Schedule of General Fixed Assets

By Source

June 30, 1999

General Fixed Assets

Land	\$416,349
Buildings and Improvements	11,838,512
Vehicles	674,937
Furniture, Fixtures, and Equipment	<u>3,360,751</u>

<i>Total General Fixed Assets</i>	<u>\$16,290,549</u>
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Investment in General Fixed Assets From:

General Fund	\$14,016,990
Special Revenue Funds	90,785
Capital Projects Funds	<u>2,182,774</u>

<i>Total Investment in General Fixed Assets</i>	<u>\$16,290,549</u>
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Statistical Section

Warrensille Heights City School District

General Fund

Expenditures by Function

Last Ten Fiscal Years

	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)	1994	1993	1992	1991	1990
Current:										
Instruction:										
Regular	\$12,697,893	\$11,183,609	\$10,230,622	\$10,886,566	\$11,718,165	\$10,553,267	\$10,088,359	\$9,169,431	\$8,110,300	\$7,703,198
Special	935,585	996,146	945,694	623,567	618,542	846,819	717,615	744,505	673,178	763,207
Vocational	522,615	464,382	430,225	447,690	540,268	589,751	580,936	460,411	414,711	482,283
Adult/Continuing	0	403	2,206	8,505	23,985	33,296	12,856	36,952	36,533	22,474
Other	0	0	0	0	0	378,435	426,576	622,444	337,169	528,782
Support Services:										
Pupils	767,718	846,972	809,068	778,469	795,895	815,966	737,455	681,953	743,901	679,636
Instructional Staff	767,431	672,651	669,100	775,250	949,803	1,134,381	1,144,020	1,032,830	857,116	755,805
Board of Education	334,291	226,531	213,304	134,738	138,229	182,891	234,501	134,392	85,904	78,432
Administration	2,798,330	1,942,171	2,206,547	1,941,363	1,841,818	1,793,640	1,773,852	1,747,670	1,589,087	1,541,862
Fiscal	761,960	699,526	637,864	606,297	601,447	586,579	549,552	595,883	550,289	610,529
Business	243,551	236,821	287,096	260,448	276,602	217,717	225,717	218,754	212,037	203,231
Operation and										
Maintenance of Plant	2,616,087	2,517,237	2,292,187	2,212,955	2,248,115	2,538,471	2,471,265	2,420,366	2,124,409	1,945,060
Pupil Transportation	1,122,421	1,328,150	1,100,038	1,016,871	1,085,420	964,864	947,242	982,280	792,515	791,211
Central	2,688	0	0	0	0	79	0	0	0	14,986
Operation of Non-										
Instructional Services	10,362	0	18,120	69,931	0	80,997	78,315	75,149	69,638	0
Extracurricular Activities	275,691	140,523	118,512	80,434	117,288	218,027	240,391	205,847	254,550	242,061
Capital Outlay	247,033	88,371	7,719	45,803	10,400	307,053	356,745	373,550	394,531	331,927
Debt Service	20,944	36,828	95,428	142,468	43,645	111,443	118,328	125,213	132,098	1,694,402
Total	\$24,124,600	\$21,380,321	\$20,063,730	\$20,031,355	\$21,009,622	\$21,353,676	\$20,703,725	\$19,627,630	\$17,377,966	\$18,389,086

Source: School District Financial Records

(1) 1995 through 1999: Reported on GAAP Basis; All others on Cash Basis

Warrensville Heights City School District
General Fund
Revenues by Source
Last Ten Fiscal Years

	1999 (2)	1998 (2)	1997 (2)	1996 (2)	1995 (2)	1994	1993	1992	1991	1990
Taxes	\$15,907,379	\$16,295,777	\$15,906,797	\$14,719,226	\$12,519,836 (1)	\$14,055,570	\$14,467,417	\$14,260,061	\$12,949,635	\$12,674,384
Intergovernmental	8,637,616	6,611,746	7,200,363	6,466,349	5,471,609	6,286,520	5,615,115	5,734,126	5,158,629	4,962,361
Interest	274,635	231,000	216,016	159,719	155,943	127,026	116,999	139,314	177,580	161,412
Tuition and Fees	28,787	24,965	26,999	18,575	10,882	41,033	34,072	37,232	76,151	21,190
Extracurricular Activities	26,261	24,800	35,094	21,278	26,386	57,499	117,000	54,496	115,337	136,240
Rentals	450	5,249	5,218	5,679	0	0	0	0	0	0
Gifts and Donations	0	0	108	0	0	0	0	0	0	0
Miscellaneous	46,927	167,159	15,399	131,975	18,259	24,474	36,155	21,363	45,487	48,726
Total	\$24,922,055	\$23,360,696	\$23,405,994	\$21,522,801	\$18,202,915	\$20,592,122	\$20,386,758	\$20,246,592	\$18,522,819	\$18,004,313

Source: School District Financial Records

(1) A portion of the taxes revenue decrease can be attributed to a \$750,000 refund due to an overpayment.

(2) 1995 through 1999 reported on GAAP; All others on Cash Basis.

Warrensville Heights City School District
Property Tax Levies and Collections
Last Ten Calendar Years

Year (1)	Total Tax Levy	Current Collections	Percent of Current Taxes Collected	Delinquent Collections	Total Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Outstanding Delinquent Taxes To Total Tax Levy
1998	\$20,486,975	\$16,768,030	81.85%	\$808,174	17,576,204	85.79%	\$2,529,024	12.34%
1997	20,779,126	16,280,647	78.35	628,991	16,909,638	81.38	2,398,285	11.54
1996	17,823,759	16,578,937	93.02	645,807	17,224,744	96.64	2,804,418	15.73
1995	15,377,674	13,412,438	87.22	575,742	13,988,180	90.96	2,456,523	15.97
1994	13,682,122	10,420,034	76.16	569,348	10,989,382	80.32	1,793,780	13.11
1993	13,742,777	11,359,539	82.66	364,639	11,724,178	85.31	1,776,733	12.93
1992	14,062,275	11,364,803	80.82	314,374	11,679,177	83.05	1,588,171	11.29
1991	12,602,548	10,639,108	84.42	460,410	11,099,518	88.07	1,859,927	14.76
1990	12,019,404	9,759,856	81.20	351,237	10,111,093	84.12	1,364,836	11.36
1989	10,321,398	8,954,998	86.76	269,928	9,224,926	89.38	1,094,199	10.60

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

(1) Represents collection year. 1999 information cannot be presented because all collections have not been made by June 30.

(2) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Warrensville Heights City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
1999	\$229,712,370	\$656,321,057	\$19,371,420	\$22,012,977	\$53,402,319	\$213,609,276	\$302,486,109	\$891,943,310	34%
1998	226,141,040	646,117,257	19,188,230	21,804,807	54,460,497	217,841,988	299,789,767	885,764,052	34
1997	214,281,490	612,232,829	18,852,940	21,423,795	55,471,987	221,887,948	288,606,417	855,544,572	34
1996	212,780,140	607,943,257	22,118,310	25,134,443	53,453,918	213,815,672	288,352,368	846,893,372	34
1995	212,440,550	606,973,000	29,143,300	33,117,386	52,110,774	208,443,096	293,694,624	848,533,482	35
1994	219,198,030	626,280,086	20,195,680	22,949,636	58,362,850	233,451,400	297,756,560	882,681,122	34
1993	218,919,730	625,484,943	21,829,630	24,806,398	61,859,883	247,439,532	302,609,243	897,730,873	34
1992	215,116,760	614,619,314	22,130,280	25,148,045	61,803,453	247,213,812	299,050,493	886,981,171	34
1991	196,359,320	561,026,629	16,169,230	18,374,125	59,585,947	238,343,788	272,114,497	817,744,542	34
1990	195,750,020	559,285,771	26,211,930	26,211,930	55,591,008	222,364,032	277,552,958	807,861,733	34

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

(1) Assessed estimated true value is calculated by dividing the assessed value by the assessment percentage.

The percentages used in the calculation are as follows:

Real Property - 35 percent

Public Utility Tangible - 88 percent, prior to 1991, 100 percent

Tangible Personal Property - 25 percent of actual value for 1995 through 1999

Warrensville Heights City School District
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 Assessed Valuation)
Last Ten Calendar Years

Year	School Levy	Library Levy	County Levy	City Levy	Total Levy	Debt Service			
						Included in Total Levy			
						School	County	City	Total
1999	\$74.70	\$1.40	\$15.30	\$13.20	\$104.60	\$0.00	\$0.72	\$1.90	\$2.62
1998	74.70	1.40	16.60	13.20	105.90	0.00	0.60	1.90	2.50
1997	74.90	1.40	16.60	13.20	106.10	0.00	0.90	1.90	2.80
1996	75.00	1.40	16.60	13.20	106.20	0.00	0.76	1.90	2.66
1995	65.20	1.40	16.80	13.20	96.60	0.00	0.76	1.90	2.66
1994	65.20	1.00	16.80	13.20	96.20	0.00	0.68	1.90	2.58
1993	65.60	1.00	16.80	13.20	96.60	0.00	0.71	1.80	2.51
1992	65.70	1.00	16.80	13.20	96.70	0.38	0.80	1.80	2.98
1991	66.30	0.00	17.80	13.20	97.30	0.41	0.87	2.40	3.68
1990	59.40	0.00	16.30	13.20	88.90	0.42	0.80	2.40	3.62

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

Warrensville Heights City School District
*Ratio of Net General Obligation Bonded Debt to Assessed
Value and Net General Obligation Bonded Debt Per Capita
Last Ten Years*

Year	General Obligation Bonded Debt (1)	Assessed Value	Population (2)	Ratio of Debt to Assessed Value	Net Debt Per Capita
1999	0	\$302,486,109	15,739	0.00%	\$0.00
1998	0	299,789,767	15,739	0.00	0.00
1997	0	288,606,417	15,739	0.00	0.00
1996	0	288,352,368	15,739	0.00	0.00
1995	0	293,694,624	15,739	0.00	0.00
1994	108,000	297,756,560	15,739	0.04	6.86
1993	216,000	302,609,243	15,958	0.07	13.54
1992	324,000	299,050,493	16,002	0.11	20.25
1991	432,000	272,114,497	15,865	0.16	27.23
1990	540,000	277,552,958	15,745	0.19	34.30

Source: Cuyahoga County Auditor and School District Financial Records

(1) Represents general obligation bonds payable from property taxes, does not include energy conservation bonds.

(2) Estimate provided by State Census Bureau.

Warrensville Heights City School District

Computation of Legal Debt Margin

June 30, 1999

Assessed Valuation (1999)	<u>\$302,486,109</u>
Overall Debt Limit - 9% of Assessed Value (1)	\$27,223,750
Amount of Debt Applicable to Debt Limit:	
Energy Conservation Bonds	852,467
Amount Available in Debt Service Fund	<u>(236,137)</u>
Net Bonded Debt	<u>616,330</u>
<i>Overall Debt Margin</i>	<u>\$26,607,420</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$302,486
Amount of Debt Applicable	<u>0</u>
<i>Unvoted Debt Margin</i>	<u>\$302,486</u>
Additional Limit for Unvoted Energy Conservation Bond:	
Debt Limit - .9% of Assessed Valuation	\$2,722,375
Energy Conservation Bonds	<u>(852,467)</u>
<i>Additional Unvoted Debt Margin</i>	<u>\$1,869,908</u>

Source: Cuyahoga County Auditor and School District Financial Records

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

Warrensville Heights City School District
Computation of Direct and Overlapping General Obligation Debt
December 31, 1998

Jurisdiction	General Obligation Debt Outstanding (1)	Percentage Applicable to School District (2)	Amount Applicable to School District
Warrensville Heights City School District	\$0	0.00%	\$0
Cuyahoga County	154,064,636	1.19	1,833,369
Warrensville Heights City	6,495,000	95.89	6,228,056
North Randall Village	50,000	24.68	12,340
Highland Hills Village	550,000	4.50	24,750
Regional Transit Authority	102,945,000	1.19	<u>1,225,046</u>
Total			<u><u>\$9,323,561</u></u>

(1) Represents general obligation bonds payable from property taxes.

(2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 1998 collection year.

Warrensville Heights City School District
*Ratio of Annual Debt Service Expenditures For
General Obligation Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service (1)</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
1999	\$0	\$0	0	\$24,124,600	0.00%
1998	0	0	0	21,380,321	0.00
1997	0	0	0	20,063,730	0.00
1996	0	0	0	20,031,355	0.00
1995	0	0	0	21,009,622	0.00
1994	108,000	3,442	111,442	21,353,676	0.52
1993	108,000	10,328	118,328	20,703,725	0.57
1992	108,000	17,213	125,213	19,627,630	0.64
1991	108,000	24,200	132,200	17,377,966	0.76
1990	108,000	35,984	143,984	18,389,086	0.78

Source: School District Financial Records

(1) Represents general obligation bonds payable from property taxes.

Warrensville Heights City School District
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Cuyahoga County Population (1)</u>	<u>Warrensville Heights Population (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
1999	1,386,096	15,739	2,970	4.5%
1998	1,397,694	15,739	2,966	4.0
1997	1,403,217	15,739	2,948	5.0
1996	1,398,169	15,739	3,177	4.7
1995	1,403,239	15,739	3,173	5.8
1994	1,414,141	15,739	3,091	6.8
1993	1,414,141	15,958	3,048	7.6
1992	1,412,140	16,002	2,973	7.3
1991	1,404,286	15,865	2,979	5.2
1990	1,404,286	15,745	2,944	5.8

(1) Cleveland Plain Dealer Newspaper

(2) Estimate provided by the State Census Bureau

(3) School District Financial Records

(4) Represents Cuyahoga County

Warrensville Heights City School District
Property Value, Industrial Employment, Financial Institution Deposits
Last Ten Years

Year	Property Value (Real Estate Only) (3)	Industrial Employment (1)	Financial Institution Deposits (000's) Banks (2)
1999	\$656,321,057	656,600	\$57,021,360
1998	646,117,257	637,400	56,770,353
1997	612,232,829	643,800	53,941,971
1996	607,943,257	644,200	27,068,211
1995	606,973,000	636,300	22,458,573
1994	626,280,086	625,700	20,885,453
1993	625,484,943	628,100	21,009,421
1992	614,619,314	636,000	19,379,280
1991	561,026,629	647,400	18,392,243
1990	559,285,771	696,000	18,403,806

Source: Ohio Bureau of Employment Services
Federal Reserve Bank of Cleveland

(1) Represents Cuyahoga County

(2) Represents deposits made to all banks headquartered in Cuyahoga County.

(3) Represents market value

Note: Large increase in deposits due to Key Bank becoming a single charter bank in 1997.

Warrensville Heights City School District

Principal Taxpayers

Real Estate Tax

December 31, 1998

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Ranpar Properties, Incorporated	\$18,124,370	8.01%
Cleveland Electric Illuminating Company	5,939,560	2.63
BP America, Incorporated	5,273,770	2.33
GTE Mobil Net of Ohio	3,949,560	1.75
Raceways Properties, Incorporated	2,902,200	1.28
Sears Roebuck and Company	2,800,000	1.24
Pennrandall Associates	2,450,000	1.08
May Company Department Stores	2,380,000	1.05
Toys "R" Us Ohio, Incorporated	2,362,400	1.04
City of Cleveland	<u>2,334,920</u>	<u>1.03</u>
Total	<u>\$48,516,780</u>	<u>21.45%</u>
Total Assessed Value	<u>\$226,141,040</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 1998 collection year.

Warrensville Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 1998

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Sears Roebuck and Company	\$1,721,640	3.16%
Higbee Company	1,475,260	2.71
May Department Stores Company	1,159,610	2.13
Circuit City Stores, Incorporated	801,110	1.47
D I Y Home Warehouse	691,850	1.27
Burlington Coat Factory	639,610	1.18
Dicks Clothing and Sporting	571,890	1.05
Toys "R" Us Ohio, Incorporated	561,990	1.03
Office Depot, Incorporated	540,720	0.99
Carat Company, Incorporated	<u>469,650</u>	<u>0.86</u>
Total	<u>\$8,633,330</u>	<u>15.85%</u>
Total Assessed Value	<u>\$54,460,497</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 1998 collection year.

Warrensville Heights City School District*Enrollment Statistics**Last Ten Fiscal Years*

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
1999	\$24,124,600	2,970	\$8,123
1998	21,380,321	2,966	7,208
1997	20,063,730	2,948	6,806
1996	20,031,355	3,177	6,305
1995	21,009,622	3,173	6,621
1994	21,353,676	3,091	6,908
1993	20,703,725	3,048	6,793
1992	19,627,630	2,973	6,602
1991	17,377,966	2,979	5,833
1990	18,389,086	2,944	6,246

Source: School District Financial Records.

(1) 1995 through 1999 on Modified Accrual Basis.
All other years based on Cash Basis.

Warrensville Heights City School District

Teacher Education And Experience

June 30, 1999

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	101	45%
Master's Degree	119	54
Ph.D.	<u>3</u>	<u>1</u>
Total	<u>223</u>	<u>100%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	46	21%
6 - 10	41	18
11 and over	<u>136</u>	<u>61</u>
	<u>223</u>	<u>100%</u>

Source: School District Personnel Records.

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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WARRENSVILLE 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 Bablitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 11, 2000**